

Registration number: 06408650

REGISTRARS G.L.

Electra-Net Group Limited

Directors' Report and Financial Statements

for the Period from 25 October 2007 to 31 August 2008

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COMPANIES HOUSE

Electra-Net Group Limited

Contents

Directors' report	1 to 2
Independent auditors' report	3 to 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 to 11

The following page does not form part of the statutory financial statements:

Detailed profit and loss account	12
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Electra-Net Group Limited

Directors' Report for the Period Ended 31 August 2008

The directors present their report and the audited financial statements for the period ended 31 August 2008.

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial period and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a 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 which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Incorporation details

The company was incorporated on 25 October 2007.

Principal activity

The principal activity of the company is that of intermediary holding company.

Business review

Fair review of the business

The company was formed on 25th October 2007 for the purpose of acquiring the share capital of Electra-Net (UK) Limited, an electrical and data network specialist.

The acquisition took place on 15th January 2008 and was funded by bank loans and loan stock, the total acquisition price being £22,436,674. Full details of the debt structure are shown in note 4 and 5 of these financial statements.

Results and dividend

The results for the company are set out in the financial statements.

The directors do not recommend the payment of a dividend.

Electra-Net Group Limited
Directors' Report for the Period Ended 31 August 2008

..... *continued*

Directors

The directors who held office during the period were as follows:

- A Dickin (appointed 15 January 2008)
- E Fazakerley (appointed 15 January 2008)
- A Richards (appointed 15 January 2008)
- K L Richards (appointed 15 January 2008)
- J J Tarrant (appointed 15 January 2008)

Approved by the Board and signed on its behalf by:



K L Richards
Company Secretary

Date: 6/1/09

Independent Auditors' Report to the Members of Electra-Net Group Limited

We have audited the financial statements of Electra-Net Group Limited for the period ended 31 August 2008 set out on pages 5 to 11. These financial statements have been prepared in accordance with 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 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

As described in the statement of Directors' responsibilities on page 1, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 transactions with the company 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 an 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 judgements 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
Electra-Net Group Limited**

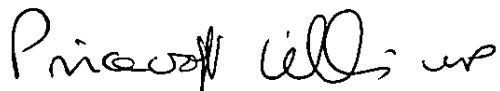
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Opinion

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 August 2008 and of its 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.

The George Business Centre
Christchurch Road
New Milton
Hampshire
BH25 6QJ


Princecroft Willis LLP
Chartered Accountants & Registered Auditors

6 January 2009

Electra-Net Group Limited
Profit and Loss Account for the Period Ended 31 August 2008

		25 October 2007 to Note 31 August 2008 £
Turnover		-
Operating profit		<hr/> -
Other interest receivable and similar income		5,807
Interest payable and similar charges	2	(1,151,150)
Loss on ordinary activities before taxation		<hr/> (1,145,343)
Loss for the financial period	8	<hr/> <hr/> (1,145,343)

Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for the period other than the results above.

The notes on pages 7 to 11 form an integral part of these financial statements.

Electra-Net Group Limited
Balance Sheet as at 31 August 2008

		31 August 2008
	Note	£
Fixed assets		
Investments	4	22,436,674
Creditors: Amounts falling due within one year	5	<u>(2,892,017)</u>
Total assets less current liabilities		19,544,657
Creditors: Amounts falling due after more than one year	6	<u>(20,230,000)</u>
Net liabilities		<u>(685,343)</u>
Capital and reserves		
Called up share capital	7	460,000
Profit and loss reserve	8	<u>(1,145,343)</u>
Shareholders' deficit	9	<u>(685,343)</u>

These financial statements were approved and authorised by the board on6/1/09..... and signed on its behalf by:



A Richards
 Director

The notes on pages 7 to 11 form an integral part of these financial statements.

Electra-Net Group Limited

Notes to the Financial Statements for the Period Ended 31 August 2008

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention.

The company is exempt from obligation to prepare and deliver group accounts as it is included in the accounts of a larger group.

Cash flow statement

As the company is a wholly owned subsidiary of Electra-Net Holdings Limited, and whose accounts are available from Companies House, it is exempt from the requirement to present a cash flow statement.

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

Start-up costs

Start-up costs are accounted for on a basis consistent with similar costs incurred as part of the company's ongoing business.

Where there are no similar ongoing costs, start up costs which satisfy the criteria under relevant accounting standards to be recognised as assets are included in the balance sheet. All other costs are written off as incurred.

Going concern

The balance sheet shows the company to have a deficit of assets against liabilities. The accounts have been prepared on a going concern basis due to the continued support of the group.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2 Interest payable and similar charges

	25 October 2007 to 31 August 2008
	£
Bank loan interest payable	373,228
Other interest payable	777,922
	<u>1,151,150</u>

3 Taxation

Electra-Net Group Limited

Notes to the Financial Statements for the Period Ended 31 August 2008

..... continued

The corporation tax charge during the period was £nil. Losses have been relieved during the period to the company's subsidiary totalling £1,145,343.

4 Investments held as fixed assets

	Shares in group undertakings £
Cost	
Additions	<u>22,436,674</u>
Net book value	
As at 31 August 2008	<u><u>22,436,674</u></u>

The company holds more than 20% of the share capital of the following company:

	Country of incorporation	Principal activity	Class	%
Subsidiary undertakings				
Electra-Net (UK) Limited	England and Wales	Electrical and data network specialists	Ordinary	100

The company has taken advantage of the exemption from the requirement to disclose its subsidiary's capital, reserves and profit/loss on the grounds that consolidated financial statements are prepared by the ultimate parent company.

5 Creditors: Amounts falling due within one year

	31 August 2008 £
Bank loans and overdrafts	1,200,000
Amounts owed to group undertakings	914,095
Accruals and deferred income	<u>777,922</u>
	<u><u>2,892,017</u></u>

Electra-Net Group Limited

Notes to the Financial Statements for the Period Ended 31 August 2008

..... continued

6 Creditors: Amounts falling due after more than one year

	31 August 2008 £
Bank loans and overdrafts	6,400,000
Other loans	13,830,000
	<u>20,230,000</u>

Included in the creditors are the following amounts due after more than five years:

	31 August 2008 £
After more than five years not by instalments	
Other loans	13,830,000
	<u>13,830,000</u>

Revolving Facility A (£6m)

The loan is repayable by instalments over five years commencing six months after drawdown. Interest is charged at 2.25% above LIBOR. The rate can be reduced in 0.25% steps down to 1.5% via a ratchet mechanism which is performance related. The loan is secured by a fixed and floating charge over the assets of the group.

Term Loan (£2m)

The loan is repayable dependent on the level of excess cash flow available in each financial year. Interest is charged at 2.25% above LIBOR. The £2m term loan is a collateralised debt obligation and secured by £2m held in bank sterling reserve bonds, £1m in the name of A Richards and £1m in the name of A Crouch, these funds will be repaid to A Richards and A Crouch in line with the term loan repayments.

Mr A Richards (£3.765m)/ Zeus Private Equity LLP Loan notes (£5.540m)

The loan notes accrue interest on the principal outstanding and is paid in accordance with the following terms:

- Interest is paid in twice yearly instalments in arrears at the rate of 8% p.a. on the outstanding amount;
- Interest is accrued at 1% p.a. on the outstanding amount and is paid on redemption of the loan notes; and
- The final redemption date is 15 January 2014.
- The loan notes are secured by a fixed and floating charge over the assets of the group.

Electra-Net Group Limited

Notes to the Financial Statements for the Period Ended 31 August 2008

..... continued

Loan notes held in a trust for the benefit of Mr A and Mrs K L Richards's children (£4.525m)

- Interest is accrued at the rate of 9% p.a. on the outstanding amount and is accrued up until the period ending 28 February 2011. Interest is payable from this date onwards in accordance with the following terms:

- Interest is paid in twice yearly instalments in arrears at the rate of 8% p.a. on the outstanding amount;

- Interest is accrued at 1% p.a. on the outstanding amount and is paid on redemption of the loan notes; and

- The final redemption date is 15 January 2014.

- The loan notes are secured by a fixed and floating charge over the assets of the group.

7 Share capital

31 August 2008
£

Authorised

Equity

5,000,000 Ordinary shares of 10 pence each

500,000

Allotted, called up and fully paid

Equity

4,600,000 Ordinary shares of 10 pence each

460,000

During the period 4,600,000 ordinary shares were issued, at par, for cash.

8 Reserves

Profit and loss
reserve
£

Balance at 25 October 2007

-

Transfer from profit and loss account for the period

(1,145,343)

Balance at 31 August 2008

(1,145,343)

Electra-Net Group Limited

Notes to the Financial Statements for the Period Ended 31 August 2008

..... continued

9 Reconciliation of movements in shareholders' funds

	31 August 2008 £
Loss attributable to members of the company	(1,145,343)
New share capital subscribed	460,000
Net reduction to shareholders' funds	(685,343)
Opening shareholders' deficit	-
Closing shareholders' deficit	(685,343)

10 Related parties

Controlling entity

The ultimate parent company is Electra-Net Holdings Limited, a company registered in England and Wales.

Electra-Net Holdings Limited prepares group financial statements and copies can be obtained from the registered office.

There is no ultimate controlling party, Mr A Richards and Zeus Private equity LLP are equal shareholders in Electra-Net Holdings Limited.

Related party transactions

The company has taken advantage of the exemption in the Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

Mr A Richards, a director in the company, has a loan note from the company on which interest is paid at 8% with an additional 1% paid on the redemption of the loan. During the period interest was charged in respect of the loan totalling £211,781 and at the period end £211,781 was owed to Mr A Richards.

Mr A and Mrs K L Richards, directors in the company, have a loan note from the company held in trust for their childrens benefit on which interest is paid at 8% with an additional 1% paid on the redemption of the loan. During the period interest was charged in respect of the loan totalling £254,527 and at the period end £254,527 was owed to the trust.

Mr E Fazakerley and Mr A Dickin, directors in the company are also officers in Zeus Private Equity LLP, who have a loan note from the company on which interest is paid at 8% with an additional 1% paid on the redemption of the loan. During the period interest was charged in respect of the loan totalling £311,614 and at the period end £311,614 was owed to Zeus Private Equity LLP.

Electra-Net Group Limited
Detailed Profit and Loss Account for the Period Ended 31 August 2008

	25 October 2007 to 31 August 2008
	£ £
Turnover	-
Operating profit	-
Other interest receivable and similar income	
Bank interest receivable	5,807
Interest payable and similar charges	
Bank loan interest payable	373,228
Other interest payable	<u>777,922</u>
	<u>(1,151,150)</u>
Loss on ordinary activities before taxation	<u>(1,145,343)</u>
Loss for the financial period	<u><u>(1,145,343)</u></u>

This page does not form part of the statutory financial statements.