

**XN PROTEL SYSTEMS GROUP LIMITED**

**UNAUDITED**

**REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**



# XN PROTEL SYSTEMS GROUP LIMITED

## COMPANY INFORMATION

<b>Directors</b>	M C Pearman G J Spicer I H H Dignas M B Osthues D Rice
<b>Company secretary</b>	K Spedding
<b>Registered number</b>	10135622
<b>Registered office</b>	6th Floor 60 Gracechurch Street London EC3V 0HR
<b>Accountants</b>	James Cowper Kreston Chartered Accountants 2 Chawley Park Cumnor Hill Oxford OX2 9GG

# XN PROTEL SYSTEMS GROUP LIMITED

## CONTENTS

	Page
<b>Strategic report</b>	3
<b>Directors' report</b>	4
<b>Statement of profit or loss</b>	5
<b>Statement of financial position</b>	6 - 7
<b>Statement of changes in equity</b>	8
<b>Statement of cash flows</b>	9
<b>Notes to the financial statements</b>	10 - 15
<b>Detailed profit and loss account and summaries</b>	15

**XN PROTEL SYSTEMS GROUP LIMITED**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**Business review**

The results for the year and financial position of the company are as shown in the annexed financial statements.

Given the straightforward nature of the business, the directors are of the opinion that analysis using Key Performance Indicators is not necessary for an understanding of the development, performance or position of the company.

**Principal risks and uncertainties**

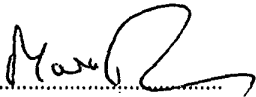
The main financial risk arising from the company's activities is liquidity risk. This is monitored by the directors and was not considered to be significant at the balance sheet date.

The company has access to funds from group undertakings and ultimate shareholders and, therefore, the directors consider that there is no significant liquidity risk.

**Financial key performance indicator**

Operating profit is the main measure used to monitor the performance of the company.

This report was approved by the board on 22 November 2019 and signed on its behalf.

  
.....  
M C Pearman  
Director

**XN PROTEL SYSTEMS GROUP LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their report and the financial statements for the year ended 31 December 2018.

**Principal activity**

The principal activity of the company in the year under review was that of a holding company.

**Results and dividends**

The loss for the year, after taxation, amounted to £3,000 (2017 - loss £4,000).

During the year the company paid no interim dividends (2017: £nil).

**Directors**

The directors who served during the year were:

M C Pearman  
G J Spicer  
I H H Dignas  
M B Osthués  
D Rice

**Financial instruments**

The company continues to finance operations from loans from shareholders.

The financial instruments utilised are those necessary to facilitate the company's ordinary activities, namely amounts owed by group undertakings and loans from shareholders.

This report was approved by the board and signed on its behalf.



.....  
**M C Pearman**  
Director

Date: 22 November 2019

**XN PROTEL SYSTEMS GROUP LIMITED**

**STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £	2017 £
Administrative expenses	(3,000)	(4,000)
<b>Loss from operations</b>	<u>(3,000)</u>	<u>(4,000)</u>
<b>Loss before tax</b>	<u>(3,000)</u>	<u>(4,000)</u>
<b>Loss for the year</b>	<u>(3,000)</u>	<u>(4,000)</u>

There was no other comprehensive income for 2018 (2017: £nil).

**XN PROTEL SYSTEMS GROUP LIMITED**  
**REGISTERED NUMBER: 10135622**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Assets</b>			
<b>Non-current assets</b>			
Investments	6	2,689,002	2,689,002
Trade and other receivables	5	128,815	388,815
		2,817,817	3,077,817
<b>Total assets</b>		2,817,817	3,077,817
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Trade and other payables	7	1,691,350	1,566,350
		1,691,350	1,566,350
<b>Current liabilities</b>			
Trade and other payables	7	280,035	662,035
		280,035	662,035
<b>Total liabilities</b>		1,971,385	2,228,385
<b>Net assets</b>		846,432	849,432
<b>Issued capital and reserves</b>			
Share capital	9	91,510	91,510
Share premium reserve		795,642	795,642
Retained earnings		(40,720)	(37,720)
<b>TOTAL EQUITY</b>		846,432	849,432

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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.

**XN PROTEL SYSTEMS GROUP LIMITED**  
**REGISTERED NUMBER: 10135622**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2018**

The financial statements on pages 5 to 15 were approved and authorised for issue by the board of directors and were signed on its behalf by:



.....  
**M C Pearman**  
Director

Date: 22 November 2019



**XN PROTEL SYSTEMS GROUP LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Share capital £	Share premium £	Retained earnings £	Total equity £
<b>At 1 January 2017</b>	91,510	795,642	(33,720)	853,432
Loss for the year	-	-	(4,000)	(4,000)
<b>Total comprehensive income for the year</b>	-	-	(4,000)	(4,000)
<b>At 31 December 2017</b>	<b>91,510</b>	<b>795,642</b>	<b>(37,720)</b>	<b>849,432</b>
<b>At 1 January 2018</b>	91,510	795,642	(37,720)	849,432
Loss for the year	-	-	(3,000)	(3,000)
<b>Total comprehensive income for the year</b>	-	-	(3,000)	(3,000)
<b>At 31 December 2018</b>	<b>91,510</b>	<b>795,642</b>	<b>(40,720)</b>	<b>846,432</b>

**XN PROTEL SYSTEMS GROUP LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Loss for the year	<b>(3,000)</b>	<b>(4,000)</b>
	<u><b>(3,000)</b></u>	<u><b>(4,000)</b></u>
<b>Movements in working capital:</b>		
Decrease in trade and other receivables	<b>260,000</b>	<b>260,000</b>
Decrease in trade and other payables	<b>(257,000)</b>	<b>(256,000)</b>
	<u><b>-</b></u>	<u><b>-</b></u>
<b>Cash and cash equivalents at the end of the year</b>	<u><u><b>-</b></u></u>	<u><u><b>-</b></u></u>

## XN PROTEL SYSTEMS GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

#### 1. Accounting policies

##### 1.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

##### 1.2 New accounting standards, interpretations and amendments

No new standards, interpretations or amendments to standards having a significant effect on the financial statements have been adopted in the year.

The following new standards, amendments to existing standards or interpretations have been issued, but are not effective for the financial year ending 31 December 2018 and have not been adopted early:

Effective date 1 January 2019:

IFRS 16 Leases

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the company.

##### 1.3 Preparation of consolidated financial statements

The company has taken advantage of the exemption conferred by the Companies Act 2006 from the requirement to prepare consolidated financial statements on the grounds that the group qualifies because of its size. The financial statements therefore present information about the company as an individual undertaking and not about the group.

##### 1.4 Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised on the difference between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable the taxable profit will be available, against which those deductible temporary differences can be utilised.

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

##### 1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

## XN PROTEL SYSTEMS GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

#### 2. Reporting entity

XN Protel Systems Group Limited (the 'company') is a limited company incorporated in England. The company's registered office is at 6th Floor, 60 Gracechurch Street, London EC3V 0HR. The company's principal activity is that of a holding company.

#### 3. Employees

The company has no employees other than the directors.

#### 4. Tax expense

##### Income tax recognised in profit or loss

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to losses for the year are as follows:

	2018 £	2017 £
Loss for the year	(3,000)	(4,000)
<b>Loss before income taxes</b>	<b>(3,000)</b>	<b>(4,000)</b>
Tax using the company's domestic tax rate of 19% (2017:19%)	(570)	(760)
Group relief	570	760
<b>Total tax expense</b>	<b>-</b>	<b>-</b>

**XN PROTEL SYSTEMS GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**5. Trade and other receivables**

	2018 £	2017 £
<b>Non current:</b>		
Amounts owed by group undertakings	<u>128,815</u>	<u>388,815</u>

**6. Investments**

	2018 £	2017 £
<b>Shares in group undertakings</b>		
Cost and net book value at 31 December	<u>2,689,002</u>	<u>2,689,002</u>

The company's investments at the statement of financial position date in the share capital of companies include the following:

**XN Protel Systems Holdings Limited**

Nature of business: Holding company

	2018 %	2017 %
<b>Class of shares:</b>		
A Ordinary	100	100
B Ordinary	100	100
	<b>2018 £</b>	<b>2017 £</b>
Aggregate capital and reserves	<u>(1,027,732)</u>	<u>(615,375)</u>
Loss for the year	<u>(412,357)</u>	<u>(452,836)</u>

## XN PROTEL SYSTEMS GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

#### 7. Trade and other payables

	2018 £	2017 £
<b>Current:</b>		
Other creditors	270,000	655,000
Accruals and deferred income	10,035	7,035
	<u>280,035</u>	<u>662,035</u>
<b>Non current:</b>		
Other creditors	<u>1,691,350</u>	<u>1,566,350</u>

#### 8. Related party disclosures

M C Pearman is a shareholder and director of the company. At the balance sheet date there were share options granted to M C Pearman but not yet exercised of 95,000 A ordinary 1p shares (2017 95,000 A ordinary 1p shares).

G J Spicer is a shareholder and director of the company. At the balance sheet date there were share options granted to G J Spicer but not yet exercised of 277,500 A ordinary 1p shares (2017 277,500 A ordinary 1p shares).

D Rice is a director of the company. At the balance sheet date there were share options granted to D Rice but not yet exercised of 100,000 A ordinary 1p shares (2017 nil). The share options granted are subject to a put option.

Little Venice Enterprises Limited is a shareholder of the company. During a prior year the company purchased shares in Xn Protel Systems Holdings Limited from Little Venice Enterprises Limited for consideration of £2,618,850. Of this amount, £1,961,350 (2017: £2,221,350) is owed to Little Venice Enterprises Limited at the balance sheet date.

At the balance sheet date the company was owed £128,815 (2017: £388,815) by its subsidiary undertaking, Xn Protel Systems Holdings Limited

**XN PROTEL SYSTEMS GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**9. Share capital**

**Authorised**

	2018 Number	2018 £	2017 Number	2017 £
<b>Shares treated as equity</b>				
A Ordinary shares of £0.01 each	6,338,078	63,381	6,338,078	63,381
B Ordinary shares of £0.01 each	2,812,932	28,129	2,812,932	28,129
	<u>9,151,010</u>	<u>91,510</u>	<u>9,151,010</u>	<u>91,510</u>

**Shares treated as liability**

**Issued and fully paid**

	2018 Number	2018 £	2017 Number	2017 £
<b>A Ordinary shares of £0.01 each</b>				
At 1 January and 31 December	<u>6,338,078</u>	<u>63,381</u>	<u>6,338,078</u>	<u>63,381</u>

	2018 Number	2018 £	2017 Number	2017 £
<b>B Ordinary shares of £0.01 each</b>				
At 1 January and 31 December	<u>2,812,932</u>	<u>28,129</u>	<u>2,812,932</u>	<u>28,129</u>

Both classes of shares have equal rights.

The company has a share option scheme in place. At the balance sheet date the number of shares for which options have been granted but not yet exercised was 892,500 (2017 992,500) A ordinary shares of 1p each. These options have not been included in the financial statements as share-based payment transactions because the directors consider the amounts to be immaterial.

## XN PROTEL SYSTEMS GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

#### 10. Financial instruments

##### **Fair values**

In the opinion of the directors there is no material difference between the carrying amount and the fair values for trade and other receivables or trade and other payables.

Exposure to credit, liquidity and market risk arises in the normal course of the company's business.

##### **Credit risk**

The carrying amount of trade and other receivables represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was £128,815 (2017: £388,815).

Credit risk is the risk of financial loss to the company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises from the company's receivables from group undertakings.

The company's policy in respect of credit risk is shown in the strategic report.

##### **Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The carrying amount of financial liabilities at 31 December 2018 was £1,971,385 (2017: £2,228,385).

The company's policy in respect of liquidity risk is shown in the strategic report.

##### **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments.

##### **Market risk - foreign currency risk**

Foreign currency risk is limited because, the majority of all financial assets and financial liabilities are denominated in Sterling.

##### **Market risk - interest rate risk**

None of the company's financial liabilities bear interest.