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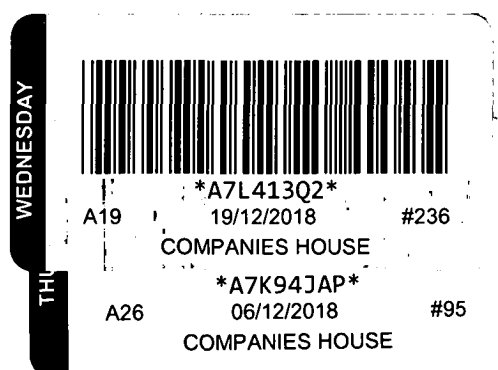
**ATECH NETWORK SERVICES LIMITED**

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**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2018**



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**ATECH NETWORK SERVICES LIMITED**

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**COMPANY INFORMATION**

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**Directors**

DC Phillips  
MO Kirk  
PJ Bradford  
AJ Moody  
JN Wilson

**Registered number** 06678536

**Registered office**

Glebe Farm  
Down Street  
Dummer  
Basingstoke  
RG25 2AD

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**ATECH NETWORK SERVICES LIMITED**

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## ATECH NETWORK SERVICES LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

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The Directors present their report and the financial statements for the year ended 31 March 2018.

#### Directors' responsibilities statement

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 judgments 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.

#### Directors

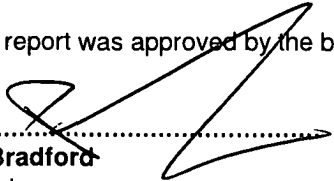
The Directors who served during the year were:

DC Phillips  
MO Kirk  
PJ Bradford  
AJ Moody  
JN Wilson

#### 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: 21-11-18

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**ATECH NETWORK SERVICES LIMITED**

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**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 MARCH 2018**

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	Note	2018 £	2017 £
Turnover	3	-	1,589,246
Cost of sales		-	(809,811)
<b>Gross profit</b>		-	779,435
Administrative expenses		-	(43,105)
<b>Operating profit</b>	4	-	736,330
Interest receivable and similar income		-	150
<b>Profit before tax</b>		-	736,480
Tax on profit	6	-	(21,429)
<b>Profit after tax</b>		-	715,051
Retained earnings at the beginning of the year		-	815,413
(Loss)/profit for the year		-	715,051
Dividends declared and paid		-	(1,530,464)
<b>Retained earnings at the end of the year</b>		-	-

The Company has not traded during the year and received no income and incurred no expenditure and therefore made neither profit or loss.

The notes on pages 4 to 11 form part of these financial statements.

**ATECH NETWORK SERVICES LIMITED**  
**REGISTERED NUMBER: 06678536**

**BALANCE SHEET**  
**AS AT 31 MARCH 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets		-	3,858
<b>Current assets</b>			
Stocks	8	-	458
Debtors: amounts falling due within one year	9	1,000	154,822
Cash at bank and in hand		-	748,167
		<u>1,000</u>	<u>903,447</u>
Creditors: amounts falling due within one year	10	-	(906,305)
<b>Net current assets/(liabilities)</b>		<u>1,000</u>	<u>(2,858)</u>
<b>Net assets</b>		<u><u>1,000</u></u>	<u><u>1,000</u></u>
<b>Capital and reserves</b>			
Called up share capital	11	928	928
Capital redemption reserve		72	72
		<u><u>1,000</u></u>	<u><u>1,000</u></u>

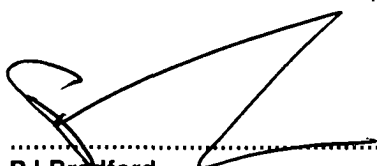
For the year ended 31 March 2018 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006.

Members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

  
**PJ Bradford**  
 Director  
 Date: 21-11-18

The notes on pages 4 to 11 form part of these financial statements.

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## ATECH NETWORK SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 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

#### 2. Accounting policies

##### 2.1 Trading status

The company was dormant (within the meaning of Section 480 of the Companies Act 2006) throughout the year ended 31 March 2018. The company has ceased trading during the year.

##### 2.2 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.

##### 2.3 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.

##### 2.4 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 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 policies have been applied:

##### 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

On 1 April 2017 the trade was transferred to a sister company and the company has been 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.

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## ATECH NETWORK SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 2. Accounting policies (continued)

##### 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.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

specific criteria have been met for each of the Company's activities.

##### 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.

##### 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 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.

##### 2.11 Related Parties

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



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## ATECH NETWORK SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 2. Accounting policies (continued)

##### 2.12 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.

##### 2.13 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.

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## ATECH NETWORK SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 2. Accounting policies (continued)

##### 2.14 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.

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## ATECH NETWORK SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 2. Accounting policies (continued)

##### 2.15 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.

#### 3. Turnover

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

	2018 £	2017 £
Rendering of services	-	1,451,977
Sale of goods	-	137,269
	<u>-</u>	<u>1,589,246</u>

All turnover arose within the United Kingdom.

#### 4. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	-	1,241
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	-	9,600
	<u>-</u>	<u>9,600</u>

#### 5. 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.

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**ATECH NETWORK SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**6. Taxation**

	2018 £	2017 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	21,429
<b>Total current tax</b>	<u>-</u>	<u>21,429</u>

**Factors affecting tax charge for the year**

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 20% (2017 - 20%).

**7. Tangible fixed assets**

	Furniture, fittings and equipment £
<b>Cost</b>	
At 1 April 2017	5,370
Disposals	(5,370)
At 31 March 2018	<u>-</u>
<b>At 1 April 2017</b>	<b>1,512</b>
Disposals	(1,512)
At 31 March 2018	<u>-</u>
<b>Net book value</b>	
At 31 March 2018	<u>-</u>
At 31 March 2017	<u>3,858</u>

# **ATECH NETWORK SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

### **8. Stocks**

	2018 £	2017 £
Work in progress	-	458
	<u>-</u>	<u>458</u>

Stock recognised in cost of sales during the year as an expense was £nil (2017 - £123,989).

### **9. Debtors**

	2018 £	2017 £
Trade debtors	-	38,674
Amounts owed by group undertakings	1,000	66,654
Other debtors	-	240
Prepayments and accrued income	-	49,254
	<u>1,000</u>	<u>154,822</u>

### **10. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	-	35,655
Amounts owed to group undertakings	-	737,439
Corporation tax	-	21,429
Other taxation and social security	-	69,969
Other creditors	-	1,650
Accruals and deferred income	-	40,163
	<u>-</u>	<u>906,305</u>

### **11. Share capital**

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
928 (2017 - 928) Ordinary shares of £1 each	<u>928</u>	<u>928</u>

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**ATECH NETWORK SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**11. Share capital (continued)**

**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.

**12. Contingent liabilities**

The Company has entered into a cross guarantee arrangement to secure the bank loans of its intermediate parent company, Southern Communications Investments Limited. At the year end, the total outstanding facilities were £26,742,393 (2017: £25,537,971).

**13. 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.

**14. 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.

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.