

Unaudited Financial Statements

Crane Communications Limited

For the Year Ended 30 June 2021



Registered number: NI014794

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

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Independent Accountant's Report to the directors of the unaudited financial statements of Crane Communications Limited for the Year Ended 30 June 2021

In order to assist you fulfil your duties under the Companies Act 2006, we have compiled the financial statements of Crane Communications Limited for the year ended 30 June 2021, which comprise the Statement of Comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes to the financial statements, including a summary of significant accounting policies, from the company's accounting records and from information and explanations you have given to us.

The financial statements have been prepared on the basis set out in the notes to the financial statements.

This report is made solely to the directors of Crane Communications Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely that we might compile the financial statements that we have been engaged to compile, report to the company's directors that we have done so and state those matters that we have agreed to state to the 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 directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with the technical guidance issued by Chartered Accountants Ireland ("the Institute") and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have approved the financial statements for the year ended 30 June 2021 and you have acknowledged on the Balance sheet as at 30 June 2021 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 in accordance with the Companies Act 2006. You consider that Crane Communications Limited is exempt from the statutory audit requirement for the year ended 30 June 2021.

We have not been instructed to carry out an audit or review 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
12 - 15 Donegall Square West
Belfast
BT1 6JH

Date: 27 October 2021

Balance sheet

As at 30 June 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	5	38,830	44,963
		<u>38,830</u>	<u>44,963</u>
Current assets			
Stocks	6	109,665	70,782
Debtors: amounts falling due within one year	7	2,431,757	1,776,689
Cash at bank and in hand	8	620,210	909,636
		<u>3,161,632</u>	<u>2,757,107</u>
Creditors: amounts falling due within one year	9	(548,683)	(711,595)
Net current assets		<u>2,612,949</u>	<u>2,045,512</u>
Total assets less current liabilities		<u>2,651,779</u>	<u>2,090,475</u>
Provisions for liabilities			
Deferred tax		(6,348)	(6,063)
		<u>(6,348)</u>	<u>(6,063)</u>
Net assets		<u><u>2,645,431</u></u>	<u><u>2,084,412</u></u>
Capital and reserves			
Called up share capital	10	1,000	1,000
Profit and loss account	11	2,644,431	2,083,412
		<u><u>2,645,431</u></u>	<u><u>2,084,412</u></u>

Crane Communications Limited

Registered number: NI014794

Balance sheet (continued)

As at 30 June 2021

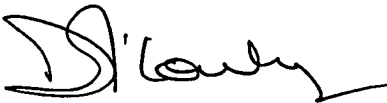
The directors considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

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 27 October 2021.



David McConkey
Director

The notes on pages 4 to 12 form part of these financial statements.

Notes to the financial statements

For the Year Ended 30 June 2021

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 judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements. In making this assessment the directors have considered the ongoing COVID-19 pandemic. Whilst the future financial impact of the outbreak is unknown at present the directors do not consider that there has been any significant detrimental impact to the business at this time.

Notes to the financial statements

For the Year Ended 30 June 2021

2. Accounting policies (continued)

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. 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.

Notes to the financial statements

For the Year Ended 30 June 2021

2. Accounting policies (continued)

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss 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.

2.8 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 profit or loss 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.

Notes to the financial statements

For the Year Ended 30 June 2021

2. Accounting policies (continued)

2.9 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.

2.10 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	- 12.5% straight line
improvements	
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 profit or loss.

Notes to the financial statements

For the Year Ended 30 June 2021

2. Accounting policies (continued)

2.11 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.

2.12 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.

2.13 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.

2.14 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.

2.15 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 profit or loss 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.

Notes to the financial statements

For the Year Ended 30 June 2021

3. Judgements 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) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on future investments, economic utilisation and the physical condition of the assets.

b) Recoverability of debtors

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.

c) 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 41 (2020 - 38).

Notes to the financial statements

For the Year Ended 30 June 2021

5. Tangible fixed assets

	Leasehold property improvements £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 July 2020	60,668	45,935	106,603
Additions	-	7,364	7,364
Disposals	-	(2,370)	(2,370)
At 30 June 2021	60,668	50,929	111,597
Depreciation			
At 1 July 2020	28,834	32,806	61,640
Charge for the year on owned assets	7,584	5,913	13,497
Disposals	-	(2,370)	(2,370)
At 30 June 2021	36,418	36,349	72,767
Net book value			
At 30 June 2021	24,250	14,580	38,830
At 30 June 2020	31,834	13,129	44,963

6. Stocks

	2021 £	2020 £
Finished goods and goods for resale	109,665	70,782
	109,665	70,782

Notes to the financial statements

For the Year Ended 30 June 2021

7. Debtors

	2021 £	2020 £
Trade debtors	1,313,536	980,669
Amounts owed by group undertaking	691,332	607,582
Other debtors	-	19,234
Prepayments and accrued income	83,449	18,439
Amounts recoverable on contracts	343,440	150,765
	<u>2,431,757</u>	<u>1,776,689</u>

8. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	620,211	909,636
	<u>620,211</u>	<u>909,636</u>

9. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	256,499	194,531
Corporation tax	64,596	143,568
Other taxation and social security	124,693	276,393
Other creditors	7,123	1,135
Accruals and deferred income	95,772	95,968
	<u>548,683</u>	<u>711,595</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 2021

10. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
1,000 (2020 - 1,000) Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

11. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses.

12. 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 £691,332 (2020: £607,582) to Crane Communications Limited. The loan is unsecured, interest free and repayable upon demand.

13. Controlling party

The immediate controlling party is Hansa Enterprises Ltd, a company incorporated in Northern Ireland.

The ultimate controlling parties of Hansa Enterprises Ltd are David and Nicola McConkey due to their shareholdings in the company.