

Orbital Internet Group Limited
Filleted Unaudited Financial Statements
30 April 2017



BURGESS HODGSON LLP

Chartered accountant
Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

Orbital Internet Group Limited

Financial Statements

Year ended 30 April 2017

Contents	Page
Consolidated statement of financial position	1
Company statement of financial position	3
Consolidated statement of changes in equity	5
Company statement of changes in equity	6
Notes to the financial statements	7

Orbital Internet Group Limited

Consolidated Statement of Financial Position

30 April 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	4	3,750	4,500
Tangible assets	5	1,608,054	1,541,340
		<u>1,611,804</u>	<u>1,545,840</u>
Current assets			
Stocks	7	110,000	110,000
Debtors	8	480,606	392,302
Cash at bank and in hand		1,028,233	595,920
		<u>1,618,839</u>	<u>1,098,222</u>
Creditors: amounts falling due within one year	9	777,924	723,764
Net current assets		<u>840,915</u>	<u>374,458</u>
Total assets less current liabilities		2,452,719	1,920,298
Creditors: amounts falling due after more than one year	10	250,493	330,599
Provisions	11	143,856	153,529
Net assets		<u>2,058,370</u>	<u>1,436,170</u>
Capital and reserves			
Called up share capital	13	301	301
Revaluation reserve	14	74,211	75,413
Profit and loss account	14	1,983,858	1,360,456
Members funds		<u>2,058,370</u>	<u>1,436,170</u>

For the year ending 30 April 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- 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;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The consolidated statement of financial position
continues on the following page.

The notes on pages 7 to 16 form part of these financial statements.

Orbital Internet Group Limited

Consolidated Statement of Financial Position *(continued)*

30 April 2017

These financial statements were approved by the board of directors and authorised for issue on 14.06.2017, and are signed on behalf of the board by:



Mr D Brown
Director

Company registration number: 04356414

The notes on pages 7 to 16 form part of these financial statements.

Orbital Internet Group Limited

Company Statement of Financial Position

30 April 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	16,750	–
Investments	6	200	200
		<u>16,950</u>	<u>200</u>
Current assets			
Debtors	8	102,767	67,227
Cash at bank and in hand		9	10,856
		<u>98,776</u>	<u>78,083</u>
Creditors: amounts falling due within one year	9	118,933	78,933
Net current liabilities		<u>20,157</u>	<u>850</u>
Total assets less current liabilities		<u>793</u>	<u>(650)</u>
Net liabilities		<u>793</u>	<u>(650)</u>
Capital and reserves			
Called up share capital	13	301	301
Profit and loss account	14	492	(951)
Members deficit		<u>793</u>	<u>(650)</u>

The profit for the financial year of the parent company was £331,443 (2016: £170,340).

For the year ending 30 April 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- 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;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The company statement of financial position
continues on the following page.

The notes on pages 7 to 16 form part of these financial statements.

Orbital Internet Group Limited

Company Statement of Financial Position *(continued)*

30 April 2017

These financial statements were approved by the board of directors and authorised for issue on 14.06.2017 and are signed on behalf of the board by:



Mr D Brown
Director

Company registration number: 04356414

The notes on pages 7 to 16 form part of these financial statements.

Orbital Internet Group Limited

Consolidated Statement of Changes in Equity

Year ended 30 April 2017

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 May 2015	301	76,615	998,323	1,075,239
Profit for the year			532,431	532,431
Other comprehensive income for the year:				
Reclassification from revaluation reserve to profit and loss account	—	(1,202)	1,202	—
Total comprehensive income for the year	—	(1,202)	533,633	532,431
Dividends paid and payable	—	—	(171,500)	(171,500)
Total investments by and distributions to owners	—	—	(171,500)	(171,500)
At 30 April 2016	301	75,413	1,360,456	1,436,170
Profit for the year			952,200	952,200
Other comprehensive income for the year:				
Reclassification from revaluation reserve to profit and loss account	—	(1,202)	1,202	—
Total comprehensive income for the year	—	(1,202)	953,402	952,200
Dividends paid and payable	—	—	(330,000)	(330,000)
Total investments by and distributions to owners	—	—	(330,000)	(330,000)
At 30 April 2017	<u>301</u>	<u>74,211</u>	<u>1,983,858</u>	<u>2,058,370</u>

The notes on pages 7 to 16 form part of these financial statements.

Orbital Internet Group Limited

Company Statement of Changes in Equity

Year ended 30 April 2017

	Called up share capital £	Profit and loss account £	Total £
At 1 May 2015	301	209	510
Profit for the year	—	170,340	170,340
Total comprehensive income for the year	—	170,340	170,340
Dividends paid and payable	—	(171,500)	(171,500)
Total investments by and distributions to owners	—	(171,500)	(171,500)
At 30 April 2016	301	(951)	(650)
Profit for the year	—	331,443	331,443
Total comprehensive income for the year	—	331,443	331,443
Dividends paid and payable	—	(330,000)	(330,000)
Total investments by and distributions to owners	—	(330,000)	(330,000)
At 30 April 2017	<u>301</u>	<u>492</u>	<u>793</u>

The notes on pages 7 to 16 form part of these financial statements.

Orbital Internet Group Limited

Notes to the Financial Statements

Year ended 30 April 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is County House, Station Approach, Bekesbourne, Canterbury, CT4 5DT, Kent.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of Orbital Internet Group Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Orbital Internet Group Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2017

3. Accounting policies *(continued)*

Revenue recognition *(continued)*

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

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	- 5% straight line
----------	--------------------

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Orbital Internet Group Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2017

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	- 2% straight line
Long leasehold property	- 4% straight line
Fixtures and fittings	- 15% reducing balance
Motor vehicles	- 25% reducing balance

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate.

Investments in joint ventures

Investments in joint ventures are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the joint venture.

Orbital Internet Group Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2017

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Orbital Internet Group Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2017

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Orbital Internet Group Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2017

4. Intangible assets

Group	Goodwill £
Cost	
At 1 May 2016 and 30 Apr 2017	<u>15,000</u>
Amortisation	
At 1 May 2016	10,500
Charge for the year	<u>750</u>
At 30 April 2017	<u>11,250</u>
Carrying amount	
At 30 April 2017	<u>3,750</u>
At 30 April 2016	<u>4,500</u>

The company has no intangible assets.

Orbital Internet Group Limited

Notes to the Financial Statements (continued)

Year ended 30 April 2017

5. Tangible assets

Group	Freehold property £	Long leasehold property £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 May 2016	665,555	193,769	968,241	311,319	2,138,884
Additions	115,125	–	127,249	16,750	259,124
Disposals	–	–	–	(51,403)	(51,403)
At 30 April 2017	780,680	193,769	1,095,490	276,666	2,346,605
Depreciation					
At 1 May 2016	53,902	48,377	322,095	173,170	597,544
Charge for the year	11,618	6,473	134,145	29,608	181,844
Disposals	–	–	–	(40,837)	(40,837)
At 30 April 2017	65,520	54,850	456,240	161,941	738,551
Carrying amount					
At 30 April 2017	715,160	138,919	639,250	114,725	1,608,054
At 30 April 2016	611,653	145,392	646,146	138,149	1,541,340
Company					Motor vehicles £
Cost					
Additions					16,750
At 30 April 2017					16,750
Depreciation					
At 1 May 2016 and 30 Apr 2017					–
Carrying amount					
At 30 April 2017					16,750
At 30 April 2016					–

6. Investments

The group has no investments.

Company	Shares in group undertaking s £
Cost	
At 1 May 2016 and 30 Apr 2017	200
Impairment	
At 1 May 2016 and 30 Apr 2017	–

Orbital Internet Group Limited

Notes to the Financial Statements (continued)

Year ended 30 April 2017

6. Investments (continued)

Company	Shares in group undertaking £
Carrying amount At 1 May 2016 and 30 Apr 2017	200

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

Subsidiary undertakings	Registered office	Class of share	Percentage of shares held
Orbital Net Limited	County House, Station Approach, Bekesbourne, Canterbury, Kent, CT4 5DT	Ordinary	100
Vfast Limited	County House, Station Approach, Bekesbourne, Canterbury, Kent, CT4 5DT	Ordinary	100
Kent Broadband Limited	County House, Station Approach, Bekesbourne, Canterbury, Kent, CT4 5DT	Ordinary	100
Orbital Infrastructure Assets Limited	County House, Station Approach, Bekesbourne, Canterbury, Kent, CT4 5DT	Ordinary	100
Orbital Telecommunications Limited	County House, Station Approach, Bekesbourne, Canterbury, Kent, CT4 5DT	Ordinary	100

7. Stocks

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Raw materials and consumables	110,000	110,000	—	—

8. Debtors

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	339,149	219,194	—	—
Prepayments and accrued income	106,186	122,462	—	—
Directors loan account	—	6,235	78,513	46,973
Other debtors	35,271	44,411	20,254	20,254
	480,606	392,302	98,767	67,227

Orbital Internet Group Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2017

9. Creditors: amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts	49,300	76,368	—	—
Trade creditors	62,236	81,149	—	—
Accruals and deferred income	325,120	251,263	2,500	—
Corporation tax	183,000	60,688	—	—
Social security and other taxes	121,622	217,594	—	—
Obligations under finance leases and hire purchase contracts	27,693	32,283	—	—
Director loan accounts	1,886	—	—	—
Other creditors	7,067	4,419	116,433	78,933
	<u>777,924</u>	<u>723,764</u>	<u>118,933</u>	<u>78,933</u>

10. Creditors: amounts falling due after more than one year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts	241,343	292,895	—	—
Obligations under finance leases and hire purchase contracts	9,150	37,704	—	—
	<u>250,493</u>	<u>330,599</u>	<u>—</u>	<u>—</u>

The bank loans are secured against freehold property owned by the group.

11. Provisions

Group	Deferred tax (note 20) £
At 1 May 2016	153,529
Charge against provision	(9,673)
At 30 April 2017	<u>143,856</u>

The company does not have any provisions.

Orbital Internet Group Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2017

12. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Included in provisions (note 19)	<u>143,856</u>	<u>153,529</u>	<u>—</u>	<u>—</u>

13. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
A Ordinary shares of £0.01 each	22,750	228	22,750	228
B Ordinary shares of £0.01 each	6,018	60	6,018	60
C Ordinary shares of £0.01 each	<u>1,505</u>	<u>15</u>	<u>1,505</u>	<u>15</u>
	<u>30,273</u>	<u>303</u>	<u>30,273</u>	<u>303</u>

14. Reserves

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income. Profit and loss account - This reserve records retained earnings and accumulated losses.

15. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 May 2016.