

AUCS Communications Services (UK)  
Limited

Annual report and accounts  
for the year ended 31 December 2007

Registered number 2548310

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# **AUCS Communications Services (UK) Limited**

## **Annual report and accounts for the year ended 31 December 2007**

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# **AUCS Communications Services (UK) Limited**

## **Directors and advisers for the year ended 31 December 2007**

### **Directors**

A van't Zelfde  
T Nieuwenhoven

### **Secretary and registered office**

T Nieuwenhoven  
Prospect House  
Fishing Line Road  
Redditch  
B97 6EW

### **Solicitors**

Allen & Overy  
One New Change  
London  
EC4M 9QQ

### **Bankers**

Natwest Bank  
180 Brompton Road  
London  
SW3 1HL

# **AUCS Communications Services (UK) Limited**

## **Directors' report for the year ended 31 December 2007**

The directors submit their report and audited financial statements for AUCS Communications Services (UK) Limited for the year ended 31 December 2007

### **Principal activities**

The company previously provided services and operational assistance in the United Kingdom for AUCS Communications Services v o f in delivering telecommunication services to customers on a Europe-wide basis. However, the company ceased trading during the year ended 31 December 2003.

### **Review of business and future developments**

The company did not trade during the year and does not expect to trade in the future.

### **Result**

The loss for the year of £ 1,472 (2006 profit £ 2,486) will be transferred to reserves.

### **Financial support**

The parent company of the company has received confirmation of the continuation of financial support from its shareholders KPN Telecom BV, Swisscom AG, TeliaSonera AB.

### **Directors**

The directors who served during the year, and to date, are as follows:

A van't Zelfde  
T Nieuwenhoven

The directors do not hold any direct interests in the shares of the Company, neither an interest in any other body corporate in AUCS Communications Services v o f. Their interests in the shares of its holding company are disclosed in the group accounts.

# AUCS Communications Services (UK) Limited

## Directors' report for the year ended 31 December 2007 (continued)


### Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period

The directors are responsible for keeping proper accounting records that 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 1985. They are also responsible for taking reasonable steps for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have relied upon the provisions of Sections 249AA and 388AA of the Companies Act 1985 and have resolved not to appoint auditors.

By order of the board,



A. van't Zelfde  
Director

August 4th, 2008

## AUCS Communications Services (UK) Limited

### Profit and loss account for the year ended 31 December 2007

	Notes	2007 £	2006 £
<b>Turnover</b>	2	-	-
Operating expenses		(1,472)	(64)
Exceptional operating expenses	4	-	-
<b>Total operating expenses</b>	3	<b>(1,472)</b>	<b>(64)</b>
Other operating income		-	3,059
<b>Operating profit(loss)</b>	5	<b>(1,472)</b>	<b>2,995</b>
<b>Exceptional items</b>			
Provision for losses on discontinued operation	4	-	-
<b>Profit/(loss) on ordinary activities before interest and taxation</b>		<b>(1,472)</b>	<b>2,995</b>
Net interest receivable	8	-	-
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>(1,472)</b>	<b>2,995</b>
Tax on profit/(loss) on ordinary activities	9	-	(509)
<b>Profit/(loss) for the year</b>	13,14	<b>(1,472)</b>	<b>2,486</b>

The results above relate entirely to discontinued operations

There is no difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the year stated above, and their historical cost equivalents

There are no other gains or losses other than those disclosed within the profit and loss account and hence no separate statement of recognised gains and losses has been presented

# AUCS Communications Services (UK) Limited

## Balance sheet as at 31 December 2007

	Notes	2007 £	2006 £
<b>Current assets</b>			
Debtors	10	190,565	49,013
Cash at bank and in hand		287	143,820
		191,852	192,833
<b>Creditors: amounts falling due within one year</b>	11	(89,838)	(90,347)
<b>Net current assets</b>		101,014	102,486
<b>Net assets</b>		101,014	102,486
<b>Capital and reserves</b>			
Called up share capital	12	100,000	100,000
Profit and loss account	13	1,014	2,486
<b>Equity shareholders' funds</b>	14	101,014	102,486

For the year ended 31 December 2007 the company was entitled to exemption under section 249A(1) of the Companies Act 1985

Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985

The directors acknowledge responsibility for

- 1 ensuring the company keeps accounting records comply with section 221, and
- 2 preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit and loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company

The financial statements on pages 5 to 17 were approved by the board of directors on August 4<sup>th</sup>, 2008 and were signed on its behalf by

  
A van't Zelfde  
Director

## AUCS Communications Services (UK) Limited

### Cash flow statement for the year ended 31 December 2007

	Notes	2007 £	2006 £
Net cash outflow from operating activities	15	(143,533)	108,537
Returns on investments and servicing of finance			
Interest received		-	-
Interest paid		-	-
		-	-
Taxation			
UK Corporation tax received		-	-
Net cash inflow/(outflow) before management of liquid resources		(143,533)	108,537
Management of liquid resources			
Disposal of current asset investments		-	-
Increase/(decrease) in net cash	16,17	(143,533)	108,537



# **AUCS Communications Services (UK) Limited**

## **Notes to the financial statements for the year ended 31 December 2007**

### **1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Companies Act 1985. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **Basis of accounting**

The financial statements have been prepared in accordance with the historical cost convention.

#### **Foreign currencies**

Transactions in foreign currencies are recorded in sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates ruling at the balance sheet date. Exchange differences are taken to the profit and loss account.

#### **Operating leases**

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

#### **Deferred taxation**

The company provides in full for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition for tax purposes. Deferred tax assets are only recognised where there is a greater likelihood than not that they will be recovered.

Deferred tax assets and liabilities are not discounted.

#### **Pensions**

The company operates a defined benefit pension scheme. Contributions under the defined benefit pension scheme are charged to the profit and loss account so as to spread the cost of the pensions over the employees' estimated working lives. The latter contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. Assets of this scheme are held in independently administered fund.

## AUCS Communications Services (UK) Limited

### Notes to the financial statements for the year ended 31 December 2007 (continued)

#### 2 Operating expenses

	2007	2006
	£	£
Cost of sales	-	-
Administrative expenses	1,472	64
	1,472	64

#### 3 Exceptional items

	2007	2006
	£	£
Exceptional operating expenses		
Surrender of lease	-	-

	2007	2006
	£	£
Exceptional costs arising from discontinued operation		
Pension costs	-	-

## **AUCS Communications Services (UK) Limited**

### **Notes to the financial statements for the year ended 31 December 2007 (continued)**

#### **4 Operating profit**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<hr/>		
<b>Operating profit is stated after charging:</b>		
Operating leases – other	-	-
	<hr/>	

#### **5 Directors' emoluments**

The directors are paid by the immediate parent undertaking and no costs are recharged to the company

There were no directors in 2007 or 2006 with benefits accruing under a money purchase pension scheme or defined benefit scheme

#### **6 Employee information**

There were no employees of the company during 2007 or 2006

#### **7 Net interest receivable**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<hr/>		
Interest receivable on overpaid corporation tax	-	-
Interest payable on taxes	-	-
	<hr/>	
	-	-
	<hr/>	

## AUCS Communications Services (UK) Limited

### Notes to the financial statements for the year ended 31 December 2007 (continued)

#### 8 Taxation

	2007	2006
	£	£
<b>Current tax:</b>		
United Kingdom corporation tax on losses for the year at 30% (2006 30%)	0	509
Adjustment in respect of prior years	0	0
	0	509
<b>Deferred tax:</b>		
Origination and reversal of timing differences	0	0
<b>Tax charge on profit/(loss) on ordinary activities</b>	<b>0</b>	<b>509</b>

# AUCS Communications Services (UK) Limited

## Notes to the financial statements for the year ended 31 December 2007 (continued)

### 9 Taxation (continued)

The tax assessed for the year is higher than the corporation tax rate applying in the UK (30%). The differences are explained below

	2007	2006
	£	£
Profit/(loss) on ordinary activities before taxation	(1,472)	2,995
Profit/(loss) on ordinary activities at the UK tax rate 30% (2006 30%)	(442)	569
Effects of:		
Expenses not deductible for tax purposes	0	0
Other timing differences not recognised	412	(11)
Tax at marginal rates	30	(49)
Adjustments to tax charge in respect of prior years	0	0
Total current tax (credit)/ charge	0	509

### 10 Debtors

	2007	2006
	£	£
Trade debtors	-	-
Amounts due from parent and fellow subsidiaries	190,566	49,013
Corporation tax receivable	-	-
Other debtors	-	-
Prepayments and accrued income	-	-
	190,566	49,013

# AUCS Communications Services (UK) Limited

## Notes to the financial statements for the year ended 31 December 2007 (continued)

### 10 Debtors (continued)

#### Deferred tax assets

	2007	2007	2006	2006
	Recognised	Unrecognised	Recognised	Unrecognised
	£	£	£	£
Accelerated capital allowances	-	-	-	-
Other timing differences (pension costs)	-	412	-	-
Losses	-	-	-	-
Capital losses	-	621,722	-	621,722
<b>Total deferred tax assets</b>	<b>-</b>	<b>622,134</b>	<b>-</b>	<b>621,722</b>
At 1 January 2008				-
Deferred tax charge in profit and loss account (note 9)				
<b>At 31 December 2007</b>				

The deferred tax asset relating to the capital losses has not been recognised, as management considers it unlikely that any capital gains will crystallise against which to offset, and therefore recover, these losses

## AUCS Communications Services (UK) Limited

### Notes to the financial statements for the year ended 31 December 2007 (continued)

#### 11 Creditors: amounts falling due within one year

	2007	2006
	£	£
Other creditors	89,838	89,838
Corporation tax	0	509

#### 12 Called up share capital

	2007	2006
	£	£
<b>Authorised</b>		
5,000,000 ordinary shares of £1 each	5,000,000	5,000,000
<b>Allotted, called up and fully paid</b>		
100,000 ordinary shares of £1 each	100,000	100,000

#### 13 Profit and loss account

	£
At 1 January 2007	2,486
Dividend distribution in specie	-
Loss for the year	(1,472)
<b>At 31 December 2007</b>	<b>1,014</b>

# AUCS Communications Services (UK) Limited

## Notes to the financial statements for the year ended 31 December 2007 (continued)

### 14 Reconciliation of movements in equity shareholders' funds

	2007	2006
	£	£
Profit/(loss) for the financial year	(1,472)	2,486
Opening equity shareholders' funds	102,486	1,794,220
Dividend distribution in specie	-	(1,694,220)
Closing equity shareholders' funds	101,014	102,486

### 15 Reconciliation of operating (loss)/profit to net cash outflow from operating activities

	2007	2006
	£	£
Operating profit/(loss)	(1,472)	2,486
Exceptional costs (note 4)	-	-
(Increase)/decrease in debtors	(141,552)	1,709,924
Decrease in creditors and provisions	-	89,838
Net cash outflow from operating activities	(143,024)	1,802,757



# AUCS Communications Services (UK) Limited

## Notes to the financial statements for the year ended 31 December 2007 (continued)

### 16 Reconciliation of net cash flow to movement in net funds

	2007	2006
	£	£
<b>Increase/(decrease) in cash in the year</b>	<b>(143,024)</b>	<b>1,802,757</b>
Change in net funds resulting from cash flows	-	1,802,757
Other non-cash items	(509)	(1,694,220)
<b>Movement in net funds in the year</b>	<b>(143,533)</b>	<b>108,537</b>
Net funds at beginning of year	143,820	35,283
<b>Net funds at end of year</b>	<b>287</b>	<b>143,820</b>

### 17 Analysis of net funds

	AT 1 January 2007	Cash flows	At 31 December 2007
	£	£	£
<b>Cash in hand and at bank</b>	<b>143,820</b>	<b>(143,533)</b>	<b>287</b>

### 18 Pension commitments

The company previously operated the AUCS UK Defined Benefit Pension Plan with assets held in a separately administered fund. No contributions have been made to the plan during the year.

#### SSAP 24 disclosures

The total net pension cost was £nil (2006: nil). The cost is assessed in accordance with the advice of independent professionally qualified actuaries, William M Mercer. Included in other debtors is an amount of £nil (2006: nil) in respect of contributions made to the company's scheme.

The latest actuarial valuation of the scheme was carried out on 8 July 2002 under the discontinuance method. As at this date, the market value of the scheme's assets was £5.9 million and the actuarial value of those assets represented 44% of the benefits that had accrued to members. The principal assumptions adopted in the valuation were that the discount rate would average 4.9% for non-retired members and 5.4% for retired members and that price inflation would average 2.8%.

## AUCS Communications Services (UK) Limited

### Notes to the financial statements for the year ended 31 December 2007 (continued)

#### 18 Pension commitments (continued)

Following a decision by the company to cease participation in the scheme, the company made a payment on 30 April 2003 of £4,975,000 in full and final settlement of the scheme. Furthermore, on 3 August 2004, assets amounting to £11,553,841 were transferred to Legal & General to secure immediate and deferred annuities. There is no further liability to the company in respect of benefits, although it is meeting the administration costs of finalising membership data prior to individual policies being issued to former members by Legal & General.

Accordingly, as the company has no further liability in respect of scheme benefits, FRS17 disclosures are not considered necessary.

#### 19 Related parties

	2007	2006
	£	£
<b>Transactions in the year with related parties:</b>		
<b>Transactions with Infonet Services Corporation, a company with management control until 30 September 2002</b>		
Recharge of operating costs to Infonet	-	-
<b>Transactions with Infonet Services Europe Ltd</b>		
Recharge of operating costs to Infonet	-	-
<b>Transactions with Infonet UK</b>		
Recharge of staff costs from Infonet UK	-	-
<b>Balances outstanding at year-end:</b>		
<b>Transactions with Infonet Services Corporation, a company with management control</b>		
Amounts receivable	-	-
Amount payable	-	-
<b>Transactions with Infonet Services Europe Ltd</b>		
Amounts (payable) / receivable	-	-
<b>Transactions with Infonet UK</b>		
Amounts (payable) / receivable	-	-

## **AUCS Communications Services (UK) Limited**

### **Notes to the financial statements for the year ended 31 December 2007 (continued)**

#### **19 Related parties (continued)**

The company is a wholly owned subsidiary of AUCS Communication Services N V. As such, the company has taken advantage of the exemption in FRS8 not to disclose transactions in the year with AUCS Communication Services v o f

#### **20 Parent company and ultimate controlling party**

The immediate parent company is AUCS Communications Services NV, a company incorporated and registered in the Netherlands. AUCS Communications Services NV is owned equally by KPN Telecom, Swisscom AG and TeliaSonera AB, which by virtue of a partnership in the name of AUCS Communications Services v o f, exercise control over the company.

The controlling parties are the shareholders of AUCS Communication Services NV, KPN Telecom, Swisscom AG and TeliaSonera AB.