

**Company Registration No. 04544886 (England and Wales)**

**RADIOCOMS SYSTEMS LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**  
**PAGES FOR FILING WITH REGISTRAR**

**RADIOCOMS SYSTEMS LIMITED**

**CONTENTS**

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	<b>Page</b>
Balance sheet	1
Notes to the financial statements	2 - 10

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# RADIOCOMS SYSTEMS LIMITED

## BALANCE SHEET

AS AT 30 SEPTEMBER 2019

Company Registration No. 04544886

		2019		2018	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	3		38,325		20,086
Tangible assets	4		613,645		432,568
Investments	5		2,294,858		2,294,858
			<u>2,946,828</u>		<u>2,747,512</u>
<b>Current assets</b>					
Stocks		532,405		655,112	
Debtors	6	3,810,073		3,570,255	
Cash at bank and in hand		174		28,461	
		<u>4,342,652</u>		<u>4,253,828</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(3,675,154)</u>		<u>(3,508,610)</u>	
<b>Net current assets</b>			<u>667,498</u>		<u>745,218</u>
<b>Total assets less current liabilities</b>			<u>3,614,326</u>		<u>3,492,730</u>
<b>Creditors: amounts falling due after more than one year</b>	8		(603,628)		(775,481)
<b>Provisions for liabilities</b>			<u>(83,152)</u>		<u>(60,668)</u>
<b>Net assets</b>			<u>2,927,546</u>		<u>2,656,581</u>
<b>Capital and reserves</b>					
Called up share capital	9		100		100
Profit and loss reserves			2,927,446		2,656,481
<b>Total equity</b>			<u>2,927,546</u>		<u>2,656,581</u>

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 30 September 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 Companies Act 2006 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 10 June 2020 and are signed on its behalf by:

Mr M J Blythe  
**Director**

# **RADIOCOMS SYSTEMS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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### **1 Accounting policies**

#### **Company information**

Radiocom Systems Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 3, The Chase Centre, 8 Chase Road, Park Royal, London, NW10 6QD.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with 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 disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £.

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

The company has taken advantage of the exemption under section 383 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Radiocom Systems Limited is a wholly owned subsidiary of Radiocom Holdings Limited.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

The company sells radio communication equipment. Sale of goods is recognised when the company has delivered the products to the customers and the title has passed.

The company sells maintenance services. Revenue is recognised when services are rendered.

The company also provides hire of equipment. Revenue is recognised in the period the hire is provided, using a straight-line basis over the term of the contract.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### **1.4 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

# RADIOCOMS SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

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### 1 Accounting policies

(Continued)

Amortisation 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:

Software	20% reducing balance
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#### 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:

Land and buildings Leasehold	Over the remaining period of the lease
Plant and machinery	20% Straight line/Reducing balance method and over term of equipment
Computer equipment	20% Reducing balance method
Motor vehicles	25% Reducing balance method

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.

Leased assets are depreciated over the shorter of the lease term and the estimated useful life of the asset.

#### 1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.7 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.

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

# RADIOCOMS SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2019

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#### 1 Accounting policies

(Continued)

##### 1.9 Cash and cash equivalents

Cash and cash equivalents 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.

##### 1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### 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.

##### Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### 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.

# RADIOCOMS SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2019

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#### 1 Accounting policies

(Continued)

##### 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.

##### Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### 1.11 Equity instruments

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

#### 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.

## **RADIOCOMS SYSTEMS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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#### **1 Accounting policies**

**(Continued)**

##### **1.13 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.

##### **1.14 Retirement benefits**

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

##### **1.15 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 profit or loss 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 profit or loss 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 leases asset are consumed.

#### **2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 31 (2018 - 29).

**RADIOCOMS SYSTEMS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**3 Intangible fixed assets**

	<b>Software £</b>
<b>Cost</b>	
At 1 October 2018	75,390
Additions	25,680
	<u>101,070</u>
At 30 September 2019	101,070
<b>Amortisation and impairment</b>	
At 1 October 2018	55,304
Amortisation charged for the year	7,441
	<u>62,745</u>
At 30 September 2019	62,745
<b>Carrying amount</b>	
At 30 September 2019	<u>38,325</u>
At 30 September 2018	<u>20,086</u>

**4 Tangible fixed assets**

	<b>Land and buildings Leasehold £</b>	<b>Plant and machinery £</b>	<b>Computer equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 October 2018	31,627	1,425,545	240,402	24,485	1,722,059
Additions	-	353,751	37,781	-	391,532
	<u>31,627</u>	<u>1,779,296</u>	<u>278,183</u>	<u>24,485</u>	<u>2,113,591</u>
At 30 September 2019	31,627	1,779,296	278,183	24,485	2,113,591
<b>Depreciation and impairment</b>					
At 1 October 2018	24,099	1,034,277	213,294	17,821	1,289,491
Depreciation charged in the year	4,586	193,591	11,020	1,258	210,455
	<u>28,685</u>	<u>1,227,868</u>	<u>224,314</u>	<u>19,079</u>	<u>1,499,946</u>
At 30 September 2019	28,685	1,227,868	224,314	19,079	1,499,946
<b>Carrying amount</b>					
At 30 September 2019	<u>2,942</u>	<u>551,428</u>	<u>53,869</u>	<u>5,406</u>	<u>613,645</u>
At 30 September 2018	<u>7,528</u>	<u>391,268</u>	<u>27,108</u>	<u>6,664</u>	<u>432,568</u>

**5 Fixed asset investments**

	<b>2019 £</b>	<b>2018 £</b>
Investments	2,294,858	2,294,858
	<u>2,294,858</u>	<u>2,294,858</u>

**RADIOCOMS SYSTEMS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**5 Fixed asset investments (Continued)**

**Fixed asset investments not carried at market value**

Fixed asset investment comprise equity shares in Radiocom products Limited which is not publicly quoted.

**Movements in fixed asset investments**

	<b>Shares in group undertakings £</b>
<b>Cost or valuation</b>	
At 1 October 2018 & 30 September 2019	2,294,858
<b>Carrying amount</b>	
At 30 September 2019	2,294,858
At 30 September 2018	2,294,858

**6 Debtors**

	<b>2019 £</b>	<b>2018 £</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	1,651,098	1,494,769
Corporation tax recoverable	81,787	73,305
Other debtors	1,977,188	1,902,181
	<u>3,710,073</u>	<u>3,470,255</u>
<b>Amounts falling due after more than one year:</b>		
Other debtors	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
<b>Total debtors</b>	<u>3,810,073</u>	<u>3,570,255</u>

**RADIOCOMS SYSTEMS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**7 Creditors: amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	688,861	343,701
Trade creditors	1,800,349	1,371,229
Amounts owed to group undertakings	5,701	7,468
Corporation tax	12,569	43,055
Other taxation and social security	175,634	205,570
Other creditors	992,040	1,537,587
	<u>3,675,154</u>	<u>3,508,610</u>

Other creditors includes net obligation on assets held under finance leases.

**8 Creditors: amounts falling due after more than one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	450,000	450,000
Other creditors	153,628	325,481
	<u>603,628</u>	<u>775,481</u>

Other creditors includes net obligation on assets held under finance leases.

The bank loans and overdrafts represent the advance that the bank offered to the company over its trade debtors, which is charged on its book debts.

**9 Called up share capital**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

**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:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
	513,178	746,250
	<u>513,178</u>	<u>746,250</u>

## **RADIOCOMS SYSTEMS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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#### **11 Related party transactions**

##### **Transactions with related parties**

At the balance sheet date, £251,651 (2018: £225,551) was due from M J Blythe, a director of the company.

At the balance sheet date, £Nil (2018: £82,077) was due from Radiomark Communications Limited, a company controlled by Mr M J Blythe.

In 2016, the company sold equipment of £406,624 to Radiomark Communications Limited. Subsequently, the equipment is being leased back with monthly lease payment of £12,320 for a period of 35 months.

At the balance sheet date, £439,250 (2018: £1,006,750) was due to to A H Mundy, a director of the company.

During the year, the company paid £18,000 (2018: £18,000) consultancy fees to A H Mundy & Associates, a business operated by Mr A H Mundy.

At the balance sheet date, £5,701 (2018: £7,468) was owed to London Communications Ltd.

During the year the company paid reimbursed expenses of £384,022 (2018 : £437,485) to London Communications Ltd.

During the year, the company received dividends of £89,472 (2018: £133,623) from Radiocom Products Limited, a wholly owned subsidiary of the company.

The acquisition of Radiocom Products Ltd and London Communications Ltd in October 2014 included terms for the grant of a call option to Bulldog Corporate Finance Ltd, a company wholly owned by A H Mundy over the aerial sites owned by London Communications Ltd at the tax written down value of the assets at the date of exercise; and a put option to Bulldog Corporate Finance Ltd to put the aerial sites to Radiocom Systems Ltd at an exercise price of £1.25 million plus the tax written down value of the aerial sites at the date of exercise. Both options were exercisable from 14 October 2014. Both the put and call options were exercised last year and Radiocom Systems Ltd entered into a sale agreement with LDRN (UK) Ltd, a company wholly owned by Bulldog Corporate Finance Ltd for £1.25m, and a licence agreement for the use of the asset pertaining to the sale agreement.

#### **12 Parent company**

The ultimate parent company is Radiocom Holdings Limited, a company incorporated in England and Wales.

