

Blue Fire Communications Limited

**Directors' report and financial
statements**

Registered number 06956139

For the year ended 31 May 2014

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 May 2014.

Principal activities

The principal activity of the company is that of a supplier of telephony solutions.

Business review

The company performed satisfactorily during the year.

Results and dividends

The results for the period are set out in the profit and loss account on page 5. The profit for the financial year of £44,000 (2013: £41,000) has been transferred to reserves.

The directors do not recommend the payment of a dividend (2013: £Nil).

Directors

The directors who served during the year were as follows:

PG Cullum
AC Homer
CCH Guillaume
DS Bailey

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

By order of the board



CCH Guillaume
Director

Buckholt Drive
Warndon
Worcester
WR4 9SR

17 July 2014

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 and then apply them consistently;
- make judgments and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Independent auditor's report to the members of Blue Fire Communications Limited

We have audited the financial statements of Blue Fire Communications Limited for the year ended 31 May 2014 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 auditor

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 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 May 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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.

Independent auditor's report to the members of Blue Fire Communications Limited *(continued)*

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 take advantage of the small companies exemption from the requirement to prepare a strategic report.



Xavier Timmermans (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

17 July 2014

Profit and loss account
for the year ended 31 May 2014

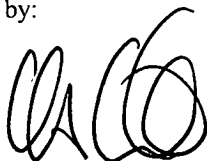
	<i>Note</i>	2014 £000	2013 £000
Turnover	2	608	636
Cost of sales		(532)	(558)
		<hr/>	<hr/>
Gross profit		76	78
Administrative expenses		(20)	(25)
		<hr/>	<hr/>
Operating profit		56	53
Interest receivable and similar income	6	1	1
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3	57	54
Tax on profit on ordinary activities	7	(13)	(13)
		<hr/>	<hr/>
Profit on ordinary activities after taxation and for the financial year	11	44	41
		<hr/>	<hr/>

There were no recognised gains or losses in the year other than the results for the year as shown above, all of which relate to continuing activities.

Balance sheet
at 31 May 2014

	<i>Note</i>	2014 £000	£000	2013 £000	£000
Current assets					
Debtors	8	79		154	
Cash at bank and in hand		171		167	
		<u>250</u>		<u>321</u>	
Creditors: Amounts falling due within one year	9	(192)		(307)	
Net current assets			58		14
Total assets less current liabilities			58		14
Capital and reserves					
Called up share capital	10	1		1	
Profit and loss account	11	57		13	
Equity shareholders' funds	12	58		14	

These financial statements were approved by the board of directors on 17 July 2014 and were signed on its behalf by:



CCH Guillaume
Director

Company number: 06956139

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

The company has taken advantage of the exemption contained in FRS8 and has therefore, not disclosed transactions of balances within wholly-owned subsidiaries which form part of the Broomco (4099) Limited group.

Going concern

The directors have prepared the financial statements of the company on the going concern basis, as the directors are satisfied that the company and the group have sufficient funds to continue trading for the foreseeable future. Funding arrangements between the group's sponsoring bank and the ultimate holding company were renewed on 26 February 2013, and will remain in place until 31 December 2015.

Revenue recognition

Turnover represents amounts (net of Value Added Tax) receivable in respect of the supply of telephony services. Revenue is recognised when services are provided.

Taxation

The charge for taxation is based on the result 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, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

2 Turnover

Turnover consists entirely of sales made in the United Kingdom.

3 Profit on ordinary activities before taxation

	2014 £000	2013 £000
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
<i>Fees payable to the company's auditor:</i>		
Audit of these financial statements	3	3

Notes (continued)

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2014	2013
Administrative and management staff	4	4

The aggregate payroll costs of these persons were as follows:

	£000	£000
Wages and salaries	-	1
Social security costs	-	2
Other pension costs	-	1
	-	4

5 Remuneration of directors

The remuneration of the directors of the company in the current and preceding financial years has been borne by Open GI Limited, a fellow group undertaking, and Broomco (4099) Limited, the ultimate parent company.

6 Interest receivable and similar income

	2014 £000	2013 £000
Bank interest	1	1

7 Taxation

Analysis of charge in the period

	2014 £000	2013 £000
UK corporation tax		
Current tax	13	13

Notes (continued)

7 Taxation (continued)

Factors affecting the tax charge for the period

The current tax charge for the period is the same as (2013: the same as) the standard rate of corporation tax in the UK of 22.67% (2013: 23.83%). The differences are explained below:

	2014 £000	2013 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	57	54
	<hr/>	<hr/>
Current tax at 22.67% (2013: 23.83%)	13	13
<i>Effects of:</i>		
Adjustment in respect of prior period	-	-
	<hr/>	<hr/>
Total current tax charge (see above)	13	13
	<hr/>	<hr/>

Factors that may affect current and total tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

Notes *(continued)*

8 Debtors

	2014 £000	2013 £000
Trade debtors	60	61
Amounts owed by group undertakings	-	73
Prepayments and accrued income	19	20
	<hr/>	<hr/>
	79	154
	<hr/>	<hr/>

9 Creditors: Amounts falling due within one year

	2014 £000	2013 £000
Trade creditors	3	211
Amounts owed to group undertakings	158	48
Other creditors and accruals	28	30
Corporation tax	-	13
Social security and other taxes	3	5
	<hr/>	<hr/>
	192	307
	<hr/>	<hr/>

10 Called up share capital

	2014 £000	2013 £000
<i>Authorised, allotted, called up and fully paid:</i>		
1,000 ordinary shares of £1 each	1	1
	<hr/>	<hr/>

11 Reserves

	Profit and loss account £000
At beginning of year	13
Profit for the financial year	44
	<hr/>
At end of year	57
	<hr/>

Notes (continued)

12 Reconciliation of movement in shareholders' funds/(deficit)

	2014 £000	2013 £000
Profit for the financial year	44	41
Opening shareholders' funds/(deficit)	14	(27)
	<hr/>	<hr/>
Closing shareholders' funds	58	14
	<hr/>	<hr/>

13 Commitments

The company had no capital commitments, nor any commitments under non-cancellable operating leases in the current or preceding financial periods.

14 Related party disclosures

During the year, the company participated in the following related party transactions:

The company conducted business totalling £563,175 (2013: £592,346) on an arm's length basis with the Towergate PartnershipCo Limited and its subsidiary companies, for which Mr P G Cullum also acts as a statutory director. The balance owing to Blue Fire Communications Limited as at 31 May 2014 is £53,086 (2013: £60,451).

The company conducted business totalling £Nil (2013: £4,084) on an arm's length basis with Cullum Capital Ventures Group and its subsidiary companies, a subsidiary of Towergate PartnershipCo Limited. The balance owing to Blue Fire Communications Limited as at 31 May 2014 is £Nil (2013: £Nil).

15 Ultimate parent company and controlling party

The company's ultimate parent company is Broomco (4099) Limited, a company incorporated in Great Britain.

The only group in which the results of the company were consolidated was that headed by Broomco (4099) Limited.

Copies of the group financial statements, incorporating those of the company, are available from the company's registered address at Broomco (4099) Limited, Buckholt Drive, Warndon, Worcestershire, WR4 9SR.

The company's ultimate controlling party is Mr PG Cullum.