

Company Registration No. 07834757 (England and Wales)

COMPASS INFRASTRUCTURE UK (CI UK) LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2019

PAGES FOR FILING WITH REGISTRAR

COMPASS INFRASTRUCTURE UK (CI UK) LIMITED

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COMPASS INFRASTRUCTURE UK (CI UK) LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2019**

		31 Dec 2019		30 June 2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	4		373,940		445,133
Current assets					
Stocks		3,842		3,842	
Debtors falling due after more than one year	5	1,060,180		1,034,322	
Debtors falling due within one year	5	3,142,802		5,732,480	
Cash at bank and in hand		765,483		1,556,090	
		<u>4,972,307</u>		<u>8,326,734</u>	
Creditors: amounts falling due within one year	6	<u>(4,817,295)</u>		<u>(9,262,558)</u>	
Net current assets/(liabilities)			<u>155,012</u>		<u>(935,824)</u>
Total assets less current liabilities			<u>528,952</u>		<u>(490,691)</u>
Creditors: amounts falling due after more than one year	7		(100,445)		(132,767)
Provisions for liabilities			<u>(31,601)</u>		<u>(41,277)</u>
Net assets/(liabilities)			<u><u>396,906</u></u>		<u><u>(664,735)</u></u>
Capital and reserves					
Called up share capital	8		2		1
Share premium account			1,699,999		-
Profit and loss reserves			<u>(1,303,095)</u>		<u>(664,736)</u>
Total equity			<u><u>396,906</u></u>		<u><u>(664,735)</u></u>

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

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 25 June 2020 and are signed on its behalf by:

Mr C H van Dommele
Director

Company Registration No. 07834757

COMPASS INFRASTRUCTURE UK (CI UK) LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Notes	Share capital £	Share premium loss account £	Profit and reserves £	Total £
Balance at 1 January 2018		1	-	1,599,300	1,599,301
Period ended 30 June 2019:					
Loss and total comprehensive income for the period		-	-	(2,264,036)	(2,264,036)
Balance at 30 June 2019		1	-	(664,736)	(664,735)
Period ended 31 December 2019:					
Loss and total comprehensive income for the period		-	-	(638,359)	(638,359)
Issue of share capital	8	1	1,699,999	-	1,700,000
Balance at 31 December 2019		2	1,699,999	(1,303,095)	396,906

COMPASS INFRASTRUCTURE UK (CI UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Compass Infrastructure UK (CI UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 7 Maitland Road, Lion Barn Industrial Estate, Needham Market, Ipswich, Suffolk, IP6 8NZ.

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 Going concern

The directors have considered the current trading position, future forecasts and the impact of COVID19 upon the basis of preparation of the financial statements. Having considered all of these factors and considering future forecasts, relationships with customers and suppliers the directors continue to adopt the going concern basis of preparation

1.3 Reporting period

The company has changed its year end from 30 June to 31 December producing accounts for a 6 month period. The comparative amounts presented in the financial statements (including the related notes) are therefore not entirely comparable.

1.4 Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

In respect of long-term contracts turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts is recognised by reference to the stage of completion.

1.5 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.

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.

COMPASS INFRASTRUCTURE UK (CI UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies **(Continued)**

1.6 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:

Property improvements	against the term of the lease
Computer equipment	3 years straight line
Motor vehicles	4 years straight line

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.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and net realisable value and relate to a holding of stationery items at the year end date.

1.9 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.

COMPASS INFRASTRUCTURE UK (CI UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.10 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.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

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

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.

COMPASS INFRASTRUCTURE UK (CI UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

COMPASS INFRASTRUCTURE UK (CI UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2019****2 Employees**

The average monthly number of persons (including directors) employed by the company during the period was 41 (30 June 2019 - 32).

3 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 July 2019 and 31 December 2019	672,132
Amortisation and impairment	
At 1 July 2019 and 31 December 2019	672,132
Carrying amount	
At 31 December 2019	-
At 30 June 2019	-

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 July 2019	209,366	598,236	807,602
Additions	-	2,307	2,307
At 31 December 2019	209,366	600,543	809,909
Depreciation and impairment			
At 1 July 2019	73,856	288,613	362,469
Depreciation charged in the period	5,234	68,266	73,500
At 31 December 2019	79,090	356,879	435,969
Carrying amount			
At 31 December 2019	130,276	243,664	373,940
At 30 June 2019	135,510	309,623	445,133

COMPASS INFRASTRUCTURE UK (CI UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2019**

5 Debtors	31 Dec 2019	30 June 2019
	£	£
Amounts falling due within one year:		
Trade debtors	1,304,572	696,270
Corporation tax recoverable	36,770	36,770
Amounts owed by group undertakings	79,204	108,047
Other debtors	1,722,256	4,891,393
	<u>3,142,802</u>	<u>5,732,480</u>
	<u><u>3,142,802</u></u>	<u><u>5,732,480</u></u>
Amounts falling due after more than one year:	31 Dec 2019	30 June 2019
	£	£
Other debtors	1,060,180	1,034,322
	<u>1,060,180</u>	<u>1,034,322</u>
	<u><u>1,060,180</u></u>	<u><u>1,034,322</u></u>
Total debtors	4,202,982	6,766,802
	<u><u>4,202,982</u></u>	<u><u>6,766,802</u></u>
6 Creditors: amounts falling due within one year	31 Dec 2019	30 June 2019
	£	£
Trade creditors	2,835,085	3,132,689
Amounts owed to group undertakings	1,246,773	3,268,796
Taxation and social security	408,085	196,738
Other creditors	327,352	2,664,335
	<u>4,817,295</u>	<u>9,262,558</u>
	<u><u>4,817,295</u></u>	<u><u>9,262,558</u></u>
Included within other creditors are finance leases secured upon the related asset.		
7 Creditors: amounts falling due after more than one year	31 Dec 2019	30 June 2019
	£	£
Other creditors	100,445	132,767
	<u>100,445</u>	<u>132,767</u>
	<u><u>100,445</u></u>	<u><u>132,767</u></u>
Included within other creditors are finance leases secured upon the related asset.		
8 Called up share capital	31 Dec 2019	30 June 2019
	£	£
Ordinary share capital		
Issued and fully paid		
2 (30 June 2019: 1) ordinary share of £1 each	2	1
	<u>2</u>	<u>1</u>
	<u><u>2</u></u>	<u><u>1</u></u>

COMPASS INFRASTRUCTURE UK (CI UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

8 Called up share capital **(Continued)**

	31 Dec 2019	30 June 2019
	£	£

On 30 December 2019 the company completed a debt for equity swap with its parent company and issued a further 1 ordinary share of £1 each for a total consideration of £1,700,000.

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Jayson Lawson.

The auditor was Ensors Accountants LLP.

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	31 Dec 2019	30 June 2019
	£	£
	337,925	363,875
	<u> </u>	<u> </u>

11 Related party transactions

COMPASS INFRASTRUCTURE UK (CI UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

11 Related party transactions

(Continued)

During the period the company incurred management charges and costs of £160,593 (period to 30 June 2019: £359,403) and a loan of £745,233 (30 June 2019: £2,250,000) from Compass Europe Group (CEG) B.V., the immediate parent company. In addition to this, Compass Infrastructure UK (CI UK) Ltd recharged £50,475 (period to 30 June 2019: £90,671) of costs to Compass Europe Group (CEG) B.V.. At the balance sheet end date £50,475 (30 June 2019: £90,671) has been included within debtors due within one year and £825,519 (30 June 2019: £2,760,405) has been included in creditors within one year.

In addition to the above, expenses of £68,955 (period to 30 June 2019: £21,305) were incurred from Compass Infrastructuur Nederland (CIN) B.V., a fellow subsidiary company. At the balance sheet date £454,729 (30 June 2019: £417,803) was included within creditors as an intercompany loan to Compass Infrastructuur Nederland (CIN) B.V.

During the period Compass Infrastructure UK (CI UK) Ltd recharged £24,842 (period ended 30 June 2017: £17,376) of costs to Compass Infrastructuur Nederland (CIN) B.V. At the balance sheet end date £24,842 (30 June 2019: £17,376) remained outstanding within debtors due within one year.

At the period end date £2,491,249 (30 June 2019: £2,491,249) was included within trade debtors as due from MS 3 Networks limited, a company in which Mr H Van Dommele is a director. Against this amount a bad debt provision of £2,491,249 (30 June 2019: £2,491,249) has been provided for.

In addition to the above, loan amounts of £nil (period ended 30 June 2019: £156,000) were granted to MS 3 Networks Limited at a rate of 5% per annum. The total loan of £1,060,181 (30 June 2019: £1,034,322) is included in Debtors due after one year, the same treatment was used in the previous reporting period. A debenture over the assets of MS 3 Networks is held by Compass Infrastructure (CI UK) Limited over the loan amount above. No other guarantees have been given or received in respect of other amounts mentioned above.

12 Parent company

The immediate parent company is Compass Europe Group (CEG) B.V., a company registered in the Netherlands. Compass Europe Group (CEG) B.V. draws up the accounts of the group in which Compass Infrastructure (CI UK) belongs.

The registered address of Compass Europe Group (CEG) B.V is: Bovenstraat 132, 3077 BH Rotterdam Postbus 9199, 3007 AD Rotterdam.

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