

**QSAT Caledonian Broadband Limited**

**Directors' Report and Financial Statements**

**For the year ended 30 June 2014**

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Beaux Lane House  
Mercer Street Lower  
Dublin 2  
Ireland

## **QSAT Caledonian Broadband Limited**

### **Directors and other information**

<b>Directors</b>	<b>Niall Quinn David Whelan</b>
<b>Secretary</b>	<b>David Whelan</b>
<b>Company number</b>	<b>06580907</b>
<b>Registered address</b>	<b>Memery Crystal 44 Southampton Buildings London WC2A 1AP United Kingdom</b>
<b>Auditors</b>	<b>BDO Beaux Lane House Mercer Street Lower Dublin 2 Ireland</b>

## **QSAT Caledonian Broadband Limited**

### **Directors' Report**

The directors submit their annual report together with the audited financial statements of the company for the year ended 30 June 2014.

#### **Principal activity and review of the business**

The principal activity of the company is the provision of broadband services and associated products.

#### **Results and state of affairs**

These are set out in the profit and loss account and balance sheet on pages 8 and 9 respectively.

#### **Dividends**

The directors do not recommend the payment of a dividend.

#### **Post balance sheet events**

There have been no events since the year end.

#### **Future developments**

The directors do not anticipate any changes in the nature of the business.

#### **Directors and secretary and their interests**

The directors and secretary who held office during the year hold no direct interest in the company.

David Whelan holds a 10% interest in the shares of the immediate parent company, Alphasat Communications Limited, a company registered in Ireland.

Niall Quinn holds a 50% interest in the shares of the ultimate parent company, Q Sat Holdings Limited, a company registered in Ireland.

There have been no changes in shareholdings since the year end.

## **QSAT Caledonian Broadband Limited**

### **Directors' Report - continued**

#### **Auditors**

BDO are deemed to be reappointed under Section 487 (2) of the Companies Act 2006.

#### **Special provision relating to small companies**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

#### **Registered office**

The registered office is Memery Crystal, 44 Southampton Building, London, WC2A 1AP, United Kingdom.

On behalf of the board:

A handwritten signature in black ink, appearing to read 'David Whelan', with a large, stylized initial 'D'.

David Whelan

Director

Date: 17 June 2015

## **QSAT Caledonian Broadband Limited**

### **Statement of 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.

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 the affairs of the company and of the profit or loss for that year. In preparing these financial statements the directors are required to:

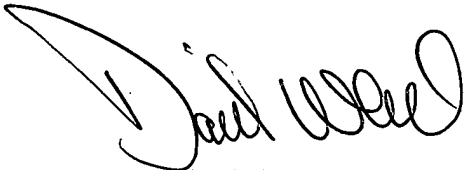
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the board:



David Whelan

Director

Date: 17 June 2015



Audit - Tax - Advisory  
Tel: +353 1 470 0000  
Fax: +353 1 477 0000  
E-mail: info@bdo.ie  
www.bdo.ie

Beaux Lane House  
Mercer Street Lower  
Dublin 2  
Ireland

## **Independent auditors' report to the members of QSAT Caledonian Broadband Limited**

We have audited the financial statements of QSAT Caledonian Broadband Limited for the period ended 30 June 2014 on pages 8 to 14 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Section 495 and 496 of the Companies Act 2006. 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**

As explained more fully in the Statement of Directors' Responsibilities on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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 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.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

### **Opinion**

In our opinion, the financial statements:

- give a true and fair view of the state of affairs of the company at 30 June 2014, and of the results for the period then ended;
- and have been properly prepared in accordance with United Kingdom General Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Other Offices:  
  
Four Michael Street  
Limerick

Michael Costello (Managing Partner)  
Katharine Byrne  
Maurice Carr  
Kevin Doyle  
John Gilmore Gavin

Jim Hamilton  
Sinead Heaney  
Diarmuid Hendrick  
Liam Hession  
Gerard Holliday

Ken Kilmartin  
Teresa Morahan  
Paul Nestor  
John O'Callaghan  
Con Quigley

Peter Carroll  
Eddie Doyle  
Stewart Dunne  
Ivor Feerick  
Brian Gartlan  
David Giles  
Derry Gray

Denis Herlihy  
David McCormick  
Brian McEnery  
Ciarán Medlar  
David O'Connor  
Peter O'Neill  
Patrick Sheehan  
Noel Taylor

Chartered Accountants



**Independent auditors' report to the members of QSAT Caledonian Broadband Limited  
(continued)**

**Opinion on matters prescribed by the Companies Act 2006**

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Emphasis of matter and Going concern**

The company has received written confirmation from its parent company, Alphasat Communications Limited that it will not call on its intercompany creditor of £126,052 for at least twelve months from the date of approval of these financial statements unless sufficient funds are available to repay this balance in part or in full.

**Stewart Dunne (Senior Statutory Auditor)**  
**for and on behalf of BDO**  
Statutory Auditor  
Dublin, Ireland.  
AI223876

**Date: 17 June 2015**

**QSAT Caledonian Broadband Limited**

**Profit and Loss Account**  
**for the year ended 30 June 2014**

	Note	2014 £	2013 £
Turnover	1	482,926	551,030
Cost of sales		(523,224)	(668,517)
Gross loss		(40,298)	(117,487)
Administrative expenses		1,596	(4,056)
Exceptional items	3	-	3,087,546
(Loss)/profit on ordinary activities before taxation		(38,702)	2,966,003
Taxation	4	-	-
(Loss)/profit for the financial year		(38,702)	2,966,003

The notes on pages 10 - 14 form part of these financial statements.

The financial statements were authorised and approved for issue by the board on: 17 June 2015



David Whelan

Director



# QSAT Caledonian Broadband Limited

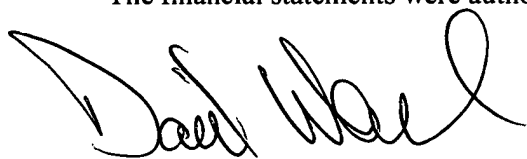
## Balance Sheet as at 30 June 2014

	Note	2014 £	£	2013 £	£
<b>Current assets</b>					
Debtors	5	316		955	
Cash at bank and in hand		<u>84</u>		<u>85</u>	
		400		1,040	
<b>Creditors: amounts falling due within one year</b>	6	<u>(126,286)</u>		<u>(88,224)</u>	
<b>Net liabilities</b>		<u>(125,886)</u>		<u>(87,184)</u>	
<b>Capital and reserves</b>					
Called up share capital	7	100		100	
Profit and loss account	8	<u>(125,986)</u>		<u>(87,284)</u>	
<b>Shareholders' deficit</b>	9	<u>(125,886)</u>		<u>(87,184)</u>	

These financial statements have been prepared in accordance with the special provisions relating to small companies under Part 15 of the Companies Act 2006.

The notes on pages 10 - 14 form part of these financial statements.

The financial statements were authorised and approved for issue by the board on: 17 June 2015



David Whelan

Director

# **QSAT Caledonian Broadband Limited**

## **Notes to the Financial Statements for the year ended 30 June 2014**

### **1. Accounting policies**

#### **1.1 Basis of preparation and going concern**

The financial statements are prepared under the historical cost convention and on the Going Concern basis and in accordance with applicable UK accounting standards and with the Companies Act 2006.

The net balance sheet deficit at 30 June 2014 amounts to £125,886 (2013: £87,184). The company does not have any external debt and its deficit arises from intercompany recharges from other group companies, namely Alphasat Communications Limited and QSAT Broadband UK Limited.

The company has received written confirmation from these companies that they will not call on their intercompany creditors of £126,052 for at least twelve months from the date of approval of these financial statements unless sufficient funds are available to repay this balance in part or in full.

#### **1.2. Turnover and revenue recognition**

Turnover is generated from the provision of broadband services to customers and installation fees.

Turnover generated from broadband services represents the total invoice value, excluding value added tax, of sales made during the year falling within the company's ordinary activities. Turnover is recognised as the service is provided to customers.

Installation fees are recognised upon completion of the on-site installation.

#### **1.3. Taxation**

The charge for deferred taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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 or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exceptions;

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.
- Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

## QSAT Caledonian Broadband Limited

### Notes to the Financial Statements for the year ended 30 June 2014

#### 1.4. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences arising are dealt with in the profit and loss account.

#### 1.5. Cash flow statement

The company has taken advantage of the exemption from the requirement to produce a cash flow statement in FRS 1 on the grounds that the company is a small company.

#### 2. Turnover

The turnover and profit before taxation are attributable in full to the one principal activity of the company.

#### 3. Exceptional items

	2014	2013
	£	£
Write off of intercompany balances due to the company	-	(417,159)
Write off of intercompany balances owing by the company	-	3,504,705
	<u>-</u>	<u>3,087,546</u>

**QSAT Caledonian Broadband Limited**

**Notes to the Financial Statements  
for the year ended 30 June 2014**

**4. Taxation**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Domestic current year taxation</b>		
U.K corporation tax	-	-
Total current tax	-	-

The tax assessed for the year is higher than the standard rate of corporation tax. The difference is explained below.

<b>(Loss)/profit on ordinary activities before tax</b>	<b>(38,702)</b>	<b>2,966,003</b>
Tax on ordinary activities at effective corporation tax rate of 21% (2013: 23%)	<b>(8,127)</b>	<b>682,181</b>
Effects of:		
Expenses not deductible for tax purposes	<b>21</b>	<b>15</b>
Non-taxable income arising from intercompany write off	-	(651,813)
New losses this year available for relief against other income	<b>8,106</b>	<b>(30,383)</b>
Current tax charge for year	-	-

**5. Debtors**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>216</b>	<b>855</b>
Other debtors	<b>100</b>	<b>100</b>
	<b>316</b>	<b>955</b>

**6. Creditors: amounts falling due within one year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>234</b>	<b>5,766</b>
Amounts due to related parties (note 14)	<b>126,052</b>	<b>82,458</b>
	<b>126,286</b>	<b>88,224</b>

**QSAT Caledonian Broadband Limited**

**Notes to the Financial Statements  
for the year ended 30 June 2014**

**7. Share Capital**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Authorised equity</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>
<b>Allotted, called up and unpaid</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>

**8. Reserves**

	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
At beginning of year	(87,284)	(87,284)
Loss for the financial year	<u>(38,702)</u>	<u>(38,702)</u>
<b>At end of year</b>	<u><b>(125,986)</b></u>	<u><b>(125,986)</b></u>

**9. Reconciliation of movements in shareholders' funds**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
(Loss)/profit for the year	(38,702)	2,966,003
Opening shareholders' deficit	<u>(87,184)</u>	<u>(3,053,187)</u>
Closing shareholders' deficit	<u><b>(125,886)</b></u>	<u><b>(87,184)</b></u>

**10. Capital commitments**

The directors confirm that no capital commitments existed at the year end.

**11. Financial commitments**

The directors confirm that no financial commitments existed at the year end.

**12. Contingent liability**

The directors confirm that no contingent liabilities existed at the year end.

## **QSAT Caledonian Broadband Limited**

### **Notes to the Financial Statements for the year ended 30 June 2014**

#### **13. Parent company and ultimate parent company**

The directors consider Alphasat Communications Limited, a company having its registered office at Blanchardstown, Dublin 15, Ireland, to be the immediate parent company by virtue of its shareholding in the company.

The directors consider QSAT Holdings Limited, a company having its registered office at Blanchardstown, Dublin 15, Ireland, to be the ultimate parent company by virtue of its shareholding in the parent company.

#### **14. Related party transactions**

During the year, the company received services and funding from QSAT Broadband UK Limited, a company incorporated in the United Kingdom under common ownership, to the value of £54,888. At the year end, the balance owing to QSAT Broadband UK Limited was £119,562 (2013: £64,674).

During the year, the company received services and funding from Alphasat Communications Limited, a company incorporated in Ireland under common ownership, to the value of £514,604 and £525,898 was repaid. At the year end, the balance owing to Alphasat Communications Limited was £6,490 (2013: £17,784).

#### **15. Approval of financial statements**

The financial statements were authorised and approved for issue by the board on: 17 June 2015