

Registered number: 06678536

ATECH NETWORK SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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ATECH NETWORK SERVICES LIMITED

COMPANY INFORMATION

Directors

DC Phillips
MO Kirk
PJ Bradford
AJ Moody
JN Wilson

Registered number

06678536

Registered office

Glebe Farm
Down Street
Dummer
Basingstoke
RG25 2AD

Independent auditors

Moore Stephens LLP
Prospect House
58 Queens Road
Reading
Berkshire
RG1 4RP

ATECH NETWORK SERVICES LIMITED

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ATECH NETWORK SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The Directors present their report and the financial statements for the year ended 31 March 2017.

Principal activity

The principal activity of the company is the provision of communications services (line rental, call charges, broadband, mobile solutions) and the supply, installation and services of telephone systems to business customers in the United Kingdom.

Directors

The Directors who served during the year were:

DC Phillips
MO Kirk
PJ Bradford
AJ Moody
JN Wilson

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Directors have taken all the steps that ought to have been taken as Directors in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

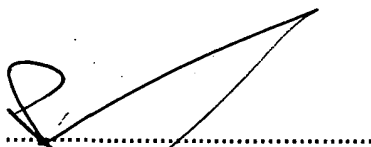
Auditors

During the year, the auditors HMT LLP resigned from office and the Directors appointed Moore Stephens LLP in their place. The auditors, Moore Stephens LLP, will be proposed for reappointment in accordance with Section 487 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


.....
PJ Bradford
Director

Date: 22/09/2017

ATECH NETWORK SERVICES LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

The Directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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.

ATECH NETWORK SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ATECH NETWORK SERVICES LIMITED

We have audited the financial statements of Atech Network Services Limited for the year ended 31 March 2017, set out on pages 5 to 16. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 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 Directors' responsibilities statement set out on page 2, 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 and express an opinion on 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

ATECH NETWORK SERVICES LIMITED

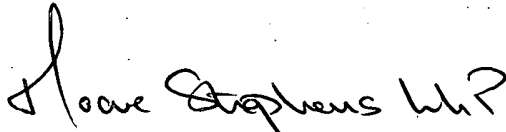
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ATECH NETWORK SERVICES LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Mark Lucas FCA (Senior Statutory Auditor)

for and on behalf of
Moore Stephens LLP

Prospect House
58 Queens Road
Reading
Berkshire
RG1 4RP

Date: 28/9/17

ATECH NETWORK SERVICES LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
Turnover	4	1,589,246	1,586,920
Cost of sales		(809,811)	(832,480)
Gross profit		779,435	754,440
Administrative expenses		(43,105)	(310,575)
Operating profit	5	736,330	443,865
Interest receivable and similar income		150	11
Profit before tax		736,480	443,876
Tax on profit	9	(21,429)	(88,427)
Profit after tax		715,051	355,449
Retained earnings at the beginning of the year		815,413	459,964
		815,413	459,964
Profit for the year		715,051	355,449
Dividends declared and paid		(1,530,464)	-
Retained earnings at the end of the year		-	815,413

The notes on pages 7 to 16 form part of these financial statements.

ATECH NETWORK SERVICES LIMITED
REGISTERED NUMBER: 06678536

BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	10	3,858	4,404
		<u>3,858</u>	<u>4,404</u>
Current assets			
Stocks	11	458	3,209
Debtors: amounts falling due within one year	12	154,822	646,435
Cash at bank and in hand		748,167	423,401
		<u>903,447</u>	<u>1,073,045</u>
Creditors: amounts falling due within one year	13	(906,305)	(261,036)
Net current (liabilities)/assets		<u>(2,858)</u>	<u>812,009</u>
Total assets less current liabilities		<u>1,000</u>	<u>816,413</u>
Net assets		<u><u>1,000</u></u>	<u><u>816,413</u></u>
Capital and reserves			
Called up share capital	14	928	928
Capital redemption reserve		72	72
Profit and loss account		-	815,413
		<u>1,000</u>	<u>816,413</u>

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


PJ Bradford

Director

Date: 22/09/2017

The notes on pages 7 to 16 form part of these financial statements.

ATECH NETWORK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

The Company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Glebe Farm
Down Street
Dummer
Basingstoke
RG25 2AD

The principal place of business is:

12-16 Addiscombe Road
Croydon
CR0 0XT

2. Accounting policies

2.1 Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.2 Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

2.3 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency), which is Sterling and rounded to the nearest £1.

The following principal accounting policies have been applied:

ATECH NETWORK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.4 Summary of disclosure exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- from the financial disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosure;
- from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7; and
- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows includes the Company's cash flows.

2.5 Name of parent of group

These financial statements are consolidated in the financial statements of Southern Communications Holdings Limited (immediate parent) and Southern Communications Group Limited (ultimate parent). Their registered office is Glebe Farm, Down Street, Dummer, Basingstoke, RG25 2AD.

2.6 Going concern

Since the year end the trade has been transferred to a sister company and the company will be dormant thereafter. The directors consider that there are no material differences between preparing the accounts on a break up basis or as a going concern. As there is no current intention to dissolve the company the accounts have been prepared on a going concern basis.

2.7 Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The Company recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the Company's activities.

Service revenue is recognised on the date that the service is provided to the customer, and revenue from the sale of goods is recognised at the point of delivery, or, in the case of installations, according to the stage of completion of the project.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

ATECH NETWORK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.9 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Furniture, fittings and equipment-	25%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

ATECH NETWORK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.12 Financial instruments

The Company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to sell on a net basis or to realise the asset and settle the liability simultaneously.

ATECH NETWORK SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. Accounting policies (continued)

2.13 Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are approved by shareholders.

2.14 Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

2.15 Related Parties

The Company discloses transactions and balances with related parties which are not wholly owned within the same group.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The Directors believe there to be no critical accounting judgements or areas of significant estimated uncertainty.

4. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Rendering of services	1,451,977	1,586,920
Sale of goods	137,269	-
	<u>1,589,246</u>	<u>1,586,920</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	1,241	271
Fees payable to the company's auditor	9,600	9,250
	<u>10,841</u>	<u>9,521</u>

ATECH NETWORK SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

6. Auditors' remuneration

	2017	2016
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	7,800	7,500
Fees payable to the Company's auditor and its associates in respect of:		
All other services	1,800	1,750
	1,800	1,750

7. Employees

The average monthly number of employees, including the Directors, during the year was as follows:

	2017	2016
	No.	No.
Total	5	5

8. Directors' remuneration

The directors are remunerated by Southern Communications Group Limited, the ultimate parent company for their services to the group as a whole, details of remuneration can be found in that company's accounts.

ATECH NETWORK SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

9. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	21,429	88,427
	<u>21,429</u>	<u>88,427</u>
Total current tax	<u>21,429</u>	<u>88,427</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - *lower than*) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	736,480	443,876
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	147,296	88,775
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	(421)
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	73
Capital allowances for year in excess of depreciation	109	-
Other differences leading to an increase (decrease) in the tax charge	(105)	-
Group relief	(125,871)	-
Total tax charge for the year	<u>21,429</u>	<u>88,427</u>

Factors that may affect future tax charges

The main rate of corporation tax will reduce to 17% by 2020.

ATECH NETWORK SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

10. Tangible fixed assets

	Furniture, fittings and equipment £
Cost	
At 1 April 2016	4,675
Additions	695
At 31 March 2017	<u>5,370</u>
Depreciation	
At 1 April 2016	271
Charge for the year on owned assets	1,241
At 31 March 2017	<u>1,512</u>
Net book value	
At 31 March 2017	<u>3,858</u>
At 31 March 2016	<u>4,404</u>

11. Stocks

	2017 £	2016 £
Work in progress	458	3,209
	<u>458</u>	<u>3,209</u>

Stock recognised in cost of sales during the year as an expense was £123,989 (2016 - £127,460).

ATECH NETWORK SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

12. Debtors

	2017 £	2016 £
Trade debtors	38,674	9,842
Amounts owed by group undertakings	66,654	585,000
Other debtors	240	-
Prepayments and accrued income	49,254	51,593
	<u>154,822</u>	<u>646,435</u>

13. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	35,655	40,783
Amounts owed to group undertakings	737,439	50,000
Corporation tax	21,429	88,426
Other taxation and social security	69,969	34,140
Other creditors	1,650	275
Accruals and deferred income	40,163	47,412
	<u>906,305</u>	<u>261,036</u>

14. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
928 Ordinary Shares shares of £1 each	<u>928</u>	<u>928</u>

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

Full voting, dividend and capital distribution (including on the winding up) right; they do not confer any rights of redemption.

ATECH NETWORK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

15. Contingent liabilities

On 11 May 2016, a new cross guarantee arrangement has been entered into to secure the bank loans of an intermediate parent company, Southern Communications Investments Limited. As at 31 March 2017, the total value of the outstanding facility was £25,537,971.

The contingent liability outstanding as at 31 March 2016 of £12,813,091 was satisfied as at 12 May 2016.

16. Related party transactions

The Company has taken advantage of the exemption from disclosing related party transactions with other companies that are wholly owned within the Group.

17. Controlling party

The Company's immediate parent is Southern Communications Holdings Limited, incorporated in England and Wales.

The parent of the smallest group for which consolidated accounts are prepared is Southern Communication Holdings Limited and the parent of the largest group for which consolidated accounts are prepared is Southern Communications Group Limited. These financial statements are available upon request from Companies House, Crown Way, Cardiff, CF14 3UZ.

On 11 May 2016 the entire share capital of the former ultimate parent company, Southern Communications Holdings Limited, was acquired by the new intermediate parent company, Southern Communications Investments Limited.

The new ultimate parent company following this acquisition is Southern Communications Group Limited. The directors believe there to be no ultimate controlling party following the transaction.

18. Future trade

Following the year end the trade of the Company was hived into a fellow subsidiary. The Company has been dormant since this date.