

**Oakmore Holdings Limited**  
**REPORT AND FINANCIAL STATEMENTS**

**31 December 2008**



Company Registration No 4617192

# Oakmore Holdings Limited

## DIRECTORS' REPORT

Company Registration number 4617192

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### **DIRECTORS**

T W Burt  
N P Grossman  
M S McVeigh

### **SECRETARY**

N P Grossman

### **AUDITOR**

Ernst & Young  
Apex Plaza  
Reading  
Berkshire  
RG1 1YE

### **REGISTERED OFFICE**

The Mansion House  
Benham Valence  
Newbury  
Berkshire  
RG20 8LU

# Oakmore Holdings Limited

## DIRECTORS' REPORT

Company Registration number 4617192

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The directors present their report and accounts for the 18 months ended 31 December 2008

2e2 Limited acquired Netstore Limited and its subsidiary companies including Oakmore Holdings Limited on 3rd October 2008. Following acquisition the year end was extended to 31st December, in line with other companies within the 2e2 Group.

No director had, during or at the end of the period, a material interest in any contract, which was significant in relation to the company's business.

### PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company during the year was that of an intermediate holding company.

The directors are satisfied with the result for the period and final position of the company at the period end. The directors expect that the nature of the company's activity will remain unchanged in the foreseeable future.

### RESULTS AND DIVIDENDS

The loss on ordinary activities after tax was £850 (2007: £1,479). The directors do not recommend the payment of a dividend (2007: £nil).

### DIRECTORS AND THEIR INTERESTS

The directors during the period were as follows:

T W Burt	(appointed 3 October 2008)
I Daly	(resigned 30 September 2007)
N P Grossman	(appointed 3 October 2008)
G J Kingsmill	(appointed 30 November 2007, resigned 3 October 2008)
Mark McVeigh	(appointed 3 October 2008)
D Memory	(appointed 17 September 2007, resigned 3 October 2008)
S P Samuel	(resigned 30 November 2007)

None of the directors held interests in the share capital of the company at 31 December 2008. Details of the directors' interest in the share capital of the parent undertaking, 2e2 Holdings Ltd, are disclosed in the accounts of that company.

### DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISION

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

### DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are not aware, and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

# Oakmore Holdings Limited

## DIRECTORS' REPORT

Company Registration number 4617192

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### PRINCIPAL RISKS AND UNCERTAINTIES

Discussed below are the company's major business risks, together with systems and initiatives in place to address them

#### Market

The IT services market is subject to fluctuations of demand by customers. These fluctuations are linked to the economic cycle and changes in the spending patterns of customers. In addition, the company works with a number of key vendors and it is important to maintain strong relationships and terms of business with these partners

#### Operational

This relates to the risk of financial loss resulting from internal processes, people and systems. The company manages this risk through appropriate internal controls and proactive intervention, such as management reporting systems, insurances, business interruption and disaster recovery planning

#### Liquidity

This relates to the risk that the company is unable to fund its requirements because of insufficient banking facilities. This risk is reduced as the company's banking facilities are available on a committed basis

#### Cash flow

This relates to the risk of exposure to variability in cash flows that is attributable to a particular risk of future interest payments on variability rate debt. The company manages this risk, where significant, by the use of derivatives as explained below

#### Credit risk

This relates to the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimising such losses and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures

#### Use of derivatives

The company uses interest rate swaps to adjust interest rate exposures in order to guarantee fixed interest payments where payments are variable and hence exposed to interest rate movements. Hedge accounting is used when certain criteria are met as explained in the accounting policy note

### GOING CONCERN

The directors, after making appropriate enquiries, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements

### AUDITORS

During the period, Baker Tilly resigned as auditors to this company following the acquisition of the Netstore group by 2e2. At this point, Ernst & Young LLP were appointed as auditors. A resolution to appoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

By order of the board

  
Director  
T Burt

25 May 2010

# Oakmore Holdings Limited

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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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 judgments 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 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 Oakmore Holdings Limited**

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We have audited the financial statements (the "financial statements") of Oakmore Holdings Limited for the period ended 31 December 2008 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 11. 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 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 opinions 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 United Kingdom law and 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **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 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.

INDEPENDENT AUDITORS' REPORT  
to the members of Oakmore Holdings Limited

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**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 as at 31 December 2008 and of the company's loss for the period then ended,
- the financial statements 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

*Ernst & Young Ltd*

ERNST & YOUNG LLP  
Registered Auditor  
25 May 2010

**Oakmore Holdings Limited**  
**PROFIT AND LOSS ACCOUNT**  
for the period ended 31 December 2008

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		18 Months ended 31 December 2008 £	Year ended 30 June 2007 £
	Notes		
TURNOVER		-	-
Gross profit		<u>-</u>	<u>-</u>
Other operating expenses	1	(850)	(1,458)
OPERATING (LOSS)		<u>(850)</u>	<u>(1,458)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(850)	(1,458)
Taxation	4	-	(21)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	10	<u>(850)</u>	<u>(1,479)</u>

The operating loss for the year 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



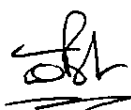
# Oakmore Holdings Limited

## BALANCE SHEET

for the period ended 31 December 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Investments	5	-	-
CURRENT ASSETS			
Debtors		-	-
Cash at bank and in hand		-	6,408
		-	6,408
CREDITORS Amounts falling due within one year	6	(359,804)	(365,362)
NET CURRENT LIABILITIES		(359,804)	(358,954)
TOTAL ASSETS LESS CURRENT LIABILITIES		(359,804)	(358,954)
CREDITORS Amounts falling due after more than one year	7	(52,000)	(52,000)
NET LIABILITIES		(411,804)	(410,954)
CAPITAL AND RESERVES			
Called up share capital	8	528,472	528,472
Capital redemption reserve		45,000	45,000
Profit and loss account	9	(985,276)	(984,426)
SHAREHOLDERS' DEFICIT	10	(411,804)	(410,954)

Approved and authorised for issue by the board on 25 May 2010



T Burt  
Director

# Oakmore Holdings Limited

## ACCOUNTING POLICIES

for the period ended 31 December 2008

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### *Basis of preparation*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards and based upon the continued support of the parent undertaking

### *Revenue recognition*

Revenue is largely derived from services provided within the company, excluding 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

### *Investments*

Investments are stated at cost less any provision for impairment

### *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

### *Comparatives*

The comparative period represents the 12 month period from 1 July 2006 to 30 June 2007

# Oakmore Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the period ended 31 December 2008

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1	OTHER OPERATING EXPENSES	18 Months ended 31 December 2008 £	Year ended 30 June 2007 £
	Administration expenses	850	1,458
		<u>          </u>	<u>          </u>
2	LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	18 Months ended 31 December 2008 £	Year ended 30 June 2007 £
	Loss on ordinary activities before taxation is stated after charging		
	Auditors' remuneration	850	850
	Auditors' remuneration –non audit services	-	500
		<u>          </u>	<u>          </u>
3	EMPLOYEES	2008 No	2007 No
	The average monthly number of persons (including directors) employed by the company during the period was		
	Administration	2	2
		<u>          </u>	<u>          </u>
		2	2
		<u>          </u>	<u>          </u>

No amounts were paid to employees or directors during the period (2007 £nil)

# Oakmore Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the period ended 31 December 2008

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4	TAXATION	18 Months ended 31 December 2008 £	Year ended 30 June 2007 £
	(a) Tax on loss on ordinary activities		
	Current tax		
	Adjustment in respect of prior years	-	21
		<hr/>	<hr/>
	Taxation for the period	-	21
		<hr/>	<hr/>
	Factors affecting tax charge for period		
	(b) The current tax assessed on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK, for the reasons set out below		
		2008 £	2007 £
	Loss on ordinary activities before tax	(850)	(1,458)
		<hr/>	<hr/>
	Profit on ordinary activities multiplied by standard rate of 29% (2007 30%)	(247)	(437)
	Unrelieved tax losses carried forward	247	-
	Group relief	-	437
	Write off old provision	-	21
		<hr/>	<hr/>
	Tax charge for period	-	21
		<hr/>	<hr/>

# Oakmore Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the period ended 31 December 2008

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#### 5 FIXED ASSETS INVESTMENTS

Shares in  
group  
undertaking  
£

Cost at 1 July 2007 and 31 December 2008

1,020,082

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Provision at 1 July 2007 and 31 December 2008

(1,020,082)

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Shares in group undertaking

At 31 December 2008 the shares in group undertaking comprised an investment in the following subsidiary undertaking

	Class of holding	Proportion held	Nature of Business
GW 1264 Limited	Ordinary	100%	Intermediate holding company

The subsidiary undertaking is incorporated in England and Wales. At 31 December 2008, GW 1264 Limited had net liabilities of £97,740 having incurred a loss for the year of £nil

# Oakmore Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the period ended 31 December 2008

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6	CREDITORS Amounts falling due within one year	2008 £	2007 £
	Amounts owed to group undertakings	359,304	364,012
	Accruals and deferred income	500	1,350
		<u>359,804</u>	<u>365,362</u>

7	CREDITORS Amounts falling due after more than one year	2008 £	2007 £
	Fixed cumulative redeemable preference shares of £1 each	52,000	52,000
		<u>52,000</u>	<u>52,000</u>

The shares are redeemable after December 2009 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 paid 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.

8	SHARE CAPITAL	2008 £	2007 £
	Authorised 6,750,000 ordinary shares of 10p each	675,000	675,000
	Ordinary shares Allotted, issued and fully paid 5,284,720 ordinary shares of 10p each	<u>528,472</u>	<u>528,472</u>

9	PROFIT AND LOSS ACCOUNT	£
	1 July 2007	(984,426)
	Loss for the financial period	(850)
	31 December 2008	<u>(985,276)</u>

# Oakmore Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the period ended 31 December 2008

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10	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2008 £	2007 £
	Loss for the financial period	(850)	(1,479)
	Net reduction in Shareholders' funds	<u>(850)</u>	<u>(1,479)</u>
	Opening shareholders' funds	(410,954)	(409,475)
	Closing shareholders' funds	<u>(411,804)</u>	<u>(410,954)</u>

#### 11 ULTIMATE PARENT UNDERTAKING

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

The ultimate parent company, controlling party and the largest company, which consolidates these financial statements, is 2e2 Holdings Limited, which is incorporated in the United Kingdom. Copies of the group financial statements of 2e2 Holdings Limited can be obtained from The Mansion House, Benham Valence, Newbury, RG20 8LU

The smallest undertaking, which consolidates these financial statements, is 2e2 Group Limited. Copies of the group financial statements of 2e2 Group Limited can be obtained from The Mansion House, Benham Valence, Newbury, RG20 8LU

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 2e2 Group