

# COMPANIES HOUSE COPY

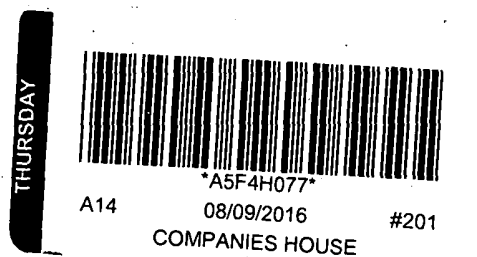
## Commsxchange Limited

Report and Financial Statements

Year Ended

31 December 2015

Company Number 06721957



# Commsxchange Limited

## Company Information

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<b>Directors</b>	W Martin M D Allen A Thirkill
<b>Company secretary</b>	M D Allen
<b>Registered number</b>	06721957
<b>Registered office</b>	Global House 2 Crofton Close Lincoln Lincolnshire LN3 4NT
<b>Independent auditors</b>	BDO LLP Two Snowhill Birmingham B4 6GA

# Commsxchange Limited

## Contents

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	Page
Directors' Report	1
Directors' Responsibilities Statement	2
Independent Auditors' Report	3 - 4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8 - 14

# Commsxchange Limited

## Directors' Report For the Year Ended 31 December 2015

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The directors present their report and the financial statements for the year ended 31 December 2015.

### Principal activity

The principal activity of the company is the provision of business mobile phone contracts.

### Results and dividends

The loss for the year, after taxation, amounted to £13,023 (2014 - profit £14,728).

The directors do not propose the payment of a dividend for the year (2014 - £Nil).

### Directors

The directors who served during the year were:

W Martin  
M D Allen

A Thirkill was appointed to the board subsequent to the year end on 22 February 2016.

### Disclosure of information to auditors

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

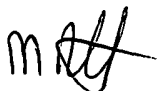
- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors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

### Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

This report was approved by the board on 31/08/16 and signed on its behalf.



**M D Allen**  
Director

# **Commsxchange Limited**

## **Directors' Responsibilities Statement For the Year Ended 31 December 2015**

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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 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 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 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 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.

# Commsxchange Limited

## Independent Auditor's report

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### TO THE MEMBERS OF COMMSXCHANGE LIMITED

We have audited the financial statements of Commsxchange Limited for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, Statement of Financial Position, the Statement of Changes in Equity 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), 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 auditor's 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, 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 Financial Reporting Council's (FRC'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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://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 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting; 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 the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Commsxchange Limited

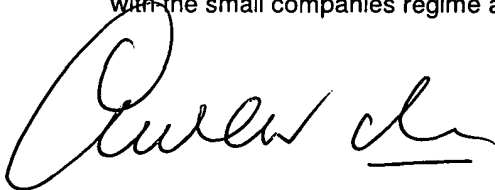
## Independent Auditor's report

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### 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; or
- the directors were not entitled to prepare the financial statements and the director's report in accordance with the small companies regime and from the requirement to prepare a strategic report.



**Andrew Mair** (Senior statutory auditor)  
for and on behalf of BDO LLP, Statutory auditor  
Birmingham  
United Kingdom

2/9/16

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Commsxchange Limited

## Statement of Comprehensive Income For the Year Ended 31 December 2015

		Year ended 31 December 2015 £	9 month period ended 31 December 2014 £
	Note		
Turnover	3	40,263	45,388
Cost of sales		(16,498)	(20,352)
<b>Gross profit</b>		<b>23,765</b>	<b>25,036</b>
Administrative expenses		(37,293)	(6,824)
<b>Operating (loss)/profit / (loss)/profit before tax</b>	4	<b>(13,528)</b>	<b>18,212</b>
Taxation on (loss)/profit	5	505	(3,484)
<b>(Loss)/profit for the year and total comprehensive (loss)/income</b>		<b><u>(13,023)</u></b>	<b><u>14,728</u></b>

The notes on pages 8 to 14 form part of these financial statements.



# Commsxchange Limited

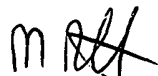
## Statement of Financial Position As at 31 December 2015

Company number: 06721957

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	6	4,473	5,740
<b>Current assets</b>			
Debtors	7	194,813	49,249
Cash at bank and in hand		91,287	6,237
		<u>286,100</u>	<u>55,486</u>
Creditors: amounts falling due within one year	8	(263,610)	(21,101)
<b>Net current assets</b>		<u>22,490</u>	<u>34,385</u>
<b>Total assets less current liabilities</b>		<u>26,963</u>	<u>40,125</u>
<b>Provisions for liabilities</b>			
Deferred tax	9	(1,179)	(1,318)
<b>Net assets</b>		<u><u>25,784</u></u>	<u><u>38,807</u></u>
<b>Capital and reserves</b>			
Called up share capital	10	100	100
Profit and loss account		25,684	38,707
<b>Shareholders' funds</b>		<u><u>25,784</u></u>	<u><u>38,807</u></u>

The financial statements have been prepared in accordance with the special provisions applicable to small 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 on



**M D Allen**  
Director

31/08/16

The notes on pages 8 to 14 form part of these financial statements.

# Commsxchange Limited

## Statement of Changes in Equity For the Year Ended 31 December 2015

	Share capital £	Retained earnings £	Total equity £
At 1 January 2015	100	38,707	38,807
<b>Comprehensive loss for the year</b>			
Loss for the year	-	(13,023)	(13,023)
<b>Total comprehensive loss for the year</b>	-	(13,023)	(13,023)
<b>At 31 December 2015</b>	<b>100</b>	<b>25,684</b>	<b>25,784</b>

## Statement of Changes in Equity For the Period Ended 31 December 2014

	Share capital £	Retained earnings £	Total equity £
At 1 April 2014	100	23,979	24,079
<b>Comprehensive income for the period</b>			
Profit for the period	-	14,728	14,728
<b>Total comprehensive income for the period</b>	-	14,728	14,728
<b>At 31 December 2014</b>	<b>100</b>	<b>38,707</b>	<b>38,807</b>

Share capital

The nominal value of allotted and fully paid up ordinary share capital.

Retained earnings

Cumulative net gains and losses recognised in the statement of comprehensive income

The notes on pages 8 to 14 form part of these financial statements.

# Commsxchange Limited

## Notes to the Financial Statements For the Year Ended 31 December 2015

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### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 14.

The accounts have been prepared using certain of the reduced disclosure exemptions permitted by FRS 102. The accounts therefore do not include:

- Certain related party disclosures
- Certain financial instrument disclosure
- A statement of cash flows

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied consistently:

#### 1.2 Going concern

The financial statements have been prepared on the going concern basis. The directors have reviewed the forecast future trading performance and cash generation, taking into account principal risks and uncertainties that apply to the business, and believe that it is appropriate to prepare the accounts on this basis.

#### 1.3 Turnover

Turnover represents the invoiced value, excluding value added tax, of goods and services supplied to customers during the year. Amounts invoiced relating to software and services are time apportioned over the period to which the invoice relates, with amounts relating to future periods being treated as deferred income. Associated costs are also time apportioned to match the income.

# Commsxchange Limited

## Notes to the Financial Statements For the Year Ended 31 December 2015

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### 1. Accounting policies (*continued*)

#### 1.4 Tangible fixed assets

Tangible fixed assets 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. The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised.

Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Leasehold improvements	-	10% straight line
Plant and machinery	-	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, 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 within 'administrative expenses' in the statement of comprehensive income.

#### 1.5 Current and deferred taxation

The tax expense for the year 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 or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

# Commsxchange Limited

## Notes to the Financial Statements For the Year Ended 31 December 2015

### 2. Judgments in applying accounting policies and key sources of estimation uncertainty

In applying the company's accounting policies set out above management is required to make certain estimates and judgements concerning the future. These judgements are regularly reviewed and updated as necessary. The estimates and judgements that have the most significant effect on the amounts included in these financial statements are as follows:

#### (a) Tangible fixed assets

Tangible fixed assets are depreciated over their useful economic lives taking into account residual values where appropriate. The actual lives of these assets are assessed annually and may vary depending on a number of factors. In assessing asset lives, factors such as life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

#### (b) Trade debtors

The company reviews the recoverability of trade debtors and makes allowances for doubtful debts where considered appropriate. If there is evidence of impairment the carrying amount of the debtor is reduced to its recoverable amount. The impairment loss is recognised immediately in the statement of comprehensive income.

### 3. Analysis of turnover

All turnover relates to the principal activity of the company.

All turnover arose within the United Kingdom.

### 4. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	Year ended 31 December 2015 £	Period ended 31 December 2014 £
Depreciation of tangible fixed assets	<u>1,964</u>	<u>1,764</u>

The directors' are remunerated through the company's parent GCI Telecom Group Limited. No amounts (2014 - £Nil) are apportioned in respect of directors' services to the company. The company had no other employees in the current year or prior period.

Audit fees in respect of the current year and prior period are borne by another subsidiary undertaking in the group headed by GCI Telecom Group Limited. The allocation in respect of this company is £1,500 (2014 - £1,500).

# Commsxchange Limited

## Notes to the Financial Statements For the Year Ended 31 December 2015

### 5. Taxation

	Year ended 31 December 2015 £	Period ended 31 December 2014 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	2,474
Adjustments in respect of previous periods	(366)	-
<b>Total current tax</b>	<b>(366)</b>	<b>2,474</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(139)	1,593
Adjustments in respect of previous periods	-	(583)
<b>Total deferred tax</b>	<b>(139)</b>	<b>1,010</b>
<b>Taxation on (loss)/profit on ordinary activities</b>	<b>(505)</b>	<b>3,484</b>

#### Factors affecting tax (credit)/charge for the year

The reasons for the difference between the actual tax (credit)/charge for the year/period and the standard rate of corporation tax in the UK applied to profits for the year/period are as follows:

	Year ended 31 December 2015 £	Period ended 31 December 2014 £
(Loss)/profit on ordinary activities before tax	(13,528)	18,212
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 20%)	(2,706)	3,642
<b>Effects of:</b>		
Expenses not deductible for tax purposes	248	1,946
Group relief surrendered for no consideration	2,449	-
Group relief claimed for no charge	-	(1,485)
Adjustments to tax charge in respect of prior periods	(366)	-
Effect of change in tax rate	(130)	(619)
<b>Total tax (credit)/charge for the year/period</b>	<b>(505)</b>	<b>3,484</b>

#### Factors that may affect future tax charges

The corporation tax rate reduced to 20% on 1 April 2015. The summer budget on 15 July 2015 announced that the rate will reduce to 19% as of 1 April 2017 and 18% as of 1 April 2020. This will reduce the company's future current tax accordingly. Deferred tax has been calculated at 18% being the rate substantively enacted at the year end.

# Commsxchange Limited

## Notes to the Financial Statements For the Year Ended 31 December 2015

### 6. Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 January 2015	8,520	6,000	14,520
Additions	-	697	697
<b>At 31 December 2015</b>	<b>8,520</b>	<b>6,697</b>	<b>15,217</b>
<b>Depreciation</b>			
At 1 January 2015	3,195	5,585	8,780
Charge for the year	852	1,112	1,964
<b>At 31 December 2015</b>	<b>4,047</b>	<b>6,697</b>	<b>10,744</b>
<b>Net book value</b>			
<b>At 31 December 2015</b>	<b>4,473</b>	<b>-</b>	<b>4,473</b>
At 31 December 2014	5,325	415	5,740

### 7. Debtors

	2015 £	2014 £
Trade debtors	34,965	22,363
Amounts owed by group undertakings	159,433	21,101
Other debtors	415	5,785
	<b>194,813</b>	<b>49,249</b>

No impairment loss has been recognised in the Statement of Comprehensive Income in the current year or prior period. No provision for impairment has been recognised in the current year or prior period.

The amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

# Commsxchange Limited

## Notes to the Financial Statements For the Year Ended 31 December 2015

### 8. Creditors

	2015 £	2014 £
Trade creditors	4,539	1,458
Amounts owed to group undertakings	258,449	760
Corporation tax	-	8,854
Taxation and social security	622	1,480
Other creditors	-	8,549
	<u>263,610</u>	<u>21,101</u>

The amounts owed to group undertakings are unsecured and interest free. Although the balances have no fixed repayment terms, the counterparties have confirmed that repayment will not be sought if such payment would prejudice the company's ability to settle its other debts as they fall due.

### 9. Deferred taxation

	Deferred tax £
At 1 January 2015	(1,318)
Credit to the profit or loss	139
<b>At 31 December 2015</b>	<u><b>(1,179)</b></u>

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	<u>(1,179)</u>	<u>(1,318)</u>

### 10. Share capital

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>



# Commsxchange Limited

## Notes to the Financial Statements For the Year Ended 31 December 2015

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### 11. Contingent liabilities

Contingent liabilities exist in connection with a right to set off and unlimited interlocking guarantees to Barclays Bank Plc in favour of GCI Telecom Group Limited and all of its other subsidiaries. As at 31 December 2015, indebtedness guaranteed by the company in this way amounted to £2,555,337 (2014 - £4,354,641).

### 12. Related party disclosures

The company has taken advantage of the exemption granted by section 33.1A of FRS 102, from disclosing transactions with other group companies and investees of the group, as the company is a 100% owned subsidiary.

Key management personnel include all directors of the company. Total compensation paid to key management personnel is disclosed in note 4.

### 13. Ultimate controlling party

The ultimate parent undertaking and controlling party at the balance sheet date was GCI Telecom Group Limited, a company registered in England and Wales. Consolidated group financial statements are prepared by GCI Telecom Group Limited and are available from Companies House, Cardiff.

The smallest and largest group of which Commsxchange Limited is a member and which group accounts are drawn up as that headed by GCI Telecom Group Limited.

The ultimate controlling party is W Martin.

### 14. First time adoption of FRS 102

The company reported under former UK GAAP in its previously published financial statements for the period ended 31 December 2014.

This is the first year that the company has presented its results under FRS 102. The date of transition was 1 April 2014 and there were no changes on conversion for the company, or subsequently to its profit for the period ended 31 December 2014 or to its financial position as at 1 April 2014 or 31 December 2014.