

THE ELECTRONIC FRONTIER LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 SEPTEMBER 2019

THE ELECTRONIC FRONTIER LIMITED
REGISTERED NUMBER: 02825699

BALANCE SHEET
AS AT 30 SEPTEMBER 2019

	Note		2019	2018
			£	£
Fixed assets				
Tangible assets	4		98,836	119,935
			<hr/>	<hr/>
			98,836	119,935
Current assets				
Stocks	5	1,083,046	811,368	
Debtors: amounts falling due within one year	6	1,138,426	1,730,906	
Cash at bank and in hand		141,128	114,605	
		<hr/>	<hr/>	
		2,362,600	2,656,879	
Creditors: amounts falling due within one year	7	(1,659,977)	(1,925,755)	
		<hr/>	<hr/>	
Net current assets			702,623	731,124
			<hr/>	<hr/>
Total assets less current liabilities			801,459	851,059
Provisions for liabilities				
Deferred tax	8	(13,292)	(15,828)	
		<hr/>	<hr/>	
			(13,292)	(15,828)
			<hr/>	<hr/>
Net assets			788,167	835,231
			<hr/>	<hr/>
Capital and reserves				
Called up share capital			20	20
Profit and loss account			788,147	835,211
			<hr/>	<hr/>
			788,167	835,231
			<hr/>	<hr/>

**THE ELECTRONIC FRONTIER LIMITED
REGISTERED NUMBER: 02825699**

**BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2019**

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

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R Gupta
Director

Date: 18 June 2020

The notes on pages 3 to 8 form part of these financial statements.

THE ELECTRONIC FRONTIER LIMITED

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

1. General information

The Electronic Frontier Limited is a limited liability company which is incorporated in England and Wales. Its principal activity is that of a leading specialist distributor of converged IP solutions. The address of its registered office is disclosed on the company information page.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have considered the impact of the global Covid-19 pandemic on the ability of the Company to continue trading for the foreseeable future. This review has included considering the impact of the pandemic to the date of signing the financial statements and updating financial projections and performing rigorous stress testing on these projections in respect of income and the Company's supply chain.

On this basis, the directors consider that it is appropriate to prepare the financial statements on a going concern basis.

2.3 Turnover

The turnover shown in the profit and loss account represents the value of all goods sold during the period, less returns received, at selling price exclusive of Value Added Tax. Sales are recognised at the point at which the company has fulfilled its contractual obligation and the risks and rewards attaching to the product, such as obsolescence, have been transferred to the customer.

2.4 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 improvements	-	20%	straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

THE ELECTRONIC FRONTIER LIMITED

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

2.5 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.

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.

2.6 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.

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties.

2.8 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.

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.10 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Profit and Loss Account 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.

THE ELECTRONIC FRONTIER LIMITED

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

2. Accounting policies (continued)

2.11 Provisions for liabilities

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

Provisions are charged as an expense to the Profit and Loss Account 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.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, 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.

3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2019	2018
	No.	No.
Employees	20	20

THE ELECTRONIC FRONTIER LIMITED

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

4. Tangible fixed assets

	Leashold improvements	Fixtures and fittings	Total
	£	£	£
Cost or valuation			
At 1 October 2018	79,224	214,681	293,905
Additions	2,525	21,756	24,281
Disposals	-	(9,489)	(9,489)
At 30 September 2019	<u>81,749</u>	<u>226,948</u>	<u>308,697</u>
Depreciation			
At 1 October 2018	3,775	170,195	173,970
Charge for the year	17,128	28,252	45,380
Disposals	-	(9,489)	(9,489)
At 30 September 2019	<u>20,903</u>	<u>188,958</u>	<u>209,861</u>

Net book value

At 30 September 2019

60,846**37,990****98,836****At 30 September 2018**75,44944,486119,935**5. Stocks**

	2019	2018
	£	£
Finished goods and goods for resale	1,083,046	811,368
	<u>1,083,046</u>	<u>811,368</u>

THE ELECTRONIC FRONTIER LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019****6. Debtors**

	2019 £	2018 £
Trade debtors	789,112	1,177,440
Other debtors	103,185	51,157
Prepayments and accrued income	238,834	502,309
Tax recoverable	7,295	-
	<u>1,138,426</u>	<u>1,730,906</u>

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	262,470	1,798
Trade creditors	1,209,230	1,633,935
Corporation tax	-	57,565
Other taxation and social security	124,440	48,882
Other creditors	8,776	4,506
Accruals and deferred income	55,061	179,069
	<u>1,659,977</u>	<u>1,925,755</u>

8. Deferred taxation

	2019 £	2018 £
At beginning of year	(15,828)	4,185
Charged to profit or loss	2,536	(20,013)
At end of year	<u>(13,292)</u>	<u>(15,828)</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(13,292)	(15,828)
	<u>(13,292)</u>	<u>(15,828)</u>

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

9. Contingent liabilities

The company has a cross guarantee relating to a group overdraft facility of £500,000 with Inelco Hunter Limited and Arcum Limited.

10. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £18,186 (2018: £14,456). Contributions totalling £3,922 (2018: £6,482) were payable to the fund at the balance sheet date and are included in creditors.

11. Related party transactions

The company has taken advantage of the exemption of Section 33 paragraph 33.7 from disclosing transactions with other members of the group.

12. Controlling party

The company is controlled by Arcum Limited, a company registered in England and Wales. The ultimate controlling party is JAH Curry, by virtue of his majority shareholding in Arcum Limited. Consolidated accounts of Arcum Limited can be obtained from the Registrar of Companies, Cardiff.

13. Auditor's information

The auditor's report on the financial statements for the year ended 30 September 2019 was unqualified.

The audit report was signed on 29 June 2020 by Darren O'Connor BSc (Hons) FCCA ACA (Senior Statutory Auditor) on behalf of James Cowper Kreston.