

REGISTERED NUMBER: 00603500 (England and Wales)

GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019
FOR
SOUTH MIDLANDS COMMUNICATIONS LIMITED

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FOR THE YEAR ENDED 30 JUNE 2019**

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SOUTH MIDLANDS COMMUNICATIONS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019

DIRECTORS:	B.D Gardner M. D Gardner Mrs J. Y Diamond Mrs S Nutbrown S Hey R H Haslett
REGISTERED OFFICE:	S M House School Close Chandlers Ford Industrial Estate Eastleigh Hampshire SO53 4BY
REGISTERED NUMBER:	00603500 (England and Wales)
AUDITORS:	Martin and Company Audit Limited Chartered Accountants and Statutory Auditors 25 St Thomas Street Winchester Hampshire SO23 9HJ
BANKERS:	National Westminster Bank Plc 123 Winchester Road Chandlers Ford Eastleigh Hampshire SO53 2UA

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2019

The directors present their strategic report of the company and the group for the year ended 30 June 2019.

Review of the business

This year reflects another step forward in the progress of the group.

The group has achieved an excellent turnover of £4,797,505 resulting in a net profit of £17,645.

The balance sheet continues to show a very healthy state of affairs.

The group enters the new financial year with a strong order book and therefore the directors are confident that 2020 will also see another good set of results.

Discontinued or new business areas

There have been no changes to the principal activities of the group.

Capital investments

The group continues to invest in plant and equipment and research and development.

Funding

The group operates well within its banking arrangements with Natwest Plc.

People

The group employs over 50 staff, most are long term employees, all are critical to the success of the business.

Health and safety

The group recognises that health and safety in the work place is paramount and it is therefore taken very seriously. The directors believe that they have all the necessary policies in place to safeguard the welfare of the staff.

Key performance indicators

The group monitors financial and non-financial performance measures on a monthly basis. These, combined with monthly management accounts allow the group to track trading margins, relative to budgets and forecasts.

Business continuity

The group has contingency plans and a comprehensive insurance package in place that would respond in the event of a major disaster to ensure the group's ability to continue supplying its customers and meeting its financial obligations.

Financial risk management objectives and policies

The directors aim to minimise the financial risk to the group and manage this as follows:

Interest rate risk

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2019

The group does not have a significant interest rate exposure.

Credit risk

The group monitors and checks the credit ratings of its customers closely, which together with monitoring payment performance on a regular basis, the directors consider that this policy meets the objective of managing and minimising exposure to credit risk.

Liquidity risk

The group controls cashflow by careful budgeting which ensures liquidity is maintained.

Currency risk

The group does have a significant currency risk exposure due to the majority of its turnover coming from overseas. This is managed by having other currency bank accounts and the hedging of currency.

ON BEHALF OF THE BOARD:

Mrs J. Y Diamond - Director

14 January 2020

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2019

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2019.

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2019.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2018 to the date of this report.

B.D Gardner
M. D Gardner
Mrs J. Y Diamond
Mrs S Nutbrown
S Hey

Other changes in directors holding office are as follows:

N StJ Hopkins - resigned 14 October 2018
R H Haslett - appointed 15 October 2018

POLITICAL AND CHARITABLE CONTRIBUTIONS

Neither the company or any of its subsidiaries made any political donations or incurred any political expenditure during the year.

The company made charitable donations of £2,720 (2018: £1,027) during the year. None were made by the company's subsidiaries.

POLICY ON PAYMENT OF CREDITORS

The company makes purchases from suppliers according to the terms and conditions agreed in advance between the two parties. Payments are made to suppliers when goods or services have been received and the terms and conditions of the agreement have been met.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2019

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD:

Mrs J. Y Diamond - Director

14 January 2020

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SOUTH MIDLANDS COMMUNICATIONS LIMITED**

Opinion

We have audited the financial statements of South Midlands Communications Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2019 which comprise the Consolidated Statement of Income and Retained Earnings, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 June 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law.

Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements

that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial

statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which
 - the financial statements are prepared is consistent with the financial statements; and
 - the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.
-

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOUTH MIDLANDS COMMUNICATIONS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you

if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs

(UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the

Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those

matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent

permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's

members as a body, for our audit work, for this report, or for the opinions we have formed.

**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	30.6.19 £	£	30.6.18 £	£
TURNOVER	3	4,797,505		5,674,037	
Cost of sales		<u>3,450,624</u>		<u>3,992,986</u>	
GROSS PROFIT		1,346,881		1,681,051	
Distribution costs		362,494		345,568	
Administrative expenses		<u>991,969</u>		<u>1,058,153</u>	
		1,354,463		1,403,721	
		(7,582)		277,330	
Other operating income		119		-	
OPERATING (LOSS)/PROFIT	5	<u>(7,463)</u>		<u>277,330</u>	
Interest receivable and similar income		388		198	
(LOSS)/PROFIT BEFORE TAXATION		<u>(7,075)</u>		<u>277,528</u>	
Tax on (loss)/profit	6	<u>(24,720)</u>		<u>(17,885)</u>	
PROFIT FOR THE FINANCIAL YEAR		17,645		295,413	
Retained earnings at beginning of year		4,315,651		4,020,238	
RETAINED EARNINGS FOR THE GROUP AT END OF YEAR		<u>4,333,296</u>		<u>4,315,651</u>	
Profit attributable to: Owners of the parent		<u>17,645</u>		<u>295,413</u>	

**CONSOLIDATED BALANCE SHEET
30 JUNE 2019**

	Notes	30.6.19		30.6.18	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		-		-
Tangible assets	9		2,229,578		2,280,601
Investments	10		-		-
			<u>2,229,578</u>		<u>2,280,601</u>
CURRENT ASSETS					
Stocks	11	3,681,024		3,478,726	
Debtors	12	1,520,309		1,338,341	
Cash at bank		<u>813,957</u>		<u>1,291,800</u>	
		6,015,290		6,108,867	
CREDITORS					
Amounts falling due within one year	13	<u>865,150</u>		<u>1,027,395</u>	
NET CURRENT ASSETS			5,150,140		<u>5,081,472</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,379,718</u>		<u>7,362,073</u>
CAPITAL AND RESERVES					
Called up share capital	15		1,144,250		1,144,250
Revaluation reserve	16		1,886,574		1,886,574
Capital redemption reserve	16		5,750		5,750
Other reserves	16		9,848		9,848
Retained earnings	16		4,333,296		<u>4,315,651</u>
SHAREHOLDERS' FUNDS			<u>7,379,718</u>		<u>7,362,073</u>

The financial statements were approved by the Board of Directors on 14 January 2020 and were signed on its behalf by:

Mrs J. Y Diamond - Director

**COMPANY BALANCE SHEET
30 JUNE 2019**

	Notes	30.6.19		30.6.18	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		-		-
Tangible assets	9		2,228,151		2,279,083
Investments	10		12,484		<u>12,494</u>
			<u>2,240,635</u>		<u>2,291,577</u>
CURRENT ASSETS					
Stocks	11	1,117,288		987,235	
Debtors	12	3,834,012		3,629,241	
Cash at bank		607,733		<u>932,083</u>	
		<u>5,559,033</u>		5,548,559	
CREDITORS					
Amounts falling due within one year	13	<u>365,690</u>		<u>479,650</u>	
NET CURRENT ASSETS			<u>5,193,343</u>		<u>5,068,909</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,433,978</u>		<u>7,360,486</u>
CAPITAL AND RESERVES					
Called up share capital	15		1,144,250		1,144,250
Revaluation reserve	16		1,723,778		1,723,778
Capital redemption reserve	16		5,750		5,750
Retained earnings	16		4,560,200		<u>4,486,708</u>
SHAREHOLDERS' FUNDS			<u>7,433,978</u>		<u>7,360,486</u>
Company's profit for the financial year			<u>73,492</u>		<u>571,314</u>

The financial statements were approved by the Board of Directors on 14 January 2020 and were signed on its behalf by:

Mrs J. Y Diamond - Director

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	30.6.19 £	30.6.18 £
Cash flows from operating activities			
Cash generated from operations	1	(482,182)	(424,602)
Tax paid		24,720	(3,264)
Net cash from operating activities		<u>(457,462)</u>	<u>(427,866)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(20,759)	(48,425)
Sale of fixed asset investments		(10)	(10)
Interest received		388	198
Net cash from investing activities		<u>(20,381)</u>	<u>(48,237)</u>
Decrease in cash and cash equivalents		<u>(477,843)</u>	<u>(476,103)</u>
Cash and cash equivalents at beginning of year	2	1,291,800	1,767,903
Cash and cash equivalents at end of year	2	<u>813,957</u>	<u>1,291,800</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019****1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	30.6.19	30.6.18
	£	£
(Loss)/profit before taxation	(7,075)	277,528
Depreciation charges	71,536	74,975
Loss on disposal of fixed assets	255	547
Finance income	(388)	(198)
	64,328	352,852
(Increase)/decrease in stocks	(202,298)	24,801
Increase in trade and other debtors	(181,967)	(363,633)
Decrease in trade and other creditors	(162,245)	(438,622)
Cash generated from operations	<u>(482,182)</u>	<u>(424,602)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 June 2019

	30.6.19	1.7.18
	£	£
Cash and cash equivalents	<u>813,957</u>	<u>1,291,800</u>

Year ended 30 June 2018

	30.6.18	1.7.17
	£	£
Cash and cash equivalents	<u>1,291,800</u>	<u>1,767,903</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. STATUTORY INFORMATION

South Midlands Communications Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax. The group has one main source of income which comprises of the sale of commercial radio communications equipment and systems.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on the following basis:

Freehold property - 2% on cost
Fixtures and fittings - 15-25% on reducing balance
Motor vehicles - 25% on reducing balance
Plant and machinery - 15% on reducing balance

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.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2019

2. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classified as financial liabilities. Financial liabilities are presented as such in the balance sheet. Financial costs and gains or losses relating to financial liabilities are included in the profit and loss account. Financial costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Judgements and estimation uncertainty

The directors have made judgements in relation to whether there are any indicators of impairment of the company's tangible fixed assets.

Estimation uncertainty relates to tangible fixed assets, turnover, stock and work in progress.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2019****3. TURNOVER**

The turnover and loss (2018 - profit) before taxation are attributable to the principal activities of the group.

An analysis of turnover by geographical market is given below:

	30.6.19	30.6.18
	£	£
Rest of World	3,769,531	4,531,178
United Kingdom	559,528	603,921
Europe	468,446	538,938
	<u>4,797,505</u>	<u>5,674,037</u>

4. EMPLOYEES AND DIRECTORS

	30.6.19	30.6.18
	£	£
Wages and salaries	1,759,013	1,740,743
Social security costs	119,572	121,617
Other pension costs	48,969	44,334
	<u>1,927,554</u>	<u>1,906,694</u>

The average number of employees during the year was as follows:

	30.6.19	30.6.18
Selling and distribution	15	14
Production and design	34	34
Administration	11	11
	<u>60</u>	<u>59</u>

The average number of employees by undertakings that were proportionately consolidated during the year was
NIL (2018 - NIL).

	30.6.19	30.6.18
	£	£
Directors' remuneration	157,091	199,066
Directors' pension contributions to money purchase schemes	<u>13,155</u>	<u>13,426</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>5</u>	<u>5</u>
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2019**

5. OPERATING (LOSS)/PROFIT

The operating loss (2018 - operating profit) is stated after charging:

	30.6.19	30.6.18
	£	£
Depreciation - owned assets	71,537	74,975
Loss on disposal of fixed assets	255	547
Auditors' remuneration	6,979	6,400
Auditors' remuneration for non audit work	<u>6,000</u>	<u>7,546</u>

6. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	30.6.19	30.6.18
	£	£
Current tax:		
UK corporation tax	(24,720)	3,264
Deferred tax	-	(21,149)
Tax on (loss)/profit	<u>(24,720)</u>	<u>(17,885)</u>

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	30.6.19	30.6.18
	£	£
(Loss)/profit before tax	<u>(7,075)</u>	<u>277,528</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(1,344)	52,730
Effects of:		
Income not taxable for tax purposes	-	(61,688)
Depreciation in excess of capital allowances	9,333	4,706
Utilisation of tax losses	49,716	81,985
Adjustments to tax charge in respect of previous periods	-	(11,400)
Research and development deduction	(82,425)	(63,069)
Deferred tax	-	(21,149)
Total tax credit	<u>(24,720)</u>	<u>(17,885)</u>

7. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2019**

8. INTANGIBLE FIXED ASSETS**Group****Goodwill
£****COST**At 1 July 2018
and 30 June 2019**180,500****AMORTISATION**At 1 July 2018
and 30 June 2019**180,500****NET BOOK VALUE**

At 30 June 2019

-

At 30 June 2018

-**Company****Goodwill
£****COST**At 1 July 2018
and 30 June 2019**180,500****AMORTISATION**At 1 July 2018
and 30 June 2019**180,500****NET BOOK VALUE**

At 30 June 2019

-

At 30 June 2018

-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2019**

9. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 July 2018	2,400,434	652,748	145,211	9,300	3,207,693
Additions	-	12,679	8,080	-	20,759
Disposals	-	(616)	(1,647)	-	(2,263)
At 30 June 2019	<u>2,400,434</u>	<u>664,811</u>	<u>151,644</u>	<u>9,300</u>	<u>3,226,189</u>
DEPRECIATION					
At 1 July 2018	280,837	518,464	123,722	4,069	927,092
Charge for year	38,798	24,368	7,063	1,308	71,537
Eliminated on disposal	-	(570)	(1,448)	-	(2,018)
At 30 June 2019	<u>319,635</u>	<u>542,262</u>	<u>129,337</u>	<u>5,377</u>	<u>996,611</u>
NET BOOK VALUE					
At 30 June 2019	<u>2,080,799</u>	<u>122,549</u>	<u>22,307</u>	<u>3,923</u>	<u>2,229,578</u>
At 30 June 2018	<u>2,119,597</u>	<u>134,284</u>	<u>21,489</u>	<u>5,231</u>	<u>2,280,601</u>

Included in cost of land and buildings is freehold land of £830,000 (2018 - £830,000) which is not depreciated.

Company

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 July 2018	2,400,434	580,997	143,515	9,300	3,134,246
Additions	-	12,679	8,080	-	20,759
Disposals	-	(616)	(1,647)	-	(2,263)
At 30 June 2019	<u>2,400,434</u>	<u>593,060</u>	<u>149,948</u>	<u>9,300</u>	<u>3,152,742</u>
DEPRECIATION					
At 1 July 2018	280,837	448,048	122,209	4,069	855,163
Charge for year	38,798	24,338	7,002	1,308	71,446
Eliminated on disposal	-	(570)	(1,448)	-	(2,018)
At 30 June 2019	<u>319,635</u>	<u>471,816</u>	<u>127,763</u>	<u>5,377</u>	<u>924,591</u>
NET BOOK VALUE					
At 30 June 2019	<u>2,080,799</u>	<u>121,244</u>	<u>22,185</u>	<u>3,923</u>	<u>2,228,151</u>
At 30 June 2018	<u>2,119,597</u>	<u>132,949</u>	<u>21,306</u>	<u>5,231</u>	<u>2,279,083</u>

Included in cost of land and buildings is freehold land of £ 830,000 (2018 - £ 830,000) which is not depreciated.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2019**

10. FIXED ASSET INVESTMENTS

Company

**Shares in
group
undertakings
£**

COST

At 1 July 2018

12,494

Disposals

(10)

At 30 June 2019

12,484

NET BOOK VALUE

At 30 June 2019

12,484

At 30 June 2018

12,494

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Communication Technical Services Limited

Registered office: United Kingdom

Nature of business: Dormant

	%		
Class of shares:	holding		
Ordinary	100.00	30.6.19	30.6.18
		£	£
Aggregate capital and reserves		<u>300</u>	<u>300</u>

Hilomast Limited

Registered office: United Kingdom

Nature of business: Dormant

	%		
Class of shares:	holding		
Ordinary	100.00	30.6.19	30.6.18
		£	£
Aggregate capital and reserves		<u>7,400</u>	<u>7,400</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2019****10. FIXED ASSET INVESTMENTS - continued****Minns Baluns Limited**

Registered office: United Kingdom

Nature of business: Dissolved

Class of shares:	%		
Ordinary	holding		
	100.00	30.6.19	30.6.18
		£	£
Aggregate capital and reserves		<u>-</u>	<u>10</u>

Sarl Astel Communications

Registered office: France

Nature of business: Radio Communications

Class of shares:	%		
Ordinary	holding		
	100.00	30.6.19	30.6.18
		£	£
Aggregate capital and reserves		4,090	9,750
Loss for the year		<u>(5,660)</u>	<u>(290,381)</u>

Hilomast LLC

Registered office: USA

Nature of business: Mast manufacture and sales

Class of shares:	%		
Ordinary	holding		
	100.00	30.6.19	30.6.18
		£	£
Aggregate capital and reserves		93,245	91,021
Profit for the year		<u>2,225</u>	<u>26,880</u>

South Midlands Communications SL

Registered office: Spain

Nature of business: Property development

Class of shares:	%		
Ordinary	holding		
	100.00	30.6.19	30.6.18
		£	£
Aggregate capital and reserves		(233,850)	(176,701)
Loss for the year		<u>(57,149)</u>	<u>(44,522)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2019**

10. FIXED ASSET INVESTMENTS - continued

SMC Solutions LLC

Registered office: USA

Nature of business: Manufacturing masthead vehicles

Class of shares:	%		
Ordinary	holding		
	100.00	30.6.19	30.6.18
		£	£
Aggregate capital and reserves		87,362	82,623
Profit for the year		<u>4,738</u>	<u>32,123</u>

11. STOCKS

	Group		Company	
	30.6.19	30.6.18	30.6.19	30.6.18
	£	£	£	£
Raw materials	822,711	699,714	822,711	699,714
Work-in-progress	2,294,835	2,277,277	165,793	164,253
Finished goods	563,478	501,735	128,784	123,268
	<u>3,681,024</u>	<u>3,478,726</u>	<u>1,117,288</u>	<u>987,235</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.6.19	30.6.18	30.6.19	30.6.18
	£	£	£	£
Trade debtors	1,235,552	1,132,059	982,720	866,253
Amounts owed by group undertakings	-	-	2,647,665	2,616,330
Other debtors	205,588	126,006	124,458	66,382
Prepayments and accrued income	79,169	80,276	79,169	80,276
	<u>1,520,309</u>	<u>1,338,341</u>	<u>3,834,012</u>	<u>3,629,241</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.6.19	30.6.18	30.6.19	30.6.18
	£	£	£	£
Trade creditors	461,620	503,549	280,055	286,135
Tax	87	87	87	87
Social security and other taxes	37,957	44,314	37,957	44,314
Other creditors	318,019	330,331	124	-
Accruals and deferred income	47,467	149,114	47,467	149,114
	<u>865,150</u>	<u>1,027,395</u>	<u>365,690</u>	<u>479,650</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2019**

14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	30.6.18
	30.6.19	£
In more than five years	<u>16,900</u>	<u>20,280</u>

Company

	Non-cancellable operating leases	30.6.18
	30.6.19	£
In more than five years	<u>16,900</u>	<u>20,280</u>

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.6.19	30.6.18
1,144,250	Ordinary	£1	£	£
			<u>1,144,250</u>	<u>1,144,250</u>

16. RESERVES

Group

	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Other reserves £	Totals £
At 1 July 2018	4,315,651	1,886,574	5,750	9,848	6,217,823
Profit for the year	17,645				17,645
At 30 June 2019	<u>4,333,296</u>	<u>1,886,574</u>	<u>5,750</u>	<u>9,848</u>	<u>6,235,468</u>

Company

	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 July 2018	4,486,708	1,723,778	5,750	6,216,236
Profit for the year	73,492			73,492
At 30 June 2019	<u>4,560,200</u>	<u>1,723,778</u>	<u>5,750</u>	<u>6,289,728</u>

17. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is B D Gardner (Director).