

Unaudited Financial Statements

Crane Communications Limited

For the Year Ended 30 June 2018

Registered number: NI014794



THURSDAY



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14/03/2019
COMPANIES HOUSE

Company Information

Directors	David McConkey Nicola McConkey Kenneth Burns
Company secretary	David McConkey
Registered number	NI014794
Registered office	Unit B5, Sydenham Business Park 17 Heron Road Belfast BT3 9LE
Accountants	Grant Thornton (NI) LLP Chartered Accountants 12 - 15 Donegall Square West Belfast BT1 6JH
Bankers	Danske Bank Donegall Square West Belfast BT1 6JS
Solicitors	Comerton & Hill 32-36 May Street Belfast BT2 7BA

Contents

	Page
Accountant's report	1
Balance sheet	2 - 3
Notes to the financial statements	4 - 11

Report to the directors on the unaudited financial statements of Crane Communications Limited for the year ended 30 June 2018

In order to assist you fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Crane Communications Limited for the year ended 30 June 2018 which comprise the Statement of comprehensive income, the Balance Sheet and the related notes from the Company's accounting records and from information and explanations you have given to us.

As a member firm of the Institute of Chartered Accountants in Ireland, we are subject to its ethical and other professional requirements which are detailed at www.charteredaccountants.ie.

This report is made solely to the Board of Directors of Crane Communications Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Crane Communications Limited and state those matters that we have agreed to state to the Board of Directors of Crane Communications Limited, as a body, in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Crane Communications Limited and its Board of Directors, as a body, for our work or for this report.

We performed this compilation engagement in accordance with International Standards on Related Services 4410 (Revised), Compilation Engagements.

It is your duty to ensure that Crane Communications Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of Crane Communications Limited. You consider that Crane Communications Limited is exempt from the statutory audit requirement for the year ended 30 June 2018.

We have not been instructed to carry out an audit or review of the financial statements of Crane Communications Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Grant Thornton (NI) LLP

Grant Thornton (NI) LLP

Chartered Accountants

Belfast

5 February 2019

Balance sheet

As at 30 June 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	5	112,202	149,008
		<u>112,202</u>	<u>149,008</u>
Current assets			
Stocks		68,986	45,986
Debtors: amounts falling due within one year	6	2,008,693	1,717,701
Cash at bank and in hand	7	80,314	586,141
		<u>2,157,993</u>	<u>2,349,828</u>
Creditors: amounts falling due within one year	8	(984,418)	(1,472,880)
Net current assets		<u>1,173,575</u>	<u>876,948</u>
Total assets less current liabilities		<u>1,285,777</u>	<u>1,025,956</u>
Creditors: amounts falling due after more than one year	9	(53,812)	(65,411)
Provisions for liabilities			
Deferred tax		(14,965)	(21,319)
		<u>(14,965)</u>	<u>(21,319)</u>
Net assets		<u>1,217,000</u>	<u>939,226</u>
Capital and reserves			
Called up share capital	11	1,000	1,000
Profit and loss account	12	1,216,000	938,226
		<u>1,217,000</u>	<u>939,226</u>

Crane Communications Limited

Registered number: NI014794

Balance sheet (continued)

As at 30 June 2018

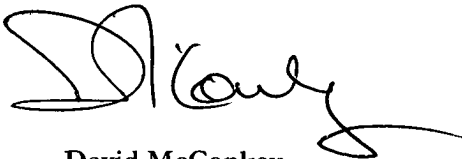
The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime in section 444(1) of the Companies Act 2006.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 February 2019.

A handwritten signature in black ink, appearing to read 'D. McConkey', with a long horizontal flourish extending to the right.

David McConkey
Director

The notes on pages 4 to 11 form part of these financial statements.

Notes to the financial statements

For the Year Ended 30 June 2018

1. General information

Crane Communications Limited is a company limited by shares and incorporated in Northern Ireland. The registered office is Unit 5, Sydenham Business Park, 17 Heron Road, Belfast, BT3 9LE. The principal activity of the company is retail distribution of video and associated equipment.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

2.2 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. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Notes to the financial statements

For the Year Ended 30 June 2018

2. Accounting policies (continued)

2.4 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

Notes to the financial statements

For the Year Ended 30 June 2018

2. Accounting policies (continued)

2.8 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property improvements	- 12.5% straight line
Motor vehicles	- 20% straight line
Fixtures and fittings	- 25% straight line

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 the Statement of comprehensive income.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 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.

2.11 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.

Notes to the financial statements

For the Year Ended 30 June 2018

2. Accounting policies (continued)

2.12 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.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

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

Estimates and judgements are required when applying accounting policies. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future, which can involve a high degree of judgement or complexity. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

a) Recoverability of debtor

Estimates are made in respect of the recoverable value of trade and other debtors. When assessing the level of provisions required, factors including current trading experience, historical experience and the aging profile of debtors are considered.

b) Carrying value of stock

Stock represents goods for resale and is measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. Provision is made for obsolete and slow moving stock based on historical experience.

4. Employees

The average monthly number of employees, including directors, during the year was 28 (2017 - 30).

Notes to the financial statements

For the Year Ended 30 June 2018

5. Tangible fixed assets

	Leasehold property improvements £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 July 2017	47,091	104,830	79,473	231,394
At 30 June 2018	47,091	104,830	79,473	231,394
Depreciation				
At 1 July 2017	9,478	15,725	57,184	82,387
Charge for the year on owned assets	5,886	20,966	9,954	36,806
At 30 June 2018	15,364	36,691	67,138	119,193
Net book value				
At 30 June 2018	31,727	68,139	12,335	112,201
At 30 June 2017	37,613	89,106	22,289	149,008

Notes to the financial statements

For the Year Ended 30 June 2018

6. Debtors

	2018 £	2017 £
Trade debtors	1,295,532	879,765
Amounts owed by group undertakings	594,124	592,874
Prepayments and accrued income	25,704	29,634
Amounts recoverable on long term contracts	93,333	215,428
	<u>2,008,693</u>	<u>1,717,701</u>

7. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	80,316	586,142
Less: bank overdrafts	(424,686)	(379,256)
	<u>(344,370)</u>	<u>206,886</u>

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	424,686	379,256
Trade creditors	266,328	511,628
Corporation tax	74,766	-
Other taxation and social security	116,145	148,943
Obligations under finance lease and hire purchase contracts	11,598	9,163
Other creditors	1,350	1,350
Accruals and deferred income	89,545	422,540
	<u>984,418</u>	<u>1,472,880</u>

Assets held as security whether or not formally charged to the bank:

- Floating charge with Negative Pledge included, over the assets of the company
- Fixed charge over book debts
- Cross Company guarantee between Hansa Enterprises Ltd and Crane Communications Limited
- Hansa Ltd has provided a letter in lien of £100,000 over deposit monies of £100,000

Notes to the financial statements

For the Year Ended 30 June 2018

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

	2018 £	2017 £
Net obligations under finance leases and hire purchase contracts	53,812	65,411
	<u>53,812</u>	<u>65,411</u>

10. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	11,598	9,162
Between 1-2 years	53,812	11,598
Between 2-5 years	-	53,812
	<u>65,410</u>	<u>74,572</u>

11. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
1,000 (2017 - 1,000) Ordinary shares of £1.00 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

12. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses.

13. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £10,347 (2017 - £11,749).

14. Related party transactions

The company is related to Hansa Enterprises Ltd as it owns 93.1% of the share capital of Crane Communications Limited. At the balance sheet date Hansa Enterprises Ltd owed £594,124 (2017: £592,674) to Crane Communications Limited. The loan is unsecured, interest free and repayable upon demand.

Notes to the financial statements

For the Year Ended 30 June 2018

15. Controlling party

The parent undertaking and ultimate controlling party is Hansa Enterprises Limited.