

Company Registration No. 02780264 (England and Wales)

CHALLENGER MOBILE COMMUNICATIONS LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2020

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CHALLENGER MOBILE COMMUNICATIONS LIMITED

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CHALLENGER MOBILE COMMUNICATIONS LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	3	13,750		166,200	
Tangible assets	4	814,511		1,217,903	
Investments	5	4		4	
		<u>828,265</u>		<u>1,384,107</u>	
Current assets					
Stocks		57,197		138,226	
Debtors	6	3,646,996		2,427,981	
Cash at bank and in hand		60,453		-	
		<u>3,764,646</u>		<u>2,566,207</u>	
Creditors: amounts falling due within one year	7	<u>(2,662,072)</u>		<u>(2,615,343)</u>	
Net current assets/(liabilities)		<u>1,102,574</u>		<u>(49,136)</u>	
Total assets less current liabilities		<u>1,930,839</u>		<u>1,334,971</u>	
Creditors: amounts falling due after more than one year	8	(340,426)		-	
Provisions for liabilities		<u>(231,015)</u>		<u>(210,313)</u>	
Net assets		<u><u>1,359,398</u></u>		<u><u>1,124,658</u></u>	
Capital and reserves					
Called up share capital	9	4		4	
Share premium account		4		4	
Revaluation reserve	10	220,950		197,175	
Profit and loss reserves		1,138,440		927,475	
Total equity		<u><u>1,359,398</u></u>		<u><u>1,124,658</u></u>	

CHALLENGER MOBILE COMMUNICATIONS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 JANUARY 2020

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

For the financial year ended 31 January 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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 7 May 2020 and are signed on its behalf by:

Mr J Eamens

Director

Company Registration No. 02780264

CHALLENGER MOBILE COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

Company information

Challenger Mobile Communications Limited is a private company limited by shares incorporated in England and Wales. The registered office is Communications House, Parkway, Deeside Industrial Park, Flintshire, CH5 2NS.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 it is probable will be recovered.

1.3 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 expected life, which is 5 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.

CHALLENGER MOBILE COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

(Continued)

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; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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:

Website	4 years.
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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:

Freehold land and buildings	2% on cost
Plant and equipment	at varying rates on costs
Fixtures and fittings	at varying rates on costs

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 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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

CHALLENGER MOBILE COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

(Continued)

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.

1.8 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.

1.9 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.

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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.10 Taxation

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

CHALLENGER MOBILE COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

(Continued)

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.

1.11 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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 61 (2019 - 49).

CHALLENGER MOBILE COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

3 Intangible fixed assets

	Goodwill £	Website £	Total £
Cost			
At 1 February 2019 and 31 January 2020	737,254	20,000	757,254
Amortisation and impairment			
At 1 February 2019	589,804	1,250	591,054
Amortisation charged for the year	147,450	5,000	152,450
At 31 January 2020	737,254	6,250	743,504
Carrying amount			
At 31 January 2020	-	13,750	13,750
At 31 January 2019	147,450	18,750	166,200

4 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost or valuation			
At 1 February 2019	615,000	1,907,095	2,522,095
Additions	-	132,799	132,799
Revaluation	35,000	-	35,000
At 31 January 2020	650,000	2,039,894	2,689,894
Depreciation and impairment			
At 1 February 2019	98,400	1,205,792	1,304,192
Depreciation charged in the year	13,000	558,191	571,191
At 31 January 2020	111,400	1,763,983	1,875,383
Carrying amount			
At 31 January 2020	538,600	275,911	814,511
At 31 January 2019	516,600	701,303	1,217,903

Land and buildings with a carrying amount of £650,000 were revalued at 28th November 2018 by Beresford Adams Commercial Limited, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

CHALLENGER MOBILE COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

4 Tangible fixed assets

(Continued)

If freehold property had not been revalued it would have been included at the following historical cost:

	2020 £	2019 £
Cost	410,234	410,264
Accumulated depreciation	(106,665)	(106,665)
Carrying value	<u>303,569</u>	<u>303,599</u>

5 Fixed asset investments

	2020 £	2019 £
Investments	<u>4</u>	<u>4</u>

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 February 2019 & 31 January 2020	<u>4</u>
Carrying amount	
At 31 January 2020	<u>4</u>
At 31 January 2019	<u>4</u>

6 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	58,707	83,564
Corporation tax recoverable	8,212	-
Amounts owed by group undertakings	667,974	-
Other debtors	2,912,103	2,344,417
	<u>3,646,996</u>	<u>2,427,981</u>

CHALLENGER MOBILE COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

7 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	34,609	97,877
Trade creditors	1,061,501	1,293,356
Corporation tax	128,484	103,314
Other taxation and social security	211,393	343,941
Other creditors	1,226,085	776,855
	<u>2,662,072</u>	<u>2,615,343</u>

8 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank loans and overdrafts	340,426	-
	<u>340,426</u>	<u>-</u>

9 Called up share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
202 Ordinary of 1p each	2	2
100 Ordinary B of 1p each	1	1
100 Ordinary C of 1p each	1	1
	<u>4</u>	<u>4</u>

10 Revaluation reserve

	2020 £	2019 £
At the beginning of the year	197,175	282,810
Revaluation surplus arising in the year	35,000	-
Deferred tax on revaluation of tangible assets	(4,869)	(40,385)
Other movements	(6,356)	(45,250)
	<u>220,950</u>	<u>197,175</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.