

# **Eurotel Holdings Limited**

Annual report and financial statements

Registered number 5466039

31 March 2008



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## Directors' report

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

### Principal activities and business review

The principal activity of the company during the year was that of a holding company to a number of subsidiaries that sell and maintain telecommunications and data equipment and provide telephone and data network services

During the year, the company incurred reasonable costs in the performance of its duty as a holding company. It incurred interest on loans borrowed to finance previous acquisitions and provide adequate working capital. There were no direct employees.

### Dividends

The directors do not recommend the payment of a final dividend.

### Directors and directors' interests

The directors who held office during the year were

C Jagusz	
N J Williams	Appointed 11 February 2008
Lord Young of Graffham	Resigned 20 November 2007
S J Alberga	Resigned 20 November 2007
Y Kurtzbard	Resigned 20 November 2007
P A Hudson	Resigned 29 February 2008
P H Allingan	Resigned 8 February 2008
J H Rodmell	Resigned 13 May 2008
D Dey	Resigned 20 November 2007

### Acquisition

On 20 November 2007, the company, and all of its subsidiaries, was acquired by Belle Holdco Limited, a company incorporated in Great Britain.

### 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.

### Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of Ernst & Young LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



N J Williams  
Secretary

Empire House  
Mulcture Hall Road  
Halifax  
West Yorkshire  
HX1 1SP

26 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 Eurotel Holdings Limited

We have audited the financial statements of Eurotel Holdings Limited for the period ended 31 March 2008 which comprise the Profit and Loss Account, 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 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

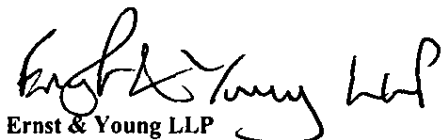
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 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 UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008,
- 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 LLP  
Registered auditor

26 September 2008



**Profit and loss account**  
*for the year ended 31 March 2008*

	<i>Note</i>	<b>2008</b>	<b>2007</b>
		<b>£000</b>	<b>£000</b>
Administrative expenses		(183)	(245)
<b>Operating profit</b>		<b>(183)</b>	<b>(245)</b>
Interest receivable and similar income	2	12	16
Interest payable and similar charges	3	(1,199)	(1,266)
<b>Loss on ordinary activities before taxation</b>		<b>(1,370)</b>	<b>(1,495)</b>
Tax on profit on ordinary activities		-	-
<b>Loss for the financial year</b>		<b>(1,370)</b>	<b>(1,495)</b>

The result for the year is derived entirely from continuing operations

There is no difference between the results disclosed in the profit and loss account and the results on an unmodified historical cost basis

The company has no recognised gains or losses other than those reflected in the profit and loss account

**Balance sheet**  
*at 31 March 2008*

		2008	2008	2007	2007
		£000	£000	£000	£000
<b>Fixed assets</b>					
Investments	6		18,726		18,726
<b>Current assets</b>					
Debtors	7	-		142	
Cash at bank and in hand		-		293	
				435	
<b>Creditors, amounts falling due within one year</b>	8	(20,974)		(5,239)	
<b>Net current liabilities</b>			(20,974)		(4,804)
<b>Total assets less current liabilities</b>			(2,248)		13,922
<b>Creditors: amounts falling due after more than one year</b>			-		(14,913)
<b>Net assets</b>			(2,248)		(991)
<b>Capital and reserves</b>					
Called up share capital	9		2		1
Share premium account	10		122		10
Profit and loss account	10		(2,372)		(1,002)
<b>Equity shareholders' funds</b>			(2,248)		(991)

These financial statements were approved by the Board of director's on 26 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 in dealing with items which are considered material in relation to the company's financial statements, except as noted below

#### ***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). The consolidated financial statements of Belle Holdco Limited, within which this company is included, can be obtained from Empire House, Mulcture Hall Road, Halifax, West Yorkshire, HX1 1SP

#### ***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 required by FRS 19

#### ***Investments***

Investments in subsidiaries are valued at cost less provision for impairment

#### ***Going Concern***

The financial statements have been prepared on a going concern basis as the inter company creditor will not be called in by the parent company or fellow subsidiaries

### 2 Interest receivable and similar income

	2008	2007
	£000	£000
Bank interest	12	16
	<u>12</u>	<u>16</u>

### 3 Interest payable and similar charges

	2008	2007
	£000	£000
Bank loans and overdrafts	1,199	1,266
	<u>1,199</u>	<u>1,266</u>



#### 4 Taxation

<i>Factors affecting the tax charge for the period</i>	<b>2008</b>
	<b>£000</b>
Profit on ordinary activities before tax	(1,370)
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK 30%	(411)
<i>Effects of</i>	
Tax losses arising / (utilised) in year	161
Group Relief	250
<b>Current tax charge for the period</b>	<b>-</b>

#### 5 Unprovided deferred tax

	<b>2008</b>
	<b>£000</b>
Tax losses c/fwd	(312)
<b>Total (asset)/ liability</b>	<b>(312)</b>

At 31 March 2008 there was a deferred tax asset relating losses of £312,456 which has not been recognised in the financial statements

#### 6 Fixed asset investments

Shares in group undertakings

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Cost at 1 April 2007	18,726	18,710
Additions	-	26
<b>Cost at 31 March 2008</b>	<b>18,726</b>	<b>18,726</b>

The company had the following investments

	Country of Registration	Class of shares	Proportion of the Nominal value of that class
Neville Ward Holdings Limited	UK	Ordinary	100%
Eurotel Limited	UK	Ordinary	100%*
Eurotel Corporate Services Limited	UK	Ordinary	100%*
Digital Exchange Maintenance Services Limited	UK	Ordinary	100%*
Multilink Business Services	UK	Ordinary	100%*
NorthPoint Services Limited	UK	Ordinary	100%
Allington Communications Limited	UK	Ordinary	100%*
Service Direct (UK) Limited	UK	Ordinary	100%*
Advance Telephone Systems Limited	UK	Ordinary	100%*

\* Held indirectly by the company



**7 Debtors**

	2008 £000	2007 £000
Trade debtors	-	115
Other debtors	-	18
Prepayments and accrued income	-	9
	<u>-</u>	<u>142</u>
	<u>-</u>	<u>142</u>

**8 Creditors: amounts falling due within one year**

	2008 £000	2007 £000
Bank loans	-	1,706
Trade creditors	-	6
Amounts owed to group undertakings	20,325	2,654
Other creditors	649	649
Accruals	-	224
	<u>20,974</u>	<u>5,239</u>
	<u>20,974</u>	<u>5,239</u>

**9 Called up share capital**

	2008 £000	2007 £000
<i>Authorised</i>		
Equity 160,000 Ordinary shares of £0.01 each	2	2
	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>
<i>Allotted, called up and fully paid</i>		
Equity 153,077 Ordinary shares of £0.01 each	2	1
	<u>2</u>	<u>1</u>
	<u>2</u>	<u>1</u>

## 10 Reserves

	Profit and loss account £000	Share Premium £000	Total £000
Balance at 1 April 2007	(1,002)	10	(992)
Retained profit for the period	(1,370)	112	(1,258)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2008	(2,372)	122	(2,250)
	<hr/>	<hr/>	<hr/>

## 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.