

**Allington Communications
Limited**

Directors' report and financial
statements

Registered number 4354868

31 March 2008

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Directors' report

The directors present their annual report and the financial statements for the year ended 31 March 2008

Principal activities

The company is a holding company to businesses which act as telecommunication equipment resellers and maintain telecommunication equipment

Trading results

On 20 July 2007 Eurotel Limited, the then ultimate parent company, acquired 100% of the share capital of Allington Communications Limited

Directors and directors' interests

The directors who held office during the year were as follows

C Jagusz	Appointed 10 July 2007
N J Williams	Appointed 11 February 2008
P A Hudson	Appointed 10 July 2007, Resigned 29 February 2008
S P A Marino	Resigned 10 July 2007
D E Flack	Resigned 10 July 2007
P P A Marino	Resigned 10 July 2007

None of the directors in office at the year end had any interest in the share capital of the company. All the directors at 31 March 2008 are directors of the ultimate parent company and their interests in the share capital of that company are shown in those accounts

Audit information

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board



N J Williams
Secretary

Empire House
Mulcture Hall Road
Halifax
HX1 1SP

24 September 2008

Statement of directors' responsibilities in respect of the directors' report and the 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 year. 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 group and the company and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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,
- 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 that disclose with reasonable accuracy at any time the financial position of the group and the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report to the members of Allington Communications Limited

We have audited the group and parent company financial statements (the "financial statements") of Allington Communications Limited for the period ended 31 March 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

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 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

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 other transactions is not disclosed.

We read other information in the Annual Report, and consider whether it is consistent with the audited financial statements. 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned 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. However, the evidence available to us was limited because, following changes in the ultimate ownership of the company on 20 July 2007, books and records relating to the period up to acquisition were lost. As a result, the directors and management were unable to explain the basis for or provide supporting documentation for the opening balances and trading activity up to the point of acquisition. As a result of this we have been unable to obtain sufficient audit evidence concerning the company's opening balances and Profit and Loss Account balances of Turnover £0.23m, Cost of Sales £0.081m and Interest expense of £0.036m. Any adjustments of these amounts would have a consequential effect on the profit for the current financial year. Because of the significance of these items, we have been unable to form a view on the profit for the year.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion: disclaimer on view given by the results for the year

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 as at 31 March 2008

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the company's profit for the year ended 31 March 2008, and
- have been properly prepared in accordance with the Companies Act 1985

In respect solely of the limitation of our work referred to above

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit, and
- proper accounting records have not been maintained

Notwithstanding our disclaimer on the view given by the results for the year, in our opinion, the information given in the directors' report is consistent with the financial statements



Ernst & Young LLP

29 September 2008

Registered auditor

Profit and loss account
for the year ended 31 March 2008

	<i>Note</i>	2008 £000	2007 £000
Turnover	<i>1</i>	230	535
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		230	535
Administration expenses		(81)	(458)
		<hr/>	<hr/>
Operating profit		149	77
Interest payable and similar charges		(36)	(63)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	<i>2</i>	113	14
Taxation on profit on ordinary activities	<i>4</i>	-	-
		<hr/>	<hr/>
Profit for the financial year		113	14
		<hr/>	<hr/>

There were no recognised gains or losses in the year other than those included in the profit and loss account

The notes on pages 6 to 10 form part of these financial statements

Balance sheet
as at 31 March 2008

	<i>Note</i>	2008 £000	2008 £000	2007 £000	2007 £000
Fixed assets					
Investments	5		2,364		2,064
Current assets					
Debtors	6	-		179	
Cash		3		6	
		<u>3</u>		<u>185</u>	
Creditors amounts falling due within one year	7	(976)		(224)	
Net current assets / (liabilities)			(973)		(39)
Creditors amounts falling due after more than one year	8		-		(747)
Net assets			<u>1,391</u>		<u>1,278</u>
Capital and reserves					
Called up share capital	9		26		26
Share premium	10		945		945
Profit and loss account	10		420		307
Equity shareholders' funds			<u>1,391</u>		<u>1,278</u>

These financial statements were approved by the board of directors on 24 September 2008 and were signed on its behalf by



N J Williams
Director

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

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

As the company is a wholly owned subsidiary of Belle Holdco Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties)

Turnover

Revenue is recognised to the extent that the company obtains the right to consideration exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and VAT or other sales tax or duty.

Revenue from sales of telephone systems is recognised on completion of the installation of the telephone system at the customer's premises.

Revenue from network calls sales is recognised at the time the call is made by the customer.

Revenue from maintenance contracts is recognised on the accruals basis over the period of the contract. The balance relating to the un-expired contracts at the year end is carried forward as deferred income.

Deferred taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment to certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment to certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Notes (continued)

2 (Loss) / Profit on ordinary activities before taxation

	2008	2007
	£000	£000
<i>(Loss) / Profit on ordinary activities before taxation is stated after charging</i>		
Auditors remuneration	-	3
	<hr/>	<hr/>

3 Remuneration of directors

	2008	2007
	£000	£000
Directors' emoluments	23	70
	<hr/>	<hr/>
	23	70
	<hr/>	<hr/>

4 Taxation

<i>Factors affecting the tax charge for the period</i>	2008	2007
	£000	£000
Profit on ordinary activities before tax	113	-
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK 30%	34	-
<i>Effects of Group relief</i>	(34)	-
	<hr/>	<hr/>
Current tax charge for the period	-	-
	<hr/>	<hr/>

5 Investments

	Total £000
<i>Cost</i>	
At 1 April 2007	2,064
Additions	300
	<hr/>
At 31 March 2008	2,364
	<hr/>
<i>Net book value</i>	
At 31 March 2008	2,364
	<hr/>
At 31 March 2007	2,064
	<hr/>

The company had the following investments

	Country of Registration	Class of shares	Proportion of the Nominal value of that class
Service Direct (UK) Limited	UK	Ordinary	100%
Advance Telephone Systems Limited	UK	Ordinary	100%*

* Held indirectly by the company

6 Debtors

	2008 £000	2007 £000
Amounts owed by group undertakings	-	176
Other debtors	-	3
	<hr/>	<hr/>
	-	179
	<hr/>	<hr/>

7 Creditors: amounts falling due within one year

	2008 £000	2007 £000
Bank loans and overdrafts	-	117
Trade creditors	-	12
Amounts owed to group undertakings	976	-
Other creditors	-	95
	<hr/>	<hr/>
	976	224
	<hr/>	<hr/>

Notes (continued)

8 Creditors: amounts falling due after more than one year

	2008 £000	2007 £000
Bank loans and overdrafts	-	747
	<u>-</u>	<u>747</u>

9 Share capital

	Allotted, called up and fully paid	
	2008 £000	2007 £000
1,000,000 Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid	
	2008 £000	2007 £000
25,775 Ordinary shares of £1 each	26	26
	<u>26</u>	<u>26</u>

10 Reconciliation of movements in equity shareholders' funds

	Profit and loss account £000	Share premium £000	Total £000
At 1 April 2007	307	945	1,252
Profit for the financial year	113	-	113
	<u>420</u>	<u>945</u>	<u>1,365</u>
At 31 March 2008	420	945	1,365

11 Parent undertaking and ultimate parent company

The parent undertaking of the group of undertakings for which the group accounts are drawn up and of which the company is a member is Belle Holdco Limited, which is also the company's ultimate parent company and controlling party. Belle Holdco Limited is incorporated in the United Kingdom. Copies of the Annual Reports of Belle Holdco Limited are available at Empire House, Mulcture Hall Road, Halifax, HX1 1SP.