

Three X Communication Limited

**Directors' report and financial
statements**

Registered number 1833521

31 December 2010

SATURDAY



A74BRXTD

A13

24/09/2011

303

COMPANIES HOUSE

Contents

Company information	1
Directors' report	2
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	3
Independent auditors' report to the members of Three X Communication Limited	4
Profit and Loss Account	6
Balance Sheet	7
Statement of total recognised gains and losses	8
Notes	9

Company information

Directors

M Port	
S Bellamy	
Masternaut International SAS	Appointed 18 October 2010
F Dupeyron	Appointed 18 October 2010
L Favre	Appointed 18 October 2010
M Lanne	Appointed 18 October 2010
C De Pescara	Appointed 18 October 2010

Secretary

P Waterhouse	Appointed 4 May 2010
S Bellamy	Resigned 4 May 2010

Registered office

Priory Park
Great North Road
Aberford
Leeds
West Yorkshire
LS25 3DF

Auditors

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW

Bankers

Barclays Bank PLC
1st Floor
27 Soho Square
London
W1D 3QR

Solicitors

Brooke North LLP
Crown House
Great George Street
Leeds
LS1 3BR

Directors' report

The director presents the annual report and the financial statements for the 16 month period ended 31 December 2010

Principal activities and review of business

The principal activity of the company is the production and distribution of communication software

Change of year end

Following the acquisition of Masternaut UK Limited by Aeroport de Paris in November 2009 the company changed its year end to December to bring this into line with the year end of its new parent

Directors

The directors who held office during the year were as follows

M Port	
S Bellamy	
Masternaut International SAS	Appointed 18 October 2010
F Dupeyron	Appointed 18 October 2010
L Favre	Appointed 18 October 2010
M Lanne	Appointed 18 October 2010
C De Pescara	Appointed 18 October 2010

Disclosure of information to auditors


The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

During the year KPMG LLP replaced Mazars LLP as auditors of the company

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board


S Bellamy
Director

Priory Park
Great North Road
Aberford
Leeds
West Yorkshire
LS25 3DF

31 March 2011

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the 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 year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 the financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company to prevent and detect fraud and other irregularities.



KPMG LLP

1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditor's report to the members of Three X Communication Limited

We have audited the financial statements of Three X Communication Limited for the 16 month period ended 31 December 2010 set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of the company's profit for the 16 month period then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006

Independent auditor's report to the members of Three X Communication Limited *(continued)*

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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



AJ Sills (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS1 4DW

31 March 2011

Profit and Loss Account

for the 16 month period ended 31 December 2010

	Note	16 months ended 31 December 2010 £	Year ended 31 August 2009 Restated (see note 1) £
Turnover		3,619,347	1,593,329
Cost of sales		(1,481,840)	(158,635)
		<hr/>	<hr/>
Gross profit		2,137,507	1,434,694
Administrative expenses		(1,651,815)	(1,946,189)
Selling and distribution costs		(159,194)	(81,556)
		<hr/>	<hr/>
Operating profit/(loss)	2	326,498	(593,051)
Interest payable	4	(6,773)	(6,726)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		319,725	(599,777)
Tax on profit/(loss) on ordinary activities	5	(47,972)	116,986
		<hr/>	<hr/>
Profit/(loss) for the financial period		271,753	(482,791)
		<hr/>	<hr/>

The operating profit is all derived from continuing operations

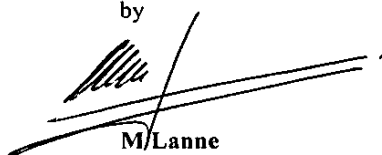
The notes on pages 9 to 18 form part of these financial statements

Balance Sheet
at 31 December 2010

	Note	31 December 2010		31 August 2009 Restated (see note 1)	
		£	£	£	£
Fixed assets					
Tangible assets	6		21,893		40,259
Fixed asset investment	7		464,992		463,992
			<u>486,885</u>		<u>504,251</u>
Current assets					
Debtors	8	1,350,041		1,583,769	
Cash at bank and in hand		4,819		1,190	
		<u>1,354,860</u>		<u>1,584,959</u>	
Creditors' amounts falling due within one year	9	<u>(984,112)</u>		<u>(1,100,503)</u>	
Net current assets			<u>370,748</u>		<u>484,456</u>
Total assets less current liabilities			<u>857,633</u>		<u>988,707</u>
Creditors' amounts falling due after more than one year	10		<u>(872,735)</u>		<u>(1,275,692)</u>
Net liabilities			<u>(15,102)</u>		<u>(286,985)</u>
Capital and reserves					
Called capital share capital	12		3,840,000		3,840,000
Profit and loss account	13		(3,855,102)		(4,126,855)
Shareholders' deficit	14		<u>(15,102)</u>		<u>(286,855)</u>

The notes on page 9 to 18 form part of these financial statements

These financial statements were approved by the board of directors on 31 March 2011 and were signed on its behalf by


M/Lanne
Director

Registered number 1833521

Statement of total recognised gains and losses
for the 16 month period ended 31 December 2010

	16 month period ended 31 December 2010 £	(Restated) Year ended 31 August 2009 £
Profit/(loss) for the financial period	271,753	(482,791)
Total recognised gains and losses relating to the period	271,753	(482,791)
Prior year adjustment	(1,847,000)	
Total gains and losses recognised since last annual report	(1,575,247)	

The notes on page 9 to 18 form part of these financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

Basis of preparation

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to present group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules.

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that its parent undertaking includes the group in its own published consolidated financial statements.

Prior year adjustment

Following the acquisition of the group during the period, management have reviewed the UK groups accounting policies, and have chosen to bring these into line with those existing of the wider group. The revised accounting policy on revenue recognition is set out below.

The total effect of the change in accounting policy was to reduce net assets at 31 August 2009 by £1,847,000, reduced turnover for the year then ended by £761,000, and reduced profit for the year then ended by £761,000.

The effect of the change in accounting policy for the period ended 31 December 2010 was to decrease turnover by £260,000 and profit before tax by £260,000.

Going concern

In order to satisfy themselves that the company can meet its liabilities as they fall due the Directors have prepared and reviewed a cash flow forecast for the period ending 12 months from the date of approving the financial statements. In particular the forecast considers the following factors,

- The company has net liabilities at the balance sheet date, however that there are a number of "non-cash" accounting entries which are the principle drivers of the net liabilities position of the company,
- The company has a number of different revenue streams which generate cash flows which depend on how transactions are structured
- The company meets its day to day working capital requirements through a combination of loans from the parent company, and locally arranged bank facilities, finance leases and other loans which have scheduled repayments over the forecast period

Having considered the forecasts prepared the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less 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 basis:

Office equipment	-	25% straight line
Computer equipment	-	25 - 33% straight line

Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Notes (continued)

1 Accounting policies (continued)

Leasing

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Turnover

Revenue is recognised on a systematic basis as the right to consideration for goods and services delivered to the customer is achieved. Where contracts with customers involve the supply of multiple deliverables revenue is recognised based on the fair value of the goods and services provided.

Payments in advance of delivery of goods or services are treated as deferred income and are released to the profit and loss account as those services are performed or goods are delivered.

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

Notes (continued)

1 Accounting policies (continued)

Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

2 Operating profit

The operating profit is stated after charging

	16 months ended 31 December 2010 £	Year ended 31 August 2009 £
Depreciation of tangible fixed assets		
- Owned by the group	17,756	26,458
- Held under finance leases	3,333	1,792
Auditors' remuneration	3,000	10,750
Pension costs	51,902	49,712
	<hr/>	<hr/>

During the year none of the directors received any emoluments from the company (2009 £nil)

Notes (continued)

3 Staff costs

	16 months ended 31 December 2010 £	Year ended 31 August 2009 £
Wages and salaries	1,267,741	1,274,440
Social security costs	147,409	147,833
Other pension costs	51,902	50,061
	<u>1,467,052</u>	<u>1,472,334</u>

Directors' emoluments are borne by another group company

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows

	16 months ended 31 December 2010 No	Year ended 31 August 2009 No
Selling and marketing	1	2
Operations	19	27
	<u>20</u>	<u>29</u>

4 Interest payable

	16 months ended 31 December 2010 £	Year ended 31 August 2009 £
Bank loans and overdrafts	77	6 570
Finance leases and hire purchase contracts	6,696	156
	<u>6,773</u>	<u>6,726</u>

Notes (continued)

5 Taxation

Analysis of tax charge/(credit) in the period	16 months ended 31 December 2010 £	Year ended 31 August 2009 £
<i>Current tax</i>		
UK corporation tax credit on profit/(loss) for the period	(153,074)	(67,895)
Adjustments in respect of previous period	(6,114)	(47,367)
	<u>(159,188)</u>	<u>(115,262)</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	184,839	(1,724)
Effect of decreased tax rate	25,200	-
Adjustments in respect of prior periods	(2,879)	-
	<u>47,972</u>	<u>(116,986)</u>
Tax on profit/(loss) on ordinary activities	<u>47,972</u>	<u>(116,986)</u>

The current tax credit for the period is higher (2009 lower) than the standard rate of corporation tax in the UK (28% 2009 28 %) The differences are explained below

	16 months ended 31 December 2010 £000	Year ended 31 August 2009 £000
Profit/(loss) on ordinary activities before tax	319,725	(599,777)
Profit/(loss) on ordinary activities multiplied by standard rate of Corporation tax in the UK of 28% (2009 28%)	89,523	(167,937)
<i>Effects of</i>		
Expenses not deductible for tax purposes	845	5,060
Non-taxable income	(25,743)	(116,889)
Fixed asset timing differences	(3,424)	(1,208)
Tax losses (utilised)/carried forward	(214,275)	213,079
Adjustments in respect of previous period	(6,114)	(47,367)
Total current tax credit for the period (see above)	<u>(159,188)</u>	<u>(115,262)</u>

Notes (continued)

6 Tangible fixed assets

	Furniture, fittings and equipment £
<i>Cost</i>	
At 31 August 2009	246,675
Additions	2,678
	<hr/>
At 31 December 2010	249,353
	<hr/>
<i>Amortisation</i>	
At 31 August 2009	206,416
Charge for the period	21,044
	<hr/>
At 31 December 2010	227,460
	<hr/>
<i>Net book value</i>	
At 31 December 2010	21,893
	<hr/>
At 31 August 2009	40,259
	<hr/>

The net book value of assets held under finance lease, included above, is as follows

	31 December 2010 £	31 August 2009 £
Fixtures, fittings and equipment	3,333	6,666
	<hr/>	<hr/>

Notes (continued)

7 Fixed assets investments

	Shares in group undertakings £
<i>Cost or valuation</i>	
At 1 September 2009	463,992
Additions	1,000
	<hr/>
At 31 December 2010	464,992
	<hr/>

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Proportion of shares held	Principal activity
Three X Business Solutions Limited	Ordinary	100%	Software consultancy

8 Debtors

	31 December 2010 £	31 August 2009 Restated (see note 1) £
Due within one year		
Trade debtors	538,112	681,371
Amounts due from subsidiary undertakings	120,977	53,001
Other debtors	39,428	143,787
Corporation tax	153,074	-
Deferred tax asset	498,450	705,610
	<hr/>	<hr/>
	1,350,041	1,583,769
	<hr/>	<hr/>

Notes (continued)

9 Creditors: amounts falling due within one year

	31 December 2010 £	31 August 2009 Restated (see note 1) £
Bank overdrafts	-	10,754
Net obligations under finance leases	3,600	3,600
Trade creditors	72,424	76,464
Amounts owed to group undertakings	-	3,034
Corporation tax	-	7,745
Social security and other taxes	49,519	257,336
Other creditors	-	421,570
Accruals and deferred income	858,569	320,000
	<u>984,112</u>	<u>1,100,503</u>

The total amount of creditors due in less than one year on which security has been given amounted to £3,600 (2009 £14,354)

10 Creditors: amounts falling due after more than one year

	31 December 2010 £	31 August 2009 £
Net obligations under finance leases	-	4,500
Amounts owed to group undertakings	-	367,192
Accruals and deferred income	872,735	904,000
	<u>872,735</u>	<u>1,275,692</u>

The total amount of creditors due after more than one year on which security has been given amounted to £nil (2009 £4,500)

11 Deferred tax asset

	31 December 2010 £
At beginning of year (restated – see note 1)	705,610
Released to the profit and loss account	(207,160)
	<u>498,450</u>
At end of the year	<u>498,450</u>

The deferred tax asset is made up as follows

	31 December 2010 £
Tax losses carried forward	<u>498,450</u>

Notes (continued)

12 Issued share capital

	31 December 2010 £	31 August 2009 £
<i>Authorised, allotted, called and fully paid</i>		
580,000 ordinary shares of £1 each	3,840,000	580,000
3 260 000 7.5% non-cumulative preference shares of £1 each	-	3,260,000
	<u>3,840,000</u>	<u>3,840,000</u>

The entire non-cumulative preference shares were converted to ordinary shares on 18 October 2010

13 Reserves

	Profit and loss account £
At 1 September 2009	(4,126,855)
Profit for the year	271,753
	<u>(3,855,102)</u>
At 31 December 2010	

14 Reconciliation of movement in shareholders' funds

	16 months ended 31 December 2010 £	Year ended 31 August 2009 £
Opening shareholders' (deficit)/funds (restated)	(286,855)	195,936
Profit/(loss) for the period	271,753	(482,791)
	<u>(15,102)</u>	<u>(286,855)</u>
Closing shareholders' deficit		

Opening shareholders' funds were originally £1,560,145 (2009 £1,281,936), restated for prior year adjustment of £1,847,000 (2009 £1 086 000)

15 Contingent liabilities

The company has entered into a cross guarantee with fellow group companies. The total group debt outstanding at 31 December 2010 amounted to £3,984,595 (2009 £5,797 509)

Notes (continued)

16 Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £51,902 (2009 £50,061). Contributions totalling £4,204 (2009 £4,644) were payable to the fund at the balance sheet date.

17 Operating lease commitments

At 31 December 2010 the Company had annual commitments under non-cancellable operating leases as follows:

	31 December 2010 £	31 August 2009 £
Expiry date		
After more than 5 years	38,500	38,500

18 Related party transactions

The company has taken advantage of exemptions available under Financial Reporting Standard Number 8 not to disclose any transactions with any of its fellow group companies as the company was a wholly owned subsidiary of Masternaut UK Limited for the period ended 31 December 2010. The consolidated accounts of Masternaut UK Limited are publicly available from The Registrar of Companies, Cardiff, CF14 3UZ.

19 Ultimate parent company and controlling party

The company's immediate parent company is Masternaut UK Limited which is incorporated in the UK.

The smallest group into which these accounts are consolidated is that headed by Masternaut UK Limited. Copies of the consolidated accounts of Masternaut UK can be obtained from The Registrar of Companies, Cardiff, CF14 3UZ.

The company's ultimate parent is Aeroports De Paris, which is incorporated in France. Copies of the accounts of Aeroports De Paris are available from www.aeroportsdeparis.fr.