

Company registered no: 06194523

Glide Utilities Limited
Annual Report and Financial Statements
for the period ended 31 January 2018



Glide Utilities Limited

Contents

Board of directors and advisers	1
Strategic report for the period ended 31 January 2018	2
Directors' report for the period ended 31 January 2018	4
Profit and loss account for the period ended 31 January 2018	9
Balance sheet as at 31 January 2018	10
Statement of changes in equity	11
Notes to the financial statements for the period ended 31 January 2018	12

Glide Utilities Limited

Board of directors and advisers

Directors

J D Villarreal
M A Burchfield
N H P Lloyd
T J Pilcher
Z Tindall-Doman

Company number

06194523

Registered office

Alpha Tower
Suffolk Street Queensway
Birmingham
B1 1TT

Bankers

National Westminster Bank PLC
21a Somerset Square
Nailsea
Bristol
BS48 1RQ

Independent auditor

BDO LLP
Bridgewater House
Counterslip
Bristol
BS1 6BX

Glide Utilities Limited

Strategic report for the period ended 31 January 2018

Introduction

The directors present their Strategic report of Glide Utilities Limited ("Glide") for the 3 month period ending 31 January 2018.

Change of year end

The accounting reference date has been changed from 31 October to 31 January 2018. The directors present a short accounting period for the 3 month period ended 31 January 2018. As a result, the comparative amounts presented in the financial statements (including related notes) are not entirely comparable. The next full year will be the year ended 31 January 2019.

Business Review

Glide is part of the CableCom group, a specialist provider of internet services and digital communications solutions to the student and landlord market and business markets. The group strategically widens Glide's service proposition with improved digital communications solutions and online portal access providing increased communication to the landlord and student population within the UK's shared Purpose Built Student Accommodation (PBSA) and Houses of Multiple Occupancy (HMO) markets and together the businesses service nearly 400,000 students across the UK.

Glide is the market leading, white label energy and telecommunications company specialising in the HMO and smaller block PBSA market supplying services to tenants, landlords, letting agents and property investors in the UK. Glide's core proposition is that it solves the problem of splitting bills in shared accommodation by billing each tenant individually and providing a consolidated billing service for landlords and managing agents with a simple way to offer rents inclusive of bills. Glide believes it provides the best and simplest choice for students and young professionals living in shared accommodation in the UK and some of the highlights of the period have been;

- Throughout the 3 month period, Glide has continued to expand its sales teams and completed a successful sales cycle with housing stock numbers increasing by 17% over the prior year.
- During the 3 month period, Glide undertook a strategic review of supplier contracts and processes. Certain supplier contracts were terminated or reduced significantly resulting in early termination fees and process integration costs which were recognised in the P+L as non-trading costs (£0.7m).
- Glide has continued to improve its customer communication, online portals and processes to increase awareness of the amount of energy the customers use, thereby assisting the customers in managing their energy consumption.
- Adjusted EBITDA of £0.8m for the 3 month period (before non-trading costs) was in line with trading expectations.

Future Developments

Following a strong performance in the 3 month period to 31 January 2018, Glide will have a focus on:

- Targeting further growth in market share with an emphasis on the PBSA sector alongside Glide's core HMO market.
- Continuing its expansion and growth through utilising CableCom's national network of digital media services, giving a unified package of utility services with an enhanced online communication experience for landlords, managing agents, students and young professionals.
- Maintaining its investment in staff, training and business infrastructure to deliver excellence in its customer journey and experience.
- Actively exploring acquisitions to complement the core services provided into the HMO and PBSA markets.

Glide Utilities Limited

Strategic report for the period ended 31 January 2018 (continued)

Principal Risks and Uncertainties

The principal risks and uncertainties facing Glide are outlined below:

Energy price volatility

Glide's performance may be affected by fluctuations in wholesale energy prices. Glide's trading terms mitigates this risk by allowing business customers to fix their energy tariffs for terms of up to 24 months, thereby giving more certainty to their costs and to Glide's future revenue. For domestic customers, changes in wholesale energy prices could lead to pricing action being taken to increase tariffs which is provided for in the contractual terms.

Financial risks

The main financial risks are outlined and managed as noted in the Directors' report.

Financial Key Performance Indicators

Glide is part of a group controlled by CableCom Topco Limited and the directors of Glide believe that analysis using key performance indicators, apart from the performance indicators noted in the Business Review above, is not necessary or appropriate for an understanding of the development or performance of Glide. The development and performance of CableCom Topco Limited, which includes Glide, is discussed in the group's financial statements.

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



J D Villarreal

Director

Date:

27/9/18

Glide Utilities Limited

Directors' report for the period ended 31 January 2018

The directors present their report and the audited financial statements for the 3 month period ended 31 January 2018.

Change of year end

The accounting reference date has been changed from 31 October to 31 January 2018. The directors present a short accounting period for the 3 months ended 31 January 2018. As a result, the comparative amounts presented in the financial statements (including related notes) are not entirely comparable. The next full year will be the year ended 31 January 2019.

Principal activities

The principal activity of the company is that of distributing, trading and provision of utilities and telecommunications.

Results and Dividends

The trading results for the period and the company's financial position at the end of the 3 month period are shown in the attached financial statements. The directors do not recommend the payment of a dividend (2017: £Nil) in the financial period.

Directors

The directors of the company who were in office during the period and up to the date of signing the financial statements were:

J D Villarreal
N H P Lloyd
M A Burchfield
T J Pilcher
Z Tindall-Doman (appointed 29 November 2017)

Financial Risk Management

Financial risks

The company's principal financial instruments comprise hire purchase contracts and cash at bank. The main purpose of these financial instruments is to raise finance for the company's operations. The company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. Balances with group undertakings arise as funds are transferred and advanced between entities. The company does not enter into derivative transactions.

It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the company's financial instruments are credit risk, interest rate risk and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

Credit risk

Due to the nature of the business, not all domestic customers are subject to credit vetting procedures. Business customers who wish to trade on credit terms are subject to credit vetting procedures using Creditsafe Business Solutions Ltd.

Credit risk for domestic customers is minimised through deposits taken at the start of the contract term and through payment plans set up to take payment in advance. The terms and conditions of tenant contracts are such that all tenants are jointly and severally liable for a property's debt.

Glide Utilities Limited

Directors' report for the period ended 31 January 2018 (continued)

Interest rate risk

The company's exposure to market risk for changes in interest rates relates primarily to the company's hire purchase contracts. The company manages this risk by negotiating contracts with fixed interest rates.

Liquidity risk

The company's objective is to maintain a balance between continuity of funding and flexibility through the use of its cash reserves, bank facility and hire purchase contracts.

Directors' indemnity

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial period and is currently in force. The Company also purchased and maintained throughout the financial period Directors' and Officers' liability insurance in respect of itself and its directors.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and
- that directors have taken all the steps that ought to have been taken as directors in order to be aware of any information needed by the company's auditor in connection with preparing their report and to establish that the company's auditor is aware of that information.

Glide Utilities Limited

Directors' report for the period ended 31 January 2018 (continued)

Independent auditor

BDO LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

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



J D Villarreal

Director

Date:

27/9/18

Glide Utilities Limited

Independent auditor's report to the members of Glide Utilities Limited

Opinion

We have audited the financial statements of Glide Utilities Limited ("the Company") for the period ended 31 January 2018 which comprise the Profit and loss account, Balance sheet, Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2018 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and

Glide Utilities Limited

Independent auditor's report to the members of Glide Utilities Limited

- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO WP

Neil Dimes (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Bristol

Date: 27 September 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Glide Utilities Limited

Profit and loss account for the period ended 31 January 2018

	Note	3 Months ended 31 January 2018	Year ended 31 October 2017
		£	£
Turnover	4	5,749,054	18,811,799
Cost of sales		(3,913,018)	(13,178,367)
Gross profit		1,836,036	5,633,432
Administrative expenses		(1,791,959)	(4,095,037)
Operating profit	5	44,077	1,538,395
Interest receivable and similar income	7	-	94,071
Profit on ordinary activities before taxation		44,077	1,632,466
Tax on profit on ordinary activities	8	51,948	(53,145)
Profit and comprehensive income for the financial period/year		96,025	1,579,321

The notes on pages 12 to 21 form part of these financial statements.

There are no recognised gains and losses for the financial periods other than those included above. Accordingly, no separate statement of comprehensive income is presented.


Glide Utilities Limited

Balance sheet as at 31 January 2018

	Note	31 January 2018 £	31 October 2017 £
Fixed assets			
Intangible assets	9	224,813	206,232
Tangible assets	10	<u>179,276</u>	<u>197,424</u>
		<u>404,089</u>	<u>403,656</u>
Current assets			
Debtors	12	10,871,465	11,184,350
Cash at bank and in hand		<u>3,555,226</u>	<u>2,560,674</u>
		<u>14,426,691</u>	<u>13,745,024</u>
Creditors: amounts falling due within one year	13	<u>(11,039,611)</u>	<u>(10,449,883)</u>
Net current assets		<u>3,387,080</u>	<u>3,295,141</u>
Total assets less current liabilities		<u>3,791,169</u>	<u>3,698,797</u>
Provisions for liabilities and charges	14	<u>(6,901)</u>	<u>(10,554)</u>
Net assets		<u>3,784,268</u>	<u>3,688,243</u>
Capital and reserves			
Called up share capital	16	1,200	1,200
Profit and loss account		<u>3,783,068</u>	<u>3,687,043</u>
Total equity		<u>3,784,268</u>	<u>3,688,243</u>

The notes on pages 12 to 21 form part of these financial statements.

The financial statements were approved by the board of directors and were signed on its behalf by:



J D Villarreal
Director
Date: 27/9/18

Company number: 06194523

Glide Utilities Limited

Statement of changes in equity

	Called up share capital	Profit and loss account	Total
	£	£	£
Balance as at 1 November 2016	1,200	2,107,722	2,108,922
Profit for the year	-	1,579,321	1,579,321
Balance as at 1 November 2017	1,200	3,687,043	3,688,243
Profit for the period	-	96,025	96,025
Balance as at 31 January 2018	1,200	3,783,068	3,784,268

The notes on pages 12 to 21 form part of these financial statements.

Glide Utilities Limited

Notes to the financial statements for the period ended 31 January 2018

1. General information

Glide Utilities Limited (“the company”) is an energy and telecommunications company specialising in shared accommodation and supplying services to tenants, landlords, letting agents and property investors in the UK.

The company is a private company limited by share capital and is incorporated and domiciled in the UK. The address of its registered office is Alpha Tower, Suffolk Street, Queensway, Birmingham B1 1TT.

2. Statement of compliance

The individual financial statements of the company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, “The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland” (“FRS 102”) and the Companies Act 2006, under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

3.1 Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis in accordance with the historical cost convention and with the applicable accounting standards in the United Kingdom and the Companies Act 2006.

The company was, at the period end, a wholly owned subsidiary of Cablecom Topco Limited, another company incorporated in the EEA that is preparing consolidated accounts. In accordance with Section 440 of the Companies Act 2006, the company is therefore not required to produce, and has not published, consolidated accounts. These financial statements only relate to the results of the company and not of the group.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed at the end of note 3.

The principal accounting policies, which have been applied consistently throughout the period, are set out below.

3.2 Company disclosure exemptions

In preparing the separate financial statements of the company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cashflow statement has been presented for the company.
- The requirements of Section 11 Financial instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c)
- The requirements of Section 12 Financial instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A

This information is included in the consolidated financial statements of CableCom TopCo Limited.

Glide Utilities Limited

Notes to the financial statements for the period ended 31 January 2018 (continued)

The company has taken advantage of the exemption granted under FRS 102 paragraph 1.12 (e) to not disclose transactions with other group companies where they are wholly owned by a common parent entity.

3.3 Going concern

The directors acknowledge that the group headed by CableCom Topco Limited ("the Group") has net current liabilities and is reliant upon its funding to meeting its current obligations. The Group borrowing facilities were reviewed and extended in December 2017 with new finance providers being put in place. The financing structure in place supports the Group's ongoing activity, further investment and future growth of the business for the foreseeable future. The investors are committed to supporting the business and the directors are delighted with this ongoing support to help them meet their growth ambitions.

The directors review the financial forecasts of the business with specific reference made to the ability of the business to service any outstanding borrowings and meet the obligations of the banking facilities as well as meeting all other obligations and liabilities of the business when they fall due.

After making such enquiries, the directors are confident that the Group is well place to manage its business risks successfully. The directors are confident that the Company and the Group have more than adequate resources to continue investing and growing for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

3.4 Revenue recognition

Turnover comprises revenue recognised by the company in respect of goods and services attributable to distributing, trading and provision of utilities and telecommunications during the period, exclusive of Value Added Tax.

Turnover is recognised in the period that the service was provided. Where payment plans are billed in advance the billed amounts are recorded as trade debtors and revenue is deferred within accruals and deferred income until earned.

3.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment - 33% - 67% straight line

Computer equipment - 33% straight line

The depreciation expense is classified within administrative expenses.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised as a profit/loss on disposal.

3.6 Intangible assets

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of between three and five years, on a straight line basis. The amortisation expense is classified within administrative expenses.

Glide Utilities Limited

Notes to the financial statements for the period ended 31 January 2018 (continued)

Where factors, such as technological advancement or changes in market price, indicate that residual value of useful life has changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

3.7 Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Investments are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have previously been impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

3.8 Hire purchase contracts

Assets held under hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the assets' useful lives. The capital elements of future obligations under hire purchase contracts are included as liabilities in the balance sheet. The interest elements of the rental obligations are charged to the profit and loss account over the periods of the hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

3.9 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period of the lease.

3.10 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period.

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

3.11 Deferred taxation

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when 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 tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Glide Utilities Limited

Notes to the financial statements for the period ended 31 January 2018 (continued)

3.12 Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

I. Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances and balances with group undertakings are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit or loss.

II. Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies 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 receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

3.13 Critical accounting judgements and estimation uncertainty

Doubtful debts

Provisions are made against Glide's trade receivables based on historical experience of levels of recovery from accounts in a particular ageing category. The actual amounts collected could differ from the estimated level of recovery which could impact operating results.

4. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company and all turnover is generated within the United Kingdom.

Glide Utilities Limited

Notes to the financial statements for the period ended 31 January 2018 (continued)

5. Operating profit

The operating profit is stated after charging:	3 months ended 31 January 2018	Year ended 31 October 2017
	£	£
Amortisation of intangible fixed assets	25,751	78,489
Depreciation of tangible fixed assets		
- owned by the company	49,126	142,611
- held under finance leases	895	10,742
Auditors' remuneration - fees payable to the company's auditor in respect of the audit of the financial statements	13,200	16,500
Impairment of trade receivables	125,741	413,585
Non-trading costs	710,294	79,935
Pension expense	2,475	8,909
Operating leases – land and buildings	21,241	84,962
Operating leases – other	<u>4,986</u>	<u>19,574</u>

In accordance with SI 2008/489 the company has not disclosed the fees payable to the company's auditor for 'other services' as this information is included in the consolidated financial statements of CableCom Topco Limited.

6. Employees

The monthly average number of persons employed by the company, including the directors, during the financial period/year amounted to:

	3 months ended 31 January 2018	Year ended 31 October 2017
	No.	No.
Sales and marketing staff	25	25
Management and administrative staff	48	45
	<u>73</u>	<u>70</u>

The aggregate payroll costs of the above were:	3 months ended 31 January 2018	Year ended 31 October 2017
	£	£
Wages and salaries	458,888	1,602,267
Social security costs	41,868	137,634
Pension costs	2,475	8,909
	<u>503,231</u>	<u>1,748,810</u>

The directors did not receive emoluments from the company (2017: none). The directors' emoluments are incurred and disclosed in the parent company financial statements. Key management personnel are deemed to only be the directors for the company.

There was no pension commitment outstanding at the period end.

Glide Utilities Limited

Notes to the financial statements for the period ended 31 January 2018 (continued)

7. Interest receivable and similar income

	3 Months ended 31 January 2018	Year ended 31 October 2017
	£	£
Interest receivable from group companies	-	94,071

8. Tax on profit on ordinary activities

	£	£
Current tax		
UK corporation tax on profits in the period/year	(2,904)	125,257
Adjustments in respect of prior periods	(45,391)	(75,278)
Total current tax	(48,295)	49,979
Deferred tax		
Origination and reversal of timing differences	(3,983)	(7,917)
Adjustments in respect of prior periods	330	11,083
Effect of tax rate change on opening balance	-	-
Total deferred tax (see note 14)	(3,653)	3,166
Total tax on profit on ordinary activities	(51,948)	53,145

Factors affecting tax charge for the period/year

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 19.00% (2017: 19.41%) The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	44,077	1,632,466
Profit on ordinary activities at standard CT rate of 19.00% (2017: 19.41%)	8,375	316,922
Effects of		
Fixed asset differences	771	2,684
Expenses not deductible for tax purposes	1,826	15,073
Research and development credits	552	2,048
Group relief claimed	(15,976)	(209,960)
Adjustments to tax charge in respect of previous periods	(45,391)	(75,278)
Adjustments to tax charge in respect of previous periods – deferred tax	330	11,083
2017 RDEC	-	(10,550)
2018 RDEC	(2,904)	-
Adjust closing deferred tax to average rate 19.00%	(812)	(1,500)
Adjust opening deferred tax to average rate 19.00%	1,281	2,623
Total tax charge for the period/year (see note above)	(51,948)	53,145

Glide Utilities Limited

Notes to the financial statements for the period ended 31 January 2018 (continued)

9. Intangible fixed assets

	Intangibles £
Cost	
At 1 November 2017	440,283
Additions	44,332
At 31 January 2018	<u>484,615</u>
Accumulated depreciation	
At 1 November 2017	234,051
Charge for the period	25,751
At 31 January 2018	<u>259,802</u>
Net book value	
At 31 January 2018	<u>224,813</u>
At 31 October 2017	<u>206,232</u>

10. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 November 2017	782,585	234,913	1,017,498
Additions	12,288	19,585	31,873
At 31 January 2018	<u>794,873</u>	<u>254,498</u>	<u>1,049,371</u>
Accumulated depreciation			
At 1 November 2017	640,866	179,208	820,074
Charge for the period	44,852	5,169	50,021
At 31 January 2018	<u>685,718</u>	<u>184,377</u>	<u>870,094</u>
Net book value			
At 31 January 2018	<u>109,155</u>	<u>70,122</u>	<u>179,276</u>
At 31 October 2017	<u>141,719</u>	<u>55,705</u>	<u>197,424</u>

Our depreciation policies are reviewed on a regular basis against the background of changing technological and competitive developments. Office equipment contains some specialist items that are depreciated at 67%.

The net book value of assets held under hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Computer equipment	<u>-</u>	<u>895</u>

Glide Utilities Limited

Notes to the financial statements for the period ended 31 January 2018 (continued)

11. Fixed asset investments

Glide 3 Limited is a wholly owned subsidiary of Glide Utilities Limited. Glide 3 Limited is a dormant company. Glide 3 Limited is a private company limited by share capital and is incorporated and domiciled in the UK. The address of its registered office is Alpha Tower, Suffolk Street, Queensway, Birmingham B1 1TT.

12. Debtors

	2018	2017
	£	£
Due after more than one year		
Amounts owed by group undertakings	3,431,083	3,431,083
Due within one year		
Trade debtors	2,453,692	2,786,463
Amounts owed by group undertakings	3,450,000	3,450,000
Other debtors	146,748	92,036
Prepayments and accrued income	1,389,942	1,424,768
	<u>10,871,465</u>	<u>11,184,350</u>

All amounts owed by group undertakings are unsecured. Amounts owed by group undertakings due after more than one year, bear an interest rate of Libor plus 2% per annum. Amounts owed by group undertakings due within one year are interest free and repayable on demand.

13. Creditors: amounts falling due within one year

	31 January 2018	31 October 2017
	£	£
Trade creditors	2,776,331	3,090,163
Amounts owed to group undertakings	300,670	303,227
Corporation tax	26,967	22,209
Other taxation and social security	260,642	-
Other creditors	996,994	1,095,013
Accruals and deferred income	6,678,007	5,939,271
	<u>11,039,611</u>	<u>10,449,883</u>

All amounts owed to group undertakings are unsecured and repayable on demand.

Glide Utilities Limited

Notes to the financial statements for the period ended 31 January 2018 (continued)

14. Provisions for liabilities

Deferred taxation:

	31 January 2018	31 October 2017
	£	£
At beginning of period	10,554	7,388
(Credit)/Charge for the period	(3,653)	3,166
At end of period	<u>6,901</u>	<u>10,554</u>

The deferred tax provision is made up as follows:

Accelerated capital allowances	<u>6,901</u>	<u>10,554</u>
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15. Financial instruments

The company has the following financial instruments:

	31 January 2018	31 October 2017
	£	£
Financial assets that are debt instruments measured at amortised costs		
Cash at bank	3,555,226	2,560,674
Trade receivables	2,453,692	2,786,463
Amounts owed by group undertakings	6,881,083	6,881,083
	<u>12,890,001</u>	<u>12,228,220</u>
Financial liabilities measured at amortised cost		
Trade creditors	2,776,331	3,090,163
Amounts owed to group undertakings	300,670	303,227
Other creditors	996,994	1,095,013
	<u>4,073,995</u>	<u>4,488,403</u>

Glide Utilities Limited

Notes to the financial statements for the period ended 31 January 2018 (continued)

16. Called up share capital

	31 January 2018	31 October 2017
	£	£
Allotted, called up and fully paid		
660 A Ordinary shares of £1 each	660	660
540 B Ordinary shares of £1 each	540	540
	<u>1,200</u>	<u>1,200</u>

A and B ordinary shares have equal voting rights and rank pari-passu.

17. Operating lease commitments

	31 January 2018		31 October 2017	
	Land & Buildings	Other	Land & Buildings	Other
	£	£	£	£
Expiry date				
Within one year	113,125	19,015	95,525	19,946
Within two to five years	128,700	11,488	152,831	15,543
After more than five years	-	-	-	-
	<u>241,825</u>	<u>30,503</u>	<u>249,356</u>	<u>35,489</u>

18. Parent company and controlling related party

The company's immediate parent company is Glide 2 Limited, a company incorporated in England and Wales.

The company's ultimate parent company is CableCom Topco Limited, a company incorporated in England and Wales.

The largest and smallest group in which the results of the Company are consolidated are those headed by CableCom Topco Limited. The consolidated financial statements of CableCom Topco Limited are available to the public and may be obtained from the registered office, 1 Rivermead Court, Kenn Business Park, Windmill Road, Kenn, Clevedon, BS21 6FT.

CableCom Topco Limited is not controlled by any one individual party.