

Registered number: 12045243

NIX NETWORKS LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2021

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NIX NETWORKS LIMITED
REGISTERED NUMBER: 12045243

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	6	1,760,000	2,400,000
Tangible assets	7	76,836	112,840
		<u>1,836,836</u>	<u>2,512,840</u>
Current assets			
Debtors: amounts falling due within one year	8	2,033,721	865,124
Cash at bank and in hand		302,597	976,627
		<u>2,336,318</u>	<u>1,841,751</u>
Creditors: amounts falling due within one year	9	(585,274)	(1,089,359)
Net current assets		<u>1,751,044</u>	<u>752,392</u>
Total assets less current liabilities		<u>3,587,880</u>	<u>3,265,232</u>
Creditors: amounts falling due after more than one year	10	-	(56,788)
Net assets		<u><u>3,587,880</u></u>	<u><u>3,208,444</u></u>
Capital and reserves			
Called up share capital	12	100	100
Share premium account		3,137,009	3,137,009
Profit and loss account		450,771	71,335
		<u>3,587,880</u>	<u>3,208,444</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30th September 2022



A T Tupman

NIX NETWORKS LIMITED
REGISTERED NUMBER: 12045243

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

Director

The notes on pages 3 to 10 form part of these financial statements.

NIX NETWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

The company is a private limited company, which is incorporated and registered in England and Wales (no. 12045243). The address of the registered office is Mode House, Thundridge Business Park, Thundridge, Ware, SG12 0SS.

The principal activity of the company in the period is that of providing telephony services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The company has cash resources and has no further requirement for external funding in excess of current facilities and also has a high level of annuity revenue under contract. The directors have a high expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In making their assessment the directors have considered the impact on the business of the general economic environment including the ability of the company to continue to service customers, the impact on future revenues and cash collections and the financial position of the wider group. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue in respect of the supply and installation of telephone systems is recognised in full at the point of installation since the significant risks and rewards of ownership have transferred to the customer. Revenue relating to the provision of maintenance services is recognised over the period of the service contract and amounts relating to future financial periods are included in deferred income. Revenue in respect of telephony services, call lines and rentals, is recognised in the period in which the service is provided. Rentals billed relating to future financial periods are included in deferred revenue and call lines billed in arrears relating to previous financial periods are included in accrued revenue.

2.4 Leased assets: the company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

NIX NETWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the statement of income and retained earnings over its useful economic life, which the directors consider to be five years.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NIX NETWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Motor vehicles	-	25% reducing balance
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

NIX NETWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Goodwill

The directors establish a reliable estimate of the useful economic life of goodwill. This estimate is based on a variety of factors such as the expected use of the acquired assets, the expected usual life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

4. Employees

The company has no employees other than the directors, who did not receive any remuneration (2020 - £NIL).

5. Dividends

During the year the company paid dividends of £Nil (2020: £500,000).

NIX NETWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

6. Intangible assets

	Goodwill £
Cost	
At 1 January 2021	3,200,000
At 31 December 2021	<u>3,200,000</u>
Amortisation	
At 1 January 2021	800,000
Charge for the year	640,000
At 31 December 2021	<u>1,440,000</u>
Net book value	
At 31 December 2021	<u>1,760,000</u>
At 31 December 2020	<u>2,400,000</u>

NIX NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Tangible fixed assets

	Motor vehicles £
Cost or valuation	
At 1 January 2021	154,750
Disposals	(14,250)
At 31 December 2021	<u>140,500</u>
Depreciation	
At 1 January 2021	41,910
Charge for the year on owned assets	47,340
Charge for the year on financed assets	(20,600)
Disposals	(4,986)
At 31 December 2021	<u>63,664</u>
Net book value	
At 31 December 2021	<u><u>76,836</u></u>
<i>At 31 December 2020</i>	<u><u>112,840</u></u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £	2020 £
Motor vehicles	<u>61,800</u>	<u>101,207</u>
	<u><u>61,800</u></u>	<u><u>101,207</u></u>

NIX NETWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Debtors

	2021 £	2020 £
Trade debtors	77,040	111,574
Amounts owed by group undertakings	1,892,688	662,836
Other debtors	33,003	51,253
Prepayments and accrued income	-	26,461
Deferred taxation	30,990	13,000
	<u>2,033,721</u>	<u>865,124</u>

9. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	124	76,407
Amounts owed to group undertakings	-	200,473
Corporation tax	169,148	314,144
Other taxation and social security	319,310	206,608
Obligations under finance lease and hire purchase contracts	32,009	16,624
Other creditors	64,683	38,545
Accruals and deferred income	-	236,558
	<u>585,274</u>	<u>1,089,359</u>

Amounts owed to/by group undertakings are unsecured, interest free and repayable on demand.

Other creditors are amounts due to Nix Networks Services LLP.

10. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Net obligations under finance leases and hire purchase contracts	-	56,788
	<u>-</u>	<u>56,788</u>

NIX NETWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

11. Deferred taxation

	2021 £
At beginning of year	(13,000)
Charged to profit or loss	(17,990)
At end of year	(30,990)

The deferred tax asset is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(30,990)	(13,000)
	(30,990)	(13,000)

12. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
100 (2020 - 100) Ordinary shares of £1.00 each	100	100

13. Controlling party

The company is a wholly owned subsidiary of Mode Communications Limited. The company's ultimate parent entity is Ensco 1278 Limited, a company owned by a number of shareholders and individually no shareholder is able to exert control.

The smallest and largest group to consolidate the financial statements of NIX Networks Limited is Ensco 1278 Limited. The consolidated financial statements of Ensco 1278 Limited are available from the registered office.

14. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed on 30 September 2022 by Christine Dobson (senior statutory auditor) on behalf of Crowe U.K. LLP.