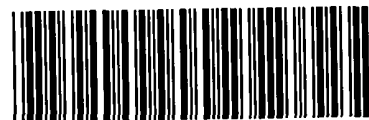


Company Registration No. 03034179 (England and Wales)

TALK INTERNET LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017
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TALK INTERNET LIMITED

COMPANY INFORMATION

Directors	A Ashton	(Appointed 4 April 2017)
	W Dawson	(Appointed 4 April 2017)

Company number	03034179
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Registered office	3 The Green Stratford Road Shirley B90 4LA
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Auditor	Spencer Gardner Dickins Audit LLP 3 Coventry Innovation Village Cheetah Road Coventry CV1 2TL
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TALK INTERNET LIMITED

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TALK INTERNET LIMITED

BALANCE SHEET

AS AT 31 JULY 2017

		2017		2016 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	3		118,821		138,992
Current assets					
Stocks		9,430		12,587	
Debtors	4	1,121,262		544,301	
Cash at bank and in hand		627,269		646,433	
		<u>1,757,961</u>		<u>1,203,321</u>	
Creditors: amounts falling due within one year	5	<u>(1,159,481)</u>		<u>(1,031,327)</u>	
Net current assets			598,480		171,994
Total assets less current liabilities			<u>717,301</u>		<u>310,986</u>
Creditors: amounts falling due after more than one year	6		(20,218)		(30,936)
Provisions for liabilities			<u>(18,290)</u>		<u>(20,497)</u>
Net assets			<u><u>678,793</u></u>		<u><u>259,553</u></u>
Capital and reserves					
Called up share capital	7		10,000		10,000
Capital redemption reserve			3,084		3,084
Profit and loss reserves			<u>665,709</u>		<u>246,469</u>
Total equity			<u><u>678,793</u></u>		<u><u>259,553</u></u>

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

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 24.11.18 and are signed on its behalf by:



A Ashton
Director

Company Registration No. 03034179

TALK INTERNET LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies

Company information

Talk Internet Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3 The Green, Stratford Road, Shirley, B90 4LA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 July 2017 are the first financial statements of Talk Internet Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 August 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

Talk Internet Limited is a wholly owned subsidiary of Wavenet Limited and the results of Talk Internet Limited are included in the consolidated financial statements of Wavenet Limited, which are available from its registered office, 3 The Green, Stratford Road, Shirley, B90 4LA.

The ultimate parent company is Robin Topco Limited and the results of Talk Internet Limited are also included in the consolidated financial statements of Robin Topco Limited, which are available from its registered office, 3 The Green, Stratford Road, Shirley, B90 4LA.

1.2 Prior period adjustment

The accounts for the year ended 31 July 2017 include a prior year adjustment of £474,180 in relation to an error identified by the directors resulting in deferred income being understated as at 31 July 2016 and 31 July 2015. The effect of the adjustment was to increase deferred income at 31 July 2016 by £474,180 to £676,274 and in the year ended 31 July 2015 by £427,180 to £662,890.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of telecommunications services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

TALK INTERNET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies (Continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% straight line
Computers	33.33% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

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

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets and liabilities with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

TALK INTERNET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies

(Continued)

1.9 Equity instruments

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

1.10 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

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

1.12 Retirement benefits

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

1.13 Leases

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

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

TALK INTERNET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies

(Continued)

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.14 Foreign exchange

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

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 18 (2016 - 16).

3 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 August 2016	518,813
Additions	83,412
Disposals	(25,368)
At 31 July 2017	<u>576,857</u>
Depreciation and impairment	
At 1 August 2016	379,820
Depreciation charged in the year	101,832
Eliminated in respect of disposals	(23,616)
At 31 July 2017	<u>458,036</u>
Carrying amount	
At 31 July 2017	<u>118,821</u>
At 31 July 2016	<u>138,992</u>

4 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	474,906	417,347
Amounts owed by group undertakings	532,965	-
Other debtors	6,371	4,433
Prepayments and accrued income	107,020	122,521
	<u>1,121,262</u>	<u>544,301</u>

TALK INTERNET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

5 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Obligations under finance leases		37,197	42,206
Trade creditors		224,992	153,085
Corporation tax		9,725	62,580
Other taxation and social security		86,668	74,405
Other creditors		2,462	2,499
Accruals and deferred income		798,437	696,552
		<u>1,159,481</u>	<u>1,031,327</u>

The finance lease obligations are secured over the assets to which they relate.

6 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Obligations under finance leases		<u>20,218</u>	<u>30,936</u>

The finance lease obligations are secured over the assets to which they relate.

7 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

8 Audit report information

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

The auditor's report was qualified and the auditor reported as follows:

Basis of qualified opinion on financial statements

The accounts for the year ended 31 July 2017 include a prior year adjustment of £474,180 in relation to an error identified by the directors in the deferred income balance as at 31 July 2016 and 31 July 2015. The audit evidence available to us on this adjustment was limited as the directors were unable to provide us with detailed workings behind the adjustment. As a result we were unable to obtain sufficient appropriate audit evidence regarding the prior year adjustment.

TALK INTERNET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

8 Audit report information

(Continued)

Qualified opinion on the financial statements

give a true and fair view of the state of the company's affairs as at 31 July 2017 and of its profit for the year 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; and

The senior statutory auditor was Susan Walls BSc FCA.

The auditor was Spencer Gardner Dickins Audit LLP.

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases amounting to £150,919 (2016: £93,060).

10 Related party transactions

The company has taken advantage of the exemption under the terms of FRS102 not to disclose related party transactions with wholly owned subsidiaries within the group.

11 Prior period adjustment

See prior year adjustment note in accounting policies for detail on the adjustment made.

Changes to the balance sheet

	At 31 July 2016		As restated
	As previously reported	Adjustment	
	£	£	£
Creditors due within one year			
Accruals and deferred income	(224,871)	(474,180)	(699,051)
	<u> </u>	<u> </u>	<u> </u>
Capital and reserves			
Profit and loss	720,649	(474,180)	246,469
	<u> </u>	<u> </u>	<u> </u>

TALK INTERNET LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

11 Prior period adjustment

(Continued)

Changes to the profit and loss account

	Period ended 31 July 2016		
	As previously reported	Adjustment	As restated
	£	£	£
Turnover	3,698,702	(47,000)	3,651,702
	<u> </u>	<u> </u>	<u> </u>
Profit for the financial period	295,286	(47,000)	248,286
	<u> </u>	<u> </u>	<u> </u>

Of the total prior year adjustment noted above £47,000 related to the profit and loss for the year ended 31 July 2016 with the remaining balance relating to previous periods.