

Registered number 05751878

Freedom4 Limited

Annual report and financial statements
for the year ended 31 March 2016

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Freedom4 Limited

Contents

	Page
<i>Directors and advisors</i>	2
Directors' report for the year ended 31 March 2016	3
Directors' responsibilities statement	5
Balance sheet as at 31 March 2016	6
Notes to the financial statements for the year ended 31 March 2016	7

Freedom4 Limited

Directors and advisors

Directors

S Smith

M Riley

Company secretaries

D McGlennon

Registered office

Daisy House

Lindred Road Business Park

Nelson

Lancashire

BB9 5SR

Bankers

Bank of Scotland

19/21 Spring Gardens

Manchester

M2 1FB

Freedom4 Limited

Directors' report for the year ended 31 March 2016

The directors present their report and the financial statements for Freedom4 Limited ("the Company"), for the year ended 31 March 2016. The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and have taken the exemption from presenting a strategic report.

Principal activity

The principal activity of the Company is that of an investment holding company. The Company has not traded in the current or prior year and has no plans to trade in the future.

Business review

The Company has not traded during the year. The financial position of the Company as at 31 March 2016 is shown on page 6.

Proposed dividend

The directors do not recommend the payment of a dividend (2015: £nil).

Directors

The directors who were in office during the year and up to the date of signing the financial statements are given below:

M Riley
S Smith

Directors' and officers' liability insurance and indemnity

The Group has indemnity insurance in place on behalf of its directors during the year which remains in force at the date of this report. The articles of association of certain associated companies also contain indemnification provisions in favour of Group directors to the extent permitted by law. In addition, Daisy Holdings Limited (formerly Daisy Group Limited), an associated company, has previously made qualifying third-party indemnity provisions for the benefit of certain directors of the Company which remained in place throughout the year and continue to be in force at the date of this report.

Going concern

Under company law, the directors are required to consider whether it is appropriate to prepare financial statements on the basis that the Company is a going concern. The Company has the continuing support of its ultimate parent company, Daisy Group Holdings Limited, and therefore the going concern basis continues to be adopted in preparing the financial statements.

Freedom4 Limited

Directors' report for the year ended 31 March 2016 (continued)

Approval of reduced disclosures

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's ultimate shareholders have been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intends to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by Daisy Telecoms Limited, as the immediate parent of the entity.

Approved by the board and signed on its behalf by:



S Smith
Director

16 December 2016

Freedom4 Limited

Directors' responsibilities statement

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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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:

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 adequate 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.

Freedom4 Limited

Balance sheet as at 31 March 2016

	Note	Unaudited 31 March 2016 £'000	Unaudited 31 March 2015 £'000
Fixed assets			
Investments	4	11,121	11,121
		11,121	11,121
Current assets			
Debtors	5	208	208
		208	208
Creditors: amounts falling due within one year	6	(2,828)	(2,828)
Net current liabilities		(2,620)	(2,620)
Total assets less current liabilities		8,501	8,501
Creditors: amounts falling due after more than one year	7	(41,741)	(41,741)
Net liabilities		(33,240)	(33,240)
Capital and reserves			
Called up share capital	8	1	1
Share premium account		9,773	9,773
Retained losses		(43,014)	(43,014)
Total shareholders' deficit		(33,240)	(33,240)

For the year ended 31 March 2015 and 31 March 2016, the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The notes on pages 7 to 12 are an integral part of these financial statements.

The financial statements were approved by the board of directors, authorised for issue and signed on its behalf by:



S Smith
Director

16 December 2016

Registered number 05751878

Freedom4 Limited

Notes to the financial statements for the year ended 31 March 2016

1 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under historical cost convention and in accordance with the Companies Act 2006 and Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The Company has the continuing support of its ultimate parent company, Daisy Group Holdings Limited, and therefore the going concern basis continues to be adopted in preparing the financial statements. The principal accounting policies, which have been applied consistently throughout the current and prior year, are set out below.

There were no material adjustments to the prior year financial statements on adoption of FRS 102 in the current year. For more information see note 10.

The functional currency of the Company is considered to be pounds sterling because that is the operational currency of the primary economic environment in which the Company operates.

The Company is a private limited company and is incorporated and domiciled in the UK. The address of its registered office is Daisy House, Lindred Road Business Park, Nelson, Lancashire BB9 5SR.

The Company has taken advantage of the exemption (Companies Act 2006 s400) not to prepare group financial statements on the basis that the Company is included within the consolidated group financial statements of Daisy Group Holdings Limited which are publically available.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken exemptions available to it in the preparation of its financial statements. Exemptions have been taken in relation to the presentation of a cash flow statement, financial instrument disclosures and remuneration of key management personnel.

Fixed asset investments

Investments in subsidiary undertakings held as fixed assets are stated at cost less provision for any impairment. In the opinion of the directors the value of such investments is not less than shown at the balance sheet date. Impairments to investments are charged to exceptional administrative expenses in the income statement. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Freedom4 Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

1 Accounting policies (continued)

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

2 Employee information

Excluding the directors, there were no employees in the current or prior year. Administrative services were provided by other group companies with no recharge.

3 Directors' emoluments

Any remuneration received by the directors was borne by the ultimate parent undertaking, Daisy Group Holdings Limited.

Freedom4 Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

4 Fixed asset investments

	Shares in subsidiary undertakings £'000
Cost	
At 1 April 2015 and 31 March 2016 (unaudited)	13,692
Impairment	
At 1 April 2015 and 31 March 2016 (unaudited)	2,571
Net book amount	
At 1 April 2015 and 31 March 2016 (unaudited)	11,121

At 31 March 2016, the Company's investments in subsidiary undertakings, which are registered in England, was:

Name	Percentage of issued share capital held	Direct/indirect holding	Principal business activity
Freedom4 Access Limited	100%	Direct	Dormant
Faultbasic Limited	100%	Direct	Dormant

The directors believe that the carrying value of the investments is supported by their underlying net assets. Both companies were dormant during the current and prior year.

5 Debtors

	Unaudited 31 March 2016 £'000	Unaudited 31 March 2015 £'000
Amounts owed by group undertakings	199	199
Prepayments and accrued income	9	9
	208	208

Amounts owed by group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

Freedom4 Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

6 Creditors: amounts falling due within one year

	Unaudited 31 March 2016 £'000	Unaudited 31 March 2015 £'000
Trade creditors	16	16
Amounts owed to group undertakings	2,543	2,543
Other creditors	28	28
Other taxation and social security	3	3
Accruals and deferred income	238	238
	2,828	2,828

Amounts owed to group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

7 Creditors: amounts falling due after more than one year

Series A convertible redeemable preferred shares have been issued as follows:

Date of issue	Number of shares
31 March 2006	56,800
16 January 2007	43,200
22 January 2008	25,831
15 August 2008	9,000
3 December 2008	3,667
Total at 31 December 2008	138,498
3 July 2009	1,821
14 October 2009	340
Total at 31 March 2015 and 31 March 2016 (unaudited)	140,659

The preferred shares are convertible into an equivalent number of ordinary shares of the Company at any time after 31 March 2011 at the option of the holders. Convertible redeemable preferred shares carry the equivalent entitlement to dividend as ordinary shares in the Company. Holders of the convertible redeemable preferred shares have the right on winding up to receive, in priority to any other classes of shares, the sum of their net proceeds together with any arrears of dividend.

The net proceeds received from the issue of the convertible redeemable preferred shares have been split between a liability element and an equity component, representing the fair value of the option to convert the liability into equity of the Company, as follows:

Freedom4 Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

7 Creditors: amounts falling due after more than one year (continued)

	Unaudited 31 March 2016 £'000	Unaudited 31 March 2015 £'000
Value of convertible redeemable preferred shares issued	41,741	41,741
Equity component	(9,773)	(9,773)
Liability component at date of issue	31,968	31,968
Interest charged	9,773	9,773
Liability component	41,741	41,741

There is no interest charge for the current year (2015: £nil).

None of these shares have been converted during the year.

8 Called up share capital

	Unaudited 31 March 2016 Number	31 March 2015 Number	Unaudited 31 March 2016 £	Unaudited 31 March 2015 £
Allotted, called up and fully paid				
Ordinary shares of £0.01 each	4,283	4,283	43	43
Series A convertible redeemable preferred shares of £0.01 each	140,659	140,659	1,407	1,407
Series B convertible redeemable preferred shares of £0.01 each	1,929	1,929	19	19
	146,871	146,871	1,469	1,469

9 Contingent liabilities

Daisy Group plc (formerly Daisy Bidco plc), a fellow group company, has debt facilities in place which are secured through fixed and floating charges over the assets of the company and its subsidiary undertakings. The total indebtedness against this senior facility at 31 March 2016 was £330.5 million (2015: £252.5 million).

Another fellow group company, Daisy PIKco Limited, has a payment in kind facility in place which is also secured through fixed and floating charges over the assets of the Group. The total indebtedness of this facility at 31 March 2016 was £159.3 million (2015: £140.0 million) including rolled up interest of £24.3 million (2015: £5.0 million).

The directors do not expect any material loss to arise in respect of the group security arrangements in place.

Freedom4 Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

10 Explanation of transition to FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the period ended 31 March 2015 and the date of transition to FRS 102 was therefore 1 April 2014. As a consequence of adopting FRS 102, no changes to the Company's accounting policies were required.

Reconciliation of equity for 2015

As a consequence of adopting FRS 102, no adjustments were identified to the previously reported equity for the period ended 31 March 2015 in order to comply with the standard.

Reconciliation of profit for 2015

As a consequence of adopting FRS 102, no adjustments were identified to the previously reported profit for the period ended 31 March 2015 in order to comply with the standard.

11 Related undertakings

The ultimate parent undertaking and controlling party is Daisy Group Holdings Limited which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

The Company's immediate parent undertaking is Daisy Telecoms Limited, a company registered in England. The Company's only holdings in other companies are as detailed in note 4.