# AML Communications Ltd

## Unaudited Financial Statements

## For Filing with Registrar

## For the year ended 31 October 2019

Company Registration No. 07590532 (England and Wales)

# AML Communications Ltd

## Company Information

| | |
|---|---|
| **Directors** | I Henderson<br>T Lloyd |
| **Company number** | 07590532 |
| **Registered office** | 103 Tea Building<br>56 Shoreditch High Street<br>London<br>E1 6JJ |
| **Accountants** | Moore Kingston Smith LLP<br>Charlotte Building<br>17 Gresse Street<br>London<br>W1T 1QL |
| **Business address** | 103 Tea Building<br>London<br>E1 6JJ |

AML Communications Ltd

Contents


| | Page |
|---|---|
| Balance sheet | 1 - 2 |
| Notes to the financial statements | 3 - 10 |

# AML Communications Ltd

## Balance Sheet

As at 31 October 2019

| | Notes | 2019 £ | 2019 £ | 2018 £ | 2018 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Intangible assets | | | - | | 145,382 |
| Tangible assets | **4** | | 29,396 | | 35,727 |
| **Current assets** | | | | | |
| Stock | | 20,425 | | 17,145 | |
| Debtors | **5** | 934,949 | | 1,152,632 | |
| Cash at bank and in hand | | 644,861 | | 223 | |
| | | 1,600,235 | | 1,170,000 | |
| **Creditors: amounts falling due within one year** | **6** | (903,072) | | (799,984) | |
| **Net current assets** | | | 697,163 | | 370,016 |
| **Total assets less current liabilities** | | | 726,559 | | 551,125 |
| **Creditors: amounts falling due after more than one year** | **7** | | (6,855) | | (50,689) |
| **Provisions for liabilities** | **8** | | (57,153) | | (58,975) |
| **Net assets** | | | 662,551 | | 441,461 |
| **Capital and reserves** | | | | | |
| Called up share capital | **9** | | 997 | | 997 |
| Share premium account | | | 21,923 | | 21,923 |
| Capital redemption reserve | | | 158 | | 158 |
| Profit and loss reserves | | | 639,473 | | 418,383 |
| **Total equity** | | | 662,551 | | 441,461 |

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 October 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 30 July 2020 and are signed on its behalf by:

T Lloyd
**Director**

**Company Registration No. 07590532**

## 1 Accounting policies

**Company information**

AML Communications is a private company limited by shares incorporated in England and Wales. The registered office is 103 Tea Building, 56 Shoreditch High Street, London, E1 6JJ.

### 1.1 Accounting convention

These financial statements have been prepared in accordance with Section 1A of FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

### 1.2 Going concern

At the balance sheet date, the company made a profit for the year of £221,090 (2018: £208,026), and had net assets at that date of £662,551 (2018: £441,461). Subsequent to the year-end, the company has continued to make a profit to date however, as a result of the impact of coronavirus and the measures taken in the UK, they are anticipating that profit levels will reduce in the coming months. The company has sufficient cash reserves at the date of approval of the financial statements, and therefore the directors believe that the company will be able to continue in business and meet its liabilities as they fall due for a period of at least twelve months from the date of approval of the financial statements.

### 1.3 Turnover

Turnover represents amounts receivable for services in the principal activity of the company net of VAT and trade discounts.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

### 1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its estimated useful economic life, usually between 5 and 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

**1 Accounting policies** **(Continued)**

**1.5 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|---|---|
| Leasehold improvements | 25% straight line |
| Plant and machinery | 25-33% straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

**1.6 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1 Accounting policies** **(Continued)**

**1.7 Stock**

Work in progress is valued at the lower of cost and net realisable value.

**1.8 Cash at bank and in hand**

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.9 Financial instruments**

The company only has basic financial instruments measured at amortised cost, with no financial instruments classified as other or basic instruments measured at fair value.

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**1.10 Equity instruments**

Equity instruments issued by the company are recorded as the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

**1 Accounting policies** **(Continued)**

**1.11 Derivatives**

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

**1.12 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1.13 Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

**1 Accounting policies** **(Continued)**

**1.14 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.15 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.16 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

**1.17 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

**2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 35 (2018 - 35).

## 3 Intangible fixed assets

| | Goodwill |
|---|---|
| | £ |
| **Cost** | |
| At 1 November 2018 and 31 October 2019 | 572,904 |
| **Amortisation and impairment** | |
| At 1 November 2018 | 427,522 |
| Amortisation charged for the year | 48,461 |
| Impairment losses | 96,921 |
| At 31 October 2019 | 572,904 |
| **Carrying amount** | |
| At 31 October 2019 | - |
| At 31 October 2018 | 145,382 |

During the year the goodwill amount relating to Alison Mitchell Limited was fully impaired.

Goodwill relates to the transfer of the trade and assets from Allison Mitchell Limited and Score Communications Limited, the company's former subsidiaries.

## 4 Tangible fixed assets

| | Land and buildings | Plant and machinery etc | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Cost** | | | |
| At 1 November 2018 | 67,878 | 118,201 | 186,079 |
| Additions | - | 28,554 | 28,554 |
| At 31 October 2019 | 67,878 | 146,755 | 214,633 |
| **Depreciation and impairment** | | | |
| At 1 November 2018 | 40,090 | 110,262 | 150,352 |
| Depreciation charged in the year | 19,167 | 15,718 | 34,885 |
| At 31 October 2019 | 59,257 | 125,980 | 185,237 |
| **Carrying amount** | | | |
| At 31 October 2019 | 8,621 | 20,775 | 29,396 |
| At 31 October 2018 | 27,788 | 7,939 | 35,727 |

Within Plant and Machinery assets with a net book value of £14,896 are held under finance leases.

## 5 Debtors

| Amounts falling due within one year: | 2019 £ | 2018 £ |
|---|---|---|
| Trade debtors | 676,338 | 675,434 |
| Corporation tax recoverable | - | 77,799 |
| Other debtors | 258,611 | 399,399 |
| | 934,949 | 1,152,632 |

## 6 Creditors: amounts falling due within one year

| | 2019 £ | 2018 £ |
|---|---|---|
| Bank loans and overdrafts | - | 43,918 |
| Trade creditors | 292,789 | 195,592 |
| Corporation tax | 10,679 | 53,766 |
| Other taxation and social security | 143,231 | 111,505 |
| Other creditors | 456,373 | 395,203 |
| | 903,072 | 799,984 |

## 7 Creditors: amounts falling due after more than one year

| | 2019 £ | 2018 £ |
|---|---|---|
| Preference shares classed as a financial liability | 6,855 | 50,689 |

## 8 Provisions for liabilities

| | 2019 £ | 2018 £ |
|---|---|---|
| Dilapidations | 55,635 | 55,635 |
| Deferred tax liabilities | 1,518 | 3,340 |
| | 57,153 | 58,975 |

## 9 Called up share capital

| | 2019 | 2018 |
|---|---|---|
| | £ | £ |
| **Ordinary share capital** | | |
| **Issued and fully paid** | | |
| 9,977 Ordinary shares of 10p each | 997 | 997 |
| | 997 | 997 |

## 10 Operating lease commitments

**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

| | 2019 | 2018 |
|---|---|---|
| | £ | £ |
| | 79,287 | 255,000 |

## 11 Related party transactions

During the year, the company was invoiced £13,760 (2018: £15,489) by Ian Henderson Communications Ltd, a company registered in England and Wales with a common director. Included in trade creditors is a balance of £1,560 (2018: £5,600).

During the year dividends of £nil (2018: £96,443) were paid to the directors. At the year end, the directors owed the company £nil (2018: £1,457).