

# GW 1264 Limited

## REPORT AND FINANCIAL STATEMENTS

30 June 2006



Company Registration No 3240102

# GW 1264 Limited

## DIRECTORS, OFFICERS AND ADVISERS

---

### **DIRECTORS**

I Daly

S P Samuel

### **SECRETARY**

I Daly

### **REGISTERED OFFICE**

1 Transcentral

Bennet Road

Reading

Berkshire

RG2 0QX

### **AUDITORS**

Baker Tilly UK Audit LLP

Chartered Accountants

2 Bloomsbury Street

London

WC1B 3ST

### **BANKERS**

Barclays Bank Plc

Blackwater Valley Group

PO Box 191

Camberley

Surrey

GU15 3GS

### **SOLICITORS**

Norton Rose

Kempson House

Camomile Street

London

EC3A 7AN

# GW 1264 Limited

## DIRECTORS' REPORT

---

The directors submit their report and the financial statements of GW 1264 Limited for the 18 month period ended 30 June 2006

### PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company during the period was that of an intermediate holding company. The company has traded in line with expectations during the period.

On the 15 August 2005 the company and its subsidiaries were acquired by Netstore Security Limited (formerly Netconnect Limited) a member of the Netstore Plc group of companies.

### DIVIDENDS

The directors are precluded from the payment of a preference dividend (2004 £9,700)

### DIRECTORS

The following directors have held office during the period

S P Samuel	
S T Upton	(resigned 15 August 2005)
T Salkield	(appointed 15 August 2005, resigned 16 October 2006)
I Daly	(appointed 1 March 2006)

### DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

None of the directors held any interest in the share capital of the company at 30 June 2006

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### AUDITORS

The company, having been notified of the cessation of the partnership known as Baker Tilly, consented to extend the audit appointment to Baker Tilly UK Audit LLP with effect from 1 April 2007, in accordance with the provisions of S 26 (5) Companies Act 1989. Accordingly, the audit report has been signed in the name of Baker Tilly UK Audit LLP. Baker Tilly UK Audit LLP has indicated its willingness to continue in office as auditors.

A resolution to appoint Baker Tilly UK Audit LLP as auditors will be put to the members at the annual general meeting.

By order of the board

I Daly  
Secretary



27 June 2007

# GW 1264 Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

---

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. 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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GW 1264 LIMITED

We have audited the financial statements on pages 5 to 12

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 opinion we have formed.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 30 June 2006 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985, and, the information given in the Directors' Report is consistent with the financial statements.

  
BAKER TILLY UK AUDIT LLP  
Registered Auditor  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

27 June 2007

**GW 1264 Limited**  
**PROFIT AND LOSS ACCOUNT**  
for the 18 month period ended 30 June 2006

---

	Notes	2006 18 Months £	Restated 2004 12 Months £
TURNOVER	1	750	1,200
Gross profit		<u>750</u>	<u>1,200</u>
Other operating expenses	2	(1,827)	(2,203)
OPERATING LOSS		<u>(1,077)</u>	<u>(1,003)</u>
Investment income	3	5,317	-
Interest payable	4	-	(9,700)
Amounts written off fixed asset investments	8	(135,371)	-
		<u></u>	<u></u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(131,131)	(10,703)
Taxation	7	39	1,911
RETAINED LOSS FOR THE FINANCIAL PERIOD	14	<u>(131,092)</u>	<u>(8,792)</u>

The operating loss for the period arises from the company's continuing operations

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account

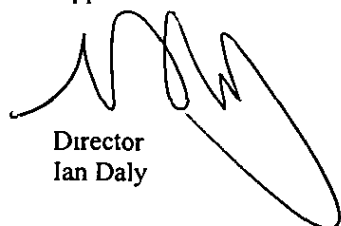
# GW 1264 Limited

## BALANCE SHEET

30 June 2006

	Notes	2006 £	Restated 2004 £
<b>FIXED ASSETS</b>			
Investments	8	-	135,371
		<u>-</u>	<u>135,371</u>
<b>CURRENT ASSETS</b>			
Debtors – due within one year	9	87,464	64,200
Debtors - due after more than one year	9	-	20,000
Cash at bank and in hand		2,110	2,680
		<u>89,574</u>	<u>86,880</u>
<b>CREDITORS</b> Amounts falling due within one year	10	(34,691)	(36,276)
<b>NET CURRENT ASSETS</b>		<u>54,883</u>	<u>50,604</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>54,883</u>	<u>185,975</u>
<b>CREDITORS</b> Amounts falling due after more than one year	11	(97,000)	(97,000)
<b>NET (LIABILITIES)/ASSETS</b>		<u>(42,117)</u>	<u>88,975</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	49,851	49,851
Share premium account	13	31,000	31,000
Profit and loss account	14	(122,968)	8,124
<b>SHAREHOLDERS' FUNDS</b>	15	<u>(42,117)</u>	<u>88,975</u>

Approved and authorised for issue by the board on 27 June 2007



Director  
Ian Daly

# GW 1264 Limited

## ACCOUNTING POLICIES

for the 18 month period ended 30 June 2006

---

### *Basis of preparation*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards

The accounts present information about the company itself and do not include information regarding its subsidiary undertakings. The company is exempt from producing consolidated accounts under Section 228 of the Companies Act 1985

### *Revenue recognition*

Revenue is largely derived from services provided within the group and exclude Value Added Tax

### *Cash flow statement*

The company has relied on the exemptions conferred by Financial Reporting Standard No 1 from the requirement to publish a cash flow statement

### *Deferred Taxation*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounting basis

### *Capital instruments*

Shares are included in shareholders' funds. Other instruments are classified as liabilities if they contain an obligation to transfer economic benefits and if not they are included in shareholders' funds

### *Financial Instruments*

Financial Instruments issued are classified as financial liabilities, financial assets or equity instruments in accordance with the substance of the contractual agreement and the definitions of 'financial liability' and 'equity instrument' as set out in Financial Reporting Standard ("FRS") 25, as is required by that standard. Interest or dividends relating to financial liability or asset are recognised as an expense or income respectively, within the interest section of the profit and loss account. Distributions paid to holders of an equity instrument are charged directly to reserves. This accounting policy, as required by FRS 25, represents a change of policy from previous financial periods, and the comparative figures have been restated. The effect of the change is set out in note 4

### *Investments*

Investments are stated at cost less any provision for impairment

### *Comparatives*

The comparative period represents the period from 1 January 2004 to 31 December 2004



# GW 1264 Limited

## NOTES TO FINANCIAL STATEMENTS for the 18 month period ended 30 June 2006

### 1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and loss before taxation were all derived from its principal activity. All sales were made in the United Kingdom.

### 2 OTHER OPERATING EXPENSES

2006	2004
18 Months	12 Months
£	£

Administration expenses	1,827	2,203
-------------------------	-------	-------

### 3 INVESTMENT INCOME

2006	2004
18 Months	12 Months
£	£

Interest from group loans	5,317	-
---------------------------	-------	---

### 4 INTEREST PAYABLE

2006	Restated 2004
18 Months	12 Months
£	£

Dividends payable on preference shares	-	9,700
--	---	-------

### Effect on results for current and prior period following change of accounting policy

The company has adopted a new accounting policy for the current period in respect of financial instruments, details of which are set out within the accounting policies. As explained in the accounting policies the new policy has been adopted to comply with FRS 25. The effect of applying the new policy on the company's results has been that the profit before and after tax has been decreased by £Nil (2004 £9,700) because amounts that would previously have been treated as dividends, and therefore an appropriation of profit, have now been reclassified within interest payable and similar charges set about above.

The net assets of the company have decreased by £97,000 (2004 £97,000) because redeemable preference shares previously issued by the company, which in prior periods were classified as part of share capital, have been reclassified in accordance with the new accounting policy as creditors falling due after more than one year (note 11).

### 5 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

2006	2004
18 Months	12 Months
£	£

Loss on ordinary activities before taxation is stated after

Charging

Auditors' remuneration

875	875
-----	-----

Auditors' remuneration –non audit services

875	1,275
-----	-------

# GW 1264 Limited

## NOTES TO FINANCIAL STATEMENTS for the 18 month period ended 30 June 2006

6	EMPLOYEES	2006 18 Months £	2004 12 Months £
	The average monthly number of persons (including directors) employed by the group during the period was		
	Administration	2	2
		<u>2</u>	<u>2</u>
	DIRECTORS' REMUNERATION	Nil	Nil
		<u>Nil</u>	<u>Nil</u>
7	TAXATION	2006 18 Months £	2004 12 Months £
	Based on the result for the period		
	UK corporation tax	-	(191)
	Over provision in earlier years	(39)	(1,720)
	Total current tax	<u>(39)</u>	<u>(1,911)</u>
	Factors affecting tax charge for period	2006 £	2004 £
	Loss on ordinary activities before tax	(131,131)	(10,703)
	Factors affecting tax charge for period		
	Profit on ordinary activities multiplied by standard rate of 30% (2004 30%)	(39,339)	(3,211)
	Expenses not deductible for tax purposes	40,611	-
	Group relief	(1,272)	-
	Adjustments to tax charge in respect of previous periods	(39)	(1,720)
	Tax charge for period	<u>(39)</u>	<u>(1,911)</u>

# GW 1264 Limited

## NOTES TO FINANCIAL STATEMENTS for the 18 month period ended 30 June 2006

### 8 FIXED ASSETS INVESTMENTS

	Shares in group undertaking £
Company	
Cost and net book value	
1 January 2005	135,371
Provision against carrying value	(135,371)
30 June 2006	-

#### Shares in group undertakings

At 30 June 2006 the shares in group undertakings comprised of an investment in the following subsidiary undertaking

	Class of holding	Proportion held	Nature of Business
System Software Solutions Limited	Ordinary	100%	Internet Security Reseller

The subsidiary undertaking is incorporated in England and Wales. At 30 June 2006 System Software Solutions Limited had net liabilities of £186,876 having incurred a loss of £381,203 in the period

### 9 DEBTORS

	2006 £	2004 £
Due within one year		
Amounts owed by subsidiary undertaking	87,464	63,132
Other debtors – corporation tax	-	1,068
	<u>87,464</u>	<u>64,200</u>
Debtors due after more than one year		
Amounts owed by subsidiary undertaking	-	20,000
	<u>-</u>	<u>20,000</u>

### 10 CREDITORS Amounts falling due within one year

	2006 £	2004 £
Amounts owed to parent undertaking	22,657	24,064
Other creditors	-	362
Accruals and deferred income	2,334	2,150
Cumulative preference dividend payable	9,700	9,700
	<u>34,691</u>	<u>36,276</u>

# GW 1264 Limited

## NOTES TO FINANCIAL STATEMENTS for the 18 month period ended 30 June 2006

11	CREDITORS Amounts falling due after more than one year	2006	Restated 2004
		£	£
	Fixed cumulative redeemable preference shares of £1 each	97,000	97,000

The redeemable preference shares shown above have been reclassified in the current period as financial liabilities following a change in accounting policy (see accounting policies and Note 4), having previously been included within the company's called-up share capital. The shares are redeemable after June 2008 and consequently the amounts are considered to be repayable in more than one year.

The dividends on the redeemable preference shares of 10p each are payable annually. On a return of capital on a winding up, the holders shall be entitled to £1 per share. Holders of redeemable preference shares are not entitled to attend, nor vote, at general meetings of the company.

12	SHARE CAPITAL	2006	2004
		£	£
	Authorised 520,000 ordinary shares of 10p each	52,000	52,000
	Allotted, issued and fully paid. 498,510 ordinary shares of 10p each	49,851	49,851

13	SHARE PREMIUM ACCOUNT	£
	1 January 2005 and at 30 June 2006	31,000

14	PROFIT AND LOSS ACCOUNT	
	Company	£
	1 January 2005	8,124
	Loss for the financial period	(131,092)
	30 June 2006	(122,968)

# GW 1264 Limited

## NOTES TO FINANCIAL STATEMENTS for the 18 month period ended 30 June 2006

15	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2006 £	Restated 2004 £
	Loss for the financial period	(131,092)	(8,792)
	Net deduction from shareholders' funds	(131,092)	(8,792)
	Opening shareholders funds as previously reported	185,975	194,767
	Prior year adjustment	(97,000)	(97,000)
	Opening shareholders' funds restated	88,975	97,767
	Closing shareholders' funds	(42,117)	88,975

### 16 ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking of the company is Oakmore Holdings Limited, a company registered in England and Wales

The ultimate parent undertaking of the company is Netstore Plc, a company registered in England and Wales. The largest and smallest consolidated accounts that include the results of the company are those of Netstore Plc, copies of which can be obtained from The Company Secretary, Netstore Plc, 1 Transcentral, Bennet Road, Reading, Berkshire, RG2 0QX

The company has taken advantage of the exemptions given under Financial Reporting Standard No 8, Related Party Transactions, not to disclose transactions with entities that are members of, or investees in, the Netstore Group

### 17 CONTINGENT LIABILITIES

The assets of the company are secured under a cross-guarantee with the ultimate parent undertaking (Netstore Plc) bankers in regard to any indebtedness between the ultimate parent and its bankers by fixed and floating charge