

Cellnet Services Limited  
Annual report  
for the year ended 31 March 1997

Registered no: 2604355



## **Directors and advisers**

### **Directors**

Sir Michael Bett CBE

Mr R Smith

Mr C C Shirtcliffe

Mr C S Taylor

Mr M D J Tilley

Mr R S W H Wiggs

Mr D A Wilson

Chairman

Managing Director

### **Secretary and registered office**

Mr N J Eldred

260, Bath Road

Slough

SL1 4DX

### **Registered Auditors**

Coopers & Lybrand

1 Embankment Place

London

WC2N 6NN

## **Directors' report for the year ended 31 March 1997**

The directors submit their annual report and the audited financial statements for the year ended 31 March 1997.

### **Profits and dividends**

Profit before taxation was £nil (1996: £nil). There was a taxation charge of £nil (1996: £nil) which left profit after taxation for the year of £nil (1996: £nil). The directors do not recommend the payment of a dividend in respect of the year ended 31 March 1997 (1996: £nil).

### **Review of activities**

The company is a holding company to oversee the activities of its subsidiaries.

The company will continue in its role as a holding company.

### **Directors**

A list of current directors is set out on page 1. All served as directors throughout the year with the exception of Mr R Smith who was appointed as director and managing director on 24 March 1997. In addition, Mr H Ford served as director and managing director until his resignation on 7 March 1997. Dr E A Hough served as a director throughout the year and resigned on 26 August 1997.

### **Directors' interests in shares**

All directors of the company at 31 March 1997 were also directors of the company's holding company, Cellnet Group Limited. Their interests in the shares of group companies are shown in the directors' report of that company.

**Transactions with directors**

None of the directors had a material interest in any contract of significance to which the company was a party or made a transaction, arrangement or agreement within the provisions of Schedule 6 to the Companies Act 1985, during the year ended 31 March 1997.

**Auditors**

A resolution to reappoint Coopers & Lybrand as the company's auditors will be proposed at the Annual General Meeting.

**By order of the board**

A handwritten signature in black ink, appearing to read 'N J Eldred', written in a cursive style.

Mr N J Eldred  
Secretary

**Statement of directors' responsibilities**

The directors are required by law to prepare financial statements for each financial year 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 the profit or loss and total recognised gains or losses of the company for that period.

The directors consider that, in preparing the financial statements for the year ended 31 March 1997 on pages 6 to 11, the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. The directors also consider that all accounting standards which they consider to be applicable have been followed and confirm that the financial statements have been prepared on the going concern basis.

The directors are responsible for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors are also responsible for taking such steps that are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The auditors' responsibilities are stated in their report on page 5.

## **Report of the auditors to the members of Cellnet Services Limited**

We have audited the financial statements on pages 6 to 11.

### **Respective responsibilities of directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 1997 and of its results and total recognised gains and losses for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Coopers & Lybrand**

Chartered Accountants and Registered Auditors  
London

29 September 1997

**Profit and loss account  
for the year ended 31 March 1997**

	Notes	1997 £'000	1996 £'000
Retained profit for the year	2	-	-
Statement of retained profit			
At 1 April		-	-
Retained profit for the year		-	-
At 31 March		-	-

There have been no other recognised gains or losses during either 1997 or 1996.

The notes on pages 8 to 11 form part of these financial statements.

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## Balance sheet at 31 March 1997

	Notes	1997 £'000	1996 £'000
<b>Fixed assets</b>			
Investments	5	107,000	2,000
<b>Current assets</b>			
Debtors	6	-	275
Creditors: amounts falling due within one year	7	-	(275)
<b>Net current assets</b>		-	-
<b>Total assets less current liabilities</b>		<u>107,000</u>	<u>2,000</u>
<b>Financed by:</b>			
<b>Capital and reserves</b>			
Called-up share capital	8	107,000	2,000
Profit and loss account		-	-
<b>Equity shareholders' funds</b>	9	<u>107,000</u>	<u>2,000</u>

The financial statements were approved by the board of directors on 24th September 1997 and were signed on its behalf by:

Sir Michael Bett CBE     )  
                                      ) Directors  
Mr RSWH Wiggs         )

The notes on pages 8 to 11 form part of these financial statements.

Auditors' report page 5.

## **Notes to the financial statements for the year ended 31 March 1997**

### **1 Principal accounting policies**

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

#### **I Basis of accounting**

The financial statements have been prepared under the historical cost convention. The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare and deliver group accounts since it is a wholly owned subsidiary company of Cellnet Group Limited. These accounts present information about the company as an individual undertaking, and not about its group.

#### **II Cash flow statement**

The company is exempt under the terms of Financial Reporting Standard Number 1 from publishing a cash flow statement, since its cash flows are included in the consolidated group cash flow of Cellnet Group Limited.

#### **III Investments**

Investments are stated at cost, less amounts written off where necessary to reflect any permanent diminution in value.

### **2 Retained profit**

The auditors' remuneration of £1,000 (1996: £1,000) for the year ended 31 March 1997 has been borne by a subsidiary company.

### **3 Employee information**

The company had no employees during the years ended 31 March 1997 and 31 March 1996.

#### 4 Directors' emoluments

The directors are remunerated by the immediate parent company and did not receive any remuneration for their services to Cellnet Services Limited.

#### 5 Fixed asset investments

Shares in subsidiary undertakings - cost	£'000
At 1 April 1996	2,000
Additions	105,000
At 31 March 1997	<u>107,000</u>

In the opinion of the directors, the aggregate value of shares in subsidiary companies was not less than the amount at which these were included in the balance sheet.

Brief details of principal operating subsidiary companies all of which were wholly owned and incorporated in the United Kingdom were as follows:

Name	Description and number of shares held	Principal business activity
Call Connections Limited	94,999,999 ordinary shares of £1 each (1996: 999,999)	To act as a cellular service provider re-selling the services of Telecom Securicor Cellular Radio Limited.
Cellnet Solutions Limited	1 ordinary share of £1 each	To provide "value added services". At present its principal product is a messaging service known as "Callback" which utilises "Cellnet Callback", a service of Telecom Securicor Cellular Radio Limited.
Cellnet Transactions Limited	11,999,999 ordinary shares of £1 each (1996: 999,999)	To provide administration facilities to cellular service providers.

**6 Debtors: amounts falling due within one year**

	1997 £'000	1996 £'000
Amounts owed by holding company and fellow subsidiary undertakings	-	275
	<u>          </u>	<u>          </u>

**7 Creditors: amounts falling due within one year**

	1997 £'000	1996 £'000
Amounts owed to holding company and fellow subsidiaries	-	275
	<u>          </u>	<u>          </u>

**8 Share capital**

	1997 £'000	1996 £'000
<b>Authorised:</b>		
107,000,000 ordinary shares of £1 each (1996: 2,000,000)	107,000	2,000
	<u>          </u>	<u>          </u>
<b>Allotted, called-up, and fully paid</b>		
107,000,000 ordinary shares of £1 each (1996: 2,000,000)	107,000	2,000
	<u>          </u>	<u>          </u>

During the year, authorised share capital was increased by £105,000,000 by the creation of 105,000,000 ordinary shares of £1 each. These shares were issued fully paid at £1 each to Cellnet Group Limited on 7 March 1997.

**9 Reconciliation of movements in shareholders' funds**

	1997 £'000	1996 £'000
Retained profit for the financial year	-	-
Opening shareholders' funds	2,000	2,000
Issue of 105,000,000 ordinary shares of £1 each	105,000	-
	<u>          </u>	<u>          </u>
Closing shareholders' funds	107,000	2,000
	<u>          </u>	<u>          </u>

**10 Contingent liabilities**

At 31 March 1997 there were no contingent liabilities or guarantees other than those arising in the ordinary course of the company's business and on these no material losses are expected.

**11 Immediate and ultimate holding company**

The company's immediate holding company is Cellnet Group Limited, a company incorporated in the United Kingdom.

The results of the company are included in the consolidated financial statements of Cellnet Group Limited. Consequently the company is exempt under the terms of Financial Reporting Standard Number 8 from disclosing details of transactions and balances with Cellnet Group Limited and fellow group subsidiaries. Copies of the accounts for Cellnet Group Limited may be obtained from The Secretary, Cellnet Group Limited, 260 Bath Road, Slough, Berkshire, SL1 4DX.

The company's ultimate holding company is British Telecommunications plc, a company incorporated in the United Kingdom. Copies of the ultimate holding company's accounts may be obtained from The Secretary, British Telecommunications plc, 81 Newgate Street, London EC1A 7AJ.

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