

**Vanco Net Direct Limited**

**Report and Financial Statements**  
**For the year ended 31 January 2009**

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**Vanco Net Direct Limited**

**REPORT AND FINANCIAL STATEMENTS**

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**REPORT AND FINANCIAL STATEMENTS**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

H S Malhotra            appointed 9 December 2008  
M P Sauer               appointed 6 February 2009

**SECRETARY**

S D Dyde

**REGISTERED OFFICE**

Great West Plaza  
Units 1&2 Riverbank Way  
Brentford  
Middlesex  
TW8 9RE

**SOLICITORS**

Ashurst  
Broadwalk House  
5 Appold Street  
London  
EC2A 2HA

## **Vanco Net Direct Limited**

### **DIRECTOR'S REPORT**

#### **Directors' report for the year ended 31 January 2009**

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report, for the year ended 31 January 2009.

#### **Principal activities and review of business**

The principal activities of the company are the provision of managed network services and e-Security services.

#### **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The company is a trading subsidiary of Reliance Vanco Group Limited, which up to 24 May 2008 was a subsidiary of Vanco plc. The company has taken the exemption for small companies under S246(4)(a) of the companies Act 2006.

#### **RESULTS AND DIVIDENDS**

Loss before tax for the year was £631,116 (2008 - loss of £676,272). The results for the year are detailed on page 4. The directors do not recommend a payment of a dividend.

#### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the period, the company made no political or charitable contributions.

#### **DIRECTORS AND THEIR INTERESTS**

The directors who served during the year are set out below.

E A Timpany	resigned 5 May 2008
P D Johnston	resigned 31 July 2008
W W Churchill	resigned 31 July 2008
M J Thompson	resigned 9 December 2008
H S Malhotra	appointed 9 December 2008

None of the directors have any interest in the share capital of the company. Mr E A Timpany, Mr S J Hargreaves, Mr P D Johnston, Mr W W Churchill and Mr Mark Thompson were also directors of the immediate parent company, Reliance Vanco Group Limited and the ultimate parent company, Vanco plc (up to 24 May 2008). Their interests in the shares of these companies are shown in those accounts.

#### **Qualifying third party indemnity provisions**

A qualifying third party indemnity provision as defined in Section 309B(1) of the Companies Act 1985 (as amended) is in force for the benefit of each of the Directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which Directors may not be indemnified, the Company maintained a directors' and officers' liability insurance policy throughout the financial year.

#### **Statement of director's 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). The financial statements are required by law to 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:

- (a) select suitable accounting policies and then apply them consistently;

## **Vanco Net Direct Limited**


### **DIRECTOR'S REPORT**

- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 1985. 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

By Order of the Board on 25 November 2009

  
H S Malhotra  
Director

**Vanco Net Direct Limited**

**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 January 2009**

	Note	2009 £	2008 £
<b>TURNOVER</b>	2	404,231	422,822
Cost of sales		(951,799)	(1,091,961)
<b>GROSS PROFIT</b>		(547,568)	(649,139)
Administrative expenses		-	(16,000)
<b>OPERATING PROFIT</b>	4	(547,569)	(665,139)
Interest payable and other similar charges	5	(83,548)	(11,133)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(631,116)	(676,272)
Tax credit/(charge) on loss on ordinary activities	6	-	-
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		(631,116)	(676,272)

There are no recognised gains or losses for the current and preceding financial years other than as stated in the profit and loss account and therefore no statement of total recognised gains and losses is required.

All amounts relate to continued operations.

**Vanco Net Direct Limited**

**BALANCE SHEET**

**As at 31 January 2009**

	Note	2009 £	2008 £
<b>CURRENT ASSETS</b>			
Debtors	7	412,862	442,765
		<u>412,862</u>	<u>442,765</u>
<b>CREDITORS: amounts falling due within one year</b>	8	(1,720,249)	(1,119,036)
<b>NET CURRENT LIABILITIES</b>		<u>(1,307,387)</u>	<u>(676,271)</u>
<b>NET ASSETS</b>		<u>(1,307,387)</u>	<u>(676,271)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	1	1
Profit and loss account	10	(1,307,388)	(676,272)
<b>EQUITY SHAREHOLDER'S FUNDS</b>	11	<u>(1,307,387)</u>	<u>(676,271)</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

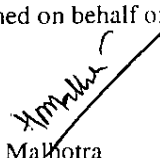
The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved by the Board of Directors on 25 November 2009.

Signed on behalf of the Board of Directors

  
H S Malhotra

**Director**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 January 2009**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below, and have been applied consistently throughout the current.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Turnover**

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

**Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in years different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**Foreign exchange**

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

**Cash flow statement**

Under the requirements of Financial Reporting Standard 1 (revised), the company is exempt from the requirement to prepare a cash flow statement, as 90 per cent or more of the voting rights are controlled within the Group.

**2. TURNOVER**

Turnover represents amounts derived from the provision of services which fall within the Company's ordinary activities after deduction of trade discounts and value added tax. The turnover and pre-tax loss, all of which arise in the United Kingdom, are attributable to the provision of telecommunications services.

**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

During the year the Company had no direct employees.

The Directors did not receive remuneration for their services to the company during the period.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 January 2009**

**4. OPERATING LOSS**

	2009 £	2008 £
Operating loss is after charging		
Auditors' remuneration - audit services	-	16,000

**5. INTEREST PAYABLE AND OTHER SIMILAR CHARGES**

	2009 £	2008 £
Foreign exchange loss	83,548	11,133

**6. TAX (CREDIT)/CHARGE ON LOSS ON ORDINARY ACTIVITIES**

	2009 £	2008 £
United Kingdom corporation tax	-	-
Total current tax (credit)/charge	-	-

**Factors affecting the tax (credit)/charge for the current year**

The tax assessed for the current year is lower than that resulting from applying the standard rate of corporation tax in the UK of 30%. The differences are explained below:

	2009 £	2008 £
Loss on ordinary activities before taxation	(631,116)	(676,272)
Tax at 28% thereon	(176,712)	(202,882)
Effect of:		
- group relief	-	202,882
- losses carried forward	176,712	-
Total current tax (credit)/charge	-	-

**7. DEBTORS**

	2009 £	2008 £
Trade debtors	-	100,000
Amounts due from parent company	1	1
Amounts due from other group companies	31,593	-
Prepayments and accrued income	381,268	342,764
	412,862	442,765

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 January 2009

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2009 £	2008 £
Trade creditors	-	219,868
Amounts owed to fellow subsidiary undertakings	1,704,249	794,565
Accruals and deferred income	16,000	104,603
	<u>1,720,249</u>	<u>1,119,036</u>

**9. CALLED UP SHARE CAPITAL**

	2009 £	2008 £
<b>Authorised</b>		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
<b>Called up, allotted and fully paid</b>		
1 ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>

**10. STATEMENT OF MOVEMENT OF RESERVES**

	Profit and loss account £
At 1 February 2008	(676,272)
Loss for the year	(631,116)
	<u>(1,307,388)</u>
At 31 January 2009	

**11. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS MOVEMENTS IN FUNDS**

	2009 £
Loss for the year and decrease in equity shareholder's funds	(631,116)
Opening equity shareholder's funds	(676,271)
	<u>(1,307,387)</u>
Closing equity shareholder's funds	

**12. DIRECTORS' LOANS AND TRANSACTIONS**

No loans or transactions are outstanding with Directors of the Company at the end of the period which need to be disclosed in accordance with the requirements of Schedule 6 to the Companies Act 1985.

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 January 2009**

**13. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption in Financial Reporting Standard 8 'Related Party Disclosures' not to disclose related party transactions as 90 per cent or more of the voting rights are controlled within the Group.

**14. ULTIMATE PARENT COMPANY AND CONTROLLING ENTITY**

The Company's immediate and ultimate parent company and controlling entity is Reliance Vanco Group Limited. Reliance Vanco Group Limited was incorporated in Great Britain and registered in England and Wales and copies of its financial statements are available from the Company Secretary, Great West Plaza, Units 1&2 Riverbank Way, Brentford, Middlesex, TW8 9RE.