Registered No 4572231

Premier Entertainment Limited

Report and Financial Statements

31 December 2011

Directors
Jayesh Patel
Jayten Patel
Keith Scott
Stephen Martin

Secretary
Stephen Martin

Auditors
Leftley Rowe & Co
The Heights
59-65 Lowlands Road
Harrow Middlesex HA1 3AW

Bankers
Royal Bank of Scotland
Kensington High Street
London

Registered Office
Maniland House
12 Court Parade
East Lane
Wembley
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Director's report

The directors present their report and financial statements for the year ended 31 December 2011

Results and dividends

The company's profit before tax is £462,768 (2010 – loss of £542,288)

The majority of the group's business to date is derived from entertainment and communication terminals at patients bedsides where the group has a total of 10,796 (2010 – 11,197) installed in the UK

Principal activities and review of the business

The group of which the company is a member provides Bedside Entertainment Systems to acute NHS hospitals in addition the group provides payphones and bedside phone units and bedside phone and TV units called Easitalk and Easiview respectively The company provides services to manage service within hospitals running licensed bedside units The terminals managed by the company are owned by a fellow group company,

The group uses a number of KPI's covering its business performance, key ones being

EBITDA Earnings before interest, tax, depreciation and amortisation reflect the ability of the group to generate cash from its ongoing operations

Revenue – revenue per terminal per day broken down into type of revenue stream Total revenues per terminal per day have continued to develop during the year

Costs – costs per terminal per day, chiefly covering site staff costs, maintenance costs and direct costs of sales The group has taken active steps to reduce the costs of staff during the year and to tightly control other costs

Directors

The directors who served the company during the year were as follows

Jayesh Patel appointed 1 December 2011
Jayten Patel appointed 1 December 2011
K Scott
S Martin

Principal risks and uncertainties

The group's activities are largely supplying services to Patients within NHS hospitals, their friends and families The group is therefore affected by government policy in respect of healthcare provision and funding

In addition government policy on use of mobile phones and cameras within the ward areas of NHS Hospitals affects the usage of the group's equipment within those areas

The government issued revised guidelines in January 2009 which effectively relaxed many of the restrictions on the use of mobile phones in hospitals

Outlook

In November 2011 the parent undertaking of the company was sold to Catwise Limited Icon Corp have no continuing interest in the company or the group

Director's report

The relaxation of NHS guidelines in 2009 governing the use of mobile phones continues to affect usage of our bedside equipment and therefore the financial performance of the group Management continue to deal with the declines in revenues and has made some important cost and efficiency savings which have started to influence results in 2011

New sources of income continue to be sought including sales of terminals and equipment and promoting the use of the terminals within existing hospitals by the NHS as well as by patients and their friends and relatives The company and the group continue to discuss the future provision of the Patient Power programme concessions with trusts and looks to develop the provision of additional bedside services with trusts to the benefit of both patients and the overall efficient management of hospitals

Going Concern

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, and details of its exposures to price, credit, liquidity and cash flow risk are described above

The directors, having assessed the responses of the directors of the company's intermediate parent company Pretel Group Limited to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Pretel Group Limited to continue as a going concern or its ability to continue to provide support to Premier Entertainment Limited

Dividends

The directors do not recommend the payment of a dividend (2010 – £nil)

Disclosure of information to the auditors

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 company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors

Leftley Rowe and Company were appointed auditors to the company and are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006

On behalf of the Board

S Martin
Director
Date 6\8\12

Statement of directors responsibilities

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) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these 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, and
- 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 are sufficient to show and explain the company's transactions and 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 2006 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 Premier Entertainment Limited

We have audited the financial statements of Premier Entertainment Limited for the year ended 31st December 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 13 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Director's Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31st December 2011 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or

- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Christopher Andrews (senior statutory auditor)
For and on behalf of Leftley Rowe and Company
Chartered Accountants and
Statutory Auditors

10/8/2012

Leftley Rowe

The Heights
59-65 Lowlands Road
Harrow
Middlesex
HA1 3AW

Profit and loss account

for the year ended 31 December 2011

		2011	*2010*
	Notes	£	£
Turnover	1	1,925,533	1,042,983
Cost of sales		(84,229)	(169,532)
Gross Profit		1,841,304	873,451
Administrative expenses		(1,158,276)	(1,415,739)
Operating profit/(loss)		683,028	(542,288)
Interest payable	5	(220,260)	-
Profit/(loss) on ordinary activities before taxation		462,768	(542,288)
Tax on Profit/(loss) on ordinary activities	6	–	–
Profit/(loss) for the financial year		462,768	(542,288)

All amounts are derived from continuing operations and are stated on a historical cost basis

Statement of total recognised gains and losses

for the year ended 31 December 2011

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £462,768 in the year ended 31 December 2011 (2010 – loss of £542,288)

Balance Sheet

at 31 December 2011

		2011	*2010*
	Notes	£	£
Current assets			
Stock	7	760	4,139
Debtors	8	6,845	17,516
Cash		46,862	66,117
		54,467	87,772
Creditors: amounts falling due within one year	9	(2,742,550)	(3,238,623)
Net liabilities		(2,688,083)	(3,150,851)
Capital and reserves			
Called up equity share capital	11	100	100
Profit and loss account	12	(2,688,183)	(3,150,951)
Equity shareholders' deficit		(2,688,083)	(3,150,851)

Approved by the Board

S Martin
Director
Date 6/8/12

Movement in equity shareholders' deficit

for the year ended 31 December 2011

	2011	2010
	£	£
Profit/(loss) for the financial year	462,768	(542,288)
Equity shareholders' deficit brought forward	(3,150,851)	(2,608,563)
Equity shareholders' deficit carried forward	(2,688,083)	(3,150,851)

Notes to the financial statements

at 31 December 2011

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements are prepared under the historical cost convention

In order to assess the appropriateness of preparing the financial statements on a going concern basis, management has prepared detailed projections of expected future cash flows and these have been reviewed by the Board These forecasts are to the year ending 31 December 2014 and include potential uncertainties and sensitivities of key assumptions

The directors have considered the current financial position of the group and the cash flow forecasts for the foreseeable future, and believe that the group will generate sufficient funds to meet its obligations and to meet all other financial liabilities as they fall due, for a period of at least 12 months from the date of signing these financial statements The directors therefore believe that the company is a going concern

The company has net liabilities of £2,688,083 The company's parent, Pretel Group Limited, has indicated that it will provide or procure such funds as are necessary to enable the company to settle all liabilities as they fall due Accordingly, the financial statements have been prepared on a going concern basis

Statement of cash flows

Under FRS 1, the company is exempt from the requirement to prepare a statement of cash flows on the grounds that it is a wholly owned subsidiary undertaking of Pretel Group Limited, and its results are included in that company's consolidated financial statements

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts

Turnover relates to the principal activities of the company, which were carried out wholly in the United Kingdom

Fixed assets

All fixed assets are initially recorded at cost less accumulated depreciation and accumulated impairment losses The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, on a straight line basis over the estimated useful economic life of that asset as follows

Terminal equipment	5-15 years

The cost of tangible fixed assets is their purchase price together with any incidental costs of acquisition

Stock

Stock is valued at the lower of cost and net realisable value after making provision for obsolete and slow moving items

Notes to the financial statements

at 31 December 2011

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with following exceptions

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Related party transactions

Under FRS 8, the company is exempt from the requirement to disclose transactions with other group undertakings on the grounds that it is a wholly owned subsidiary undertaking of Pretel Group Limited

Pensions

Contributions to defined contribution schemes are charged to the profit and loss account as incurred

Notes to the financial statements

at 31 December 2011

2 Directors' emoluments

The emoluments of the directors were borne by other group companies

3. Operating Profit/(loss)

The auditors' remuneration in respect of the audit of these financial statements of £5,205 (2010 – £9,500) was paid by Premier Telesolutions Limited, a fellow group undertaking

4. Staff costs

	2011	*2010*
	£	*£*
Wages and salaries	491,107	658,788
Social security costs	29,478	42,157
	520,585	700,945

The average monthly number of employees during the year was as follows

	No	*No*
Management	7	7
Customer service	45	59
	52	66

5. Interest payable

	2011	*2010*
	£	*£*
Other interest payable	220,260	-

6. Tax

(a) Tax on loss on ordinary activities

The tax charge is made up as follows

	2011	*2010*
	£	*£*
UK corporation tax		
Current tax	-	–

(b) Factors affecting tax charge for the year

The current tax charge for the year is lower (2010 – higher) than the standard rate of corporation tax in the UK of 26% (2010 – 28%) The differences are explained below

Notes to the financial statements

at 31 December 2011

	2011	2010
	£	£
Current tax reconciliation		
Profit/(loss) on ordinary activities before taxation	462,768	(542,288)
Current tax at 26% (2010 – 28%)	120,320	(151,841)
Effects of		
Group Relief	(60,566)	
Losses carried forward	(59,754)	151,841
Total current tax charge	-	-

(c) Factors affecting future tax charges
The company has an unrecognised deferred taxation asset which if utilised would reduce the tax charge in future periods (see note 10)

7. Stock

	2011	2010
	£	£
Consumables	760	4,139

8. Debtors

	2011	2010
	£	£
Prepayments and accrued income	6,845	17,516

9. Creditors: amounts falling due within one year

	2011	2010
	£	£
Amounts owed to group undertakings	2,648,607	3,151,018
Accruals and deferred income	66,765	60,682
Other creditors	27,178	26,923
	2,742,550	3,238,623

The net position is shown within amounts owed to group undertakings

Notes to the financial statements

at 31 December 2010

10. Deferred taxation

At 31 December 2011, the company has an unrecognised deferred tax asset in respect of

	2011	*2010*
	£	£
Differences between capital allowances and depreciation	29,447	29,447
Unutilised losses	602,588	783,473
Deferred tax asset	632,035	812,920

On 29 March 2011 the Government enacted that the main rate of corporation tax would fall to 26% with effect from 1 April 2011 In addition it was announced that subsequent reductions will occur annually to 23% by 2014

The net potential deferred taxation assets noted above have not been recognised in the financial statements as in the opinion of the directors, there is not sufficient evidence that it is more than likely than not that suitable taxable profits will be generated to utilise these amounts

11. Issued share capital

	2011	*2010*
Authorised, called up and fully paid	£	£
100 ordinary shares of £1 each	100	100

12. Profit and loss account

	2011	*2010*
	£	£
At 1 January	(3,150,951)	(2,608,663)
Profit/(Loss)Loss for the financial year	462,768	(542,288)
At 31 December	(2,688,183)	(3,150,951)

13. Ultimate parent undertaking and controlling party

The immediate parent company is Premier Telesolutions Limited, a company incorporated in England and Wales As at 31 December 2011 the ultimate parent company is Catwise Limited, a company incorporated in England & Wales

The results of the company are consolidated in the UK group headed by Pretel Group Limited The consolidated financial statements of this company are available to the public and can be obtained from the company's registered office