

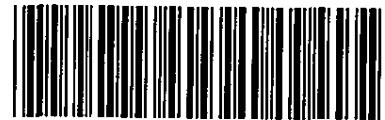
Registered number 07298834

NEW CALL TELECOM LIMITED

ABBREVIATED ACCOUNTS

FOR THE PERIOD ENDED 31 MARCH 2011

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COMPANIES HOUSE

NEW CALL TELECOM LIMITED

COMPANY INFORMATION

DIRECTORS

ALR Morton - Chairman (appointed 17 May 2011)
N A Eastwood - CEO (appointed 29 June 2010)
R C Jennings - CFO (appointed 30 September 2010)
G R Pestell - COO (appointed 1 October 2010)
J C King (appointed 29 June 2010 & resigned 29 June 2010)

COMPANY NUMBER

07298834

REGISTERED OFFICE

C/O Collards
2 High Street
Kingston upon Thames
Surrey
KT1 1EY

AUDITOR

Crowe Clark Whitehill LLP
Carrick House
Lypiatt Road
Cheltenham
GL50 2QJ

BANKERS

National Westminster Bank Plc
501 Silbury Boulevard
Milton Keynes
MK9 3ER

NEW CALL TELECOM LIMITED

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NEW CALL TELECOM LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2011

The directors present their report and the financial statements for the period ended 31 March 2011

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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,
- 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.

PRINCIPAL ACTIVITIES

The company was incorporated on 29 June 2010 as Newco Telecom Limited and changed its name to New Call Telecom Limited on 21 September 2010. It commenced trading on 1 October 2010 having acquired the business from Primus Telecommunications Limited on that date.

The principal activity of the company is the provision of telecommunications to both residential and commercial customers.

BUSINESS REVIEW

New Call Telecom ("NCT") acquired the retail assets of Primus Telecommunications Ltd on the 1st of October 2010.

Post the acquisition, NCT has firmly established itself as an industry-leading provider of Home Phone, Broadband and International calling services for the UK residential market under its brands 'Primus Saver' and 'Planet Talk'.

During the period, NCT has progressed well, with new customer growth being particularly impressive. The new management team, using a disciplined and diligent approach, have developed a stable and robust platform from which the business can further expand. Looking forward, NCT is now well positioned to take advantage of the several million switches each year in the home phone and bundled broadband market.

The principal risks faced by the Company are associated with price competition and legislative changes. The company remains focused upon maintaining its premier position on the price comparison websites and works closely with its customers and providers to ensure that it offers the best value in the market. The Board ensures that the Company is aware of both industry best practice and the legislative environment to safeguard its stakeholders.

NEW CALL TELECOM LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MARCH 2011**

BUSINESS REVIEW (continued)

Moving ahead the business will focus on increasing the number of products per customer, effectively cross selling the Planet Talk International calling products and adding data to customers' service offering wherever possible. NCT will transition its Customer Contact Centre function back to the UK which will help underpin operations and create a solid platform for growth.

NCT plan to drive further growth, 'organically', using the established routes to market and by a planned 'buy and build' strategy to create further scale and volumes. The management team are focused on increasing gross margin and EBITDA primarily from improved commercials, increasing network volumes and lowering of sales acquisition costs.

RESULTS

The loss for the period, after taxation, amounted to £157,764.

DIRECTORS

The directors who served during the period are shown on the company information page at the front of these financial statements.

PROVISION OF INFORMATION TO AUDITOR

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 auditor is 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 information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

AUDITOR

The auditor, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 14-12-11

and signed on its behalf



R C Jennings - CFO
Director

NEW CALL TELECOM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NEW CALL TELECOM LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 4 to 14, together with the financial statements of New Call Telecom Limited for the period ended 31 March 2011 prepared under section 396 of the Companies Act 2006

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

OPINION ON FINANCIAL STATEMENTS

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts on pages 4 to 14 have been properly prepared in accordance with the regulations made under that section.

David Anderson (Senior statutory auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Carrick House
Lypiatt Road
Cheltenham
GL50 2QJ

15 December 2011

NEW CALL TELECOM LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2011**

	Note	2011 £
TURNOVER	1	4,941,317
		<hr/>
GROSS PROFIT		1,511,375
Administrative expenses		(1,023,795)
		<hr/>
OPERATING PROFIT BEFORE AMORTISATION	2	487,580
Amortisation		(450,865)
		<hr/>
OPERATING PROFIT		36,715
Interest payable and similar charges	5	(194,479)
		<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(157,764)
Tax on loss on ordinary activities	6	-
		<hr/>
LOSS FOR THE FINANCIAL PERIOD	13	(157,764)
		<hr/>

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 other than those included in the Profit and loss account

The notes on pages 7 to 14 form part of these financial statements

NEW CALL TELECOM LIMITED
REGISTERED NUMBER: 07298834

ABBREVIATED BALANCE SHEET
AS AT 31 MARCH 2011

	Note	2011 £	£
FIXED ASSETS			
Intangible assets	7		4,057,784
Tangible assets	8		56,329
			<u>4,114,113</u>
CURRENT ASSETS			
Debtors	9	1,497,962	
Cash at bank		419,009	
		<u>1,916,971</u>	
CREDITORS: amounts falling due within one year	10	<u>(1,805,928)</u>	
NET CURRENT ASSETS			<u>111,043</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,225,156</u>
CREDITORS: amounts falling due after more than one year	11		<u>(3,913,354)</u>
NET ASSETS			<u>311,802</u>
CAPITAL AND RESERVES			
Called up share capital	12		387,157
Share premium account	13		82,409
Profit and loss account	13		<u>(157,764)</u>
SHAREHOLDERS' FUNDS	14		<u>311,802</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on **14-12-11**.


R C Jennings - CFO
 Director

The notes on pages 7 to 14 form part of these financial statements

NEW CALL TELECOM LIMITED

**ABBREVIATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2011**

	Note	2011 £
Net cash flow from operating activities	15	1,354,079
Returns on investments and servicing of finance	16	(194,479)
Capital expenditure and financial investment	16	(4,572,646)
CASH OUTFLOW BEFORE FINANCING		(3,413,046)
Financing	16	4,282,920
INCREASE IN CASH IN THE PERIOD		869,874

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE PERIOD ENDED 31 MARCH 2011**

	2011 £
Increase in cash in the period	869,874
Cash inflow from increase in debt and lease financing	(3,813,354)
MOVEMENT IN NET DEBT IN THE PERIOD	(2,943,480)
NET DEBT AT 31 MARCH 2011	(2,943,480)

The notes on pages 7 to 14 form part of these financial statements

NEW CALL TELECOM LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2011

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For long term finance they rely on the loans and Deep Discount Bond from the parent undertaking, as disclosed in notes 10 and 11. In assessing going concern, the directors have assumed that the loans will not be repaid for the foreseeable future and that the bond will be repaid in accordance with the schedule set out in note 11 and, on that basis, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the period, exclusive of Value Added Tax and trade discounts.

Net revenue is derived from carrying a mix of business, residential and carrier long distance traffic, data and Internet traffic.

For certain voice services, net revenue is earned based on the number of minutes during a call and are recorded upon completion of a call. Revenue for a period is calculated from information received through the network switches. The Company's systems allow it to track the information from the switch and analyse the call detail records against stored detailed information about revenue rates. This system provides the Company the ability to do a timely and accurate analysis of revenue earned in a period. Separate prepaid services software is used to track additional information related to prepaid service usage such as activation date, monthly usage amounts and expiration date.

Net revenue is also earned on a fixed monthly fee basis for certain products. Data/Internet services include monthly fees collected for the provision of a number of plans. These fees are recognized as access is provided on a monthly basis. Additionally, service activation and installation fees are deferred and amortized over the contract term. The Company records payments received in advance for services and services to be provided under contractual agreements, such as Internet broadband as deferred revenue until such related services are provided.

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life of five years.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings	- 12.5 - 33% straight line
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NEW CALL TELECOM LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2011**

1. ACCOUNTING POLICIES (continued)

1.6 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

2 OPERATING PROFIT

The operating profit is stated after charging

	2011 £
Amortisation - intangible fixed assets	450,865
Depreciation of tangible fixed assets	
- owned by the company	7,668
Auditor's remuneration	20,000
Operating lease rentals	
- other operating leases	46,069
	<u>450,865</u>

3. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2011 £
Wages and salaries	287,642
Social security costs	30,594
	<u>318,236</u>

The average monthly number of employees, including the directors, during the period was as follows

2011 No.
16

4. DIRECTORS' REMUNERATION

	2011 £
Emoluments	155,314

NEW CALL TELECOM LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2011**

5. INTEREST PAYABLE

	2011
	£
On other loans and finance charges	194,479
	<hr/> <hr/>

6. TAXATION

Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 28%. The differences are explained below

	2011
	£
Loss on ordinary activities before tax	(157,764)
	<hr/> <hr/>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28%	(44,174)
Effects of:	
Unrelieved tax losses carried forward	44,174
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Current tax charge for the period (see note above)	-
	<hr/> <hr/>

Factors that may affect future tax charges

There were no factors that may affect future tax charges

NEW CALL TELECOM LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2011**

7. INTANGIBLE FIXED ASSETS

	Customer contracts £	Goodwill £	Total £
Cost			
Additions	4,258,649	250,000	4,508,649
At 31 March 2011	<u>4,258,649</u>	<u>250,000</u>	<u>4,508,649</u>
Amortisation			
Charge for the period	425,865	25,000	450,865
At 31 March 2011	<u>425,865</u>	<u>25,000</u>	<u>450,865</u>
Net book value			
At 31 March 2011	<u><u>3,832,784</u></u>	<u><u>225,000</u></u>	<u><u>4,057,784</u></u>

On 1 October 2010 the company acquired the trade, certain assets and liabilities from Primus Telecommunications Limited for a consideration of £4,250,000 plus acquisition costs, of which £1,050,000 is deferred and payable on 30 September 2012

Fair value of the consideration allocation

	£
Goodwill	250,000
Fixtures & fittings	49,999
Customer contracts	3,950,001
Acquisition costs	308,648
Total	<u><u>4,558,648</u></u>

NEW CALL TELECOM LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2011**

8 TANGIBLE FIXED ASSETS

	Fixtures & fittings £
Cost	
At 29 June 2010	-
Additions	63,997
At 31 March 2011	<u>63,997</u>
Depreciation	
At 29 June 2010	-
Charge for the period	7,668
At 31 March 2011	<u>7,668</u>
Net book value	
At 31 March 2011	<u><u>56,329</u></u>

9. DEBTORS

	2011 £
Trade debtors	955,977
Called up share capital not paid	91,565
Prepayments and accrued income	450,420
	<u><u>1,497,962</u></u>

10. CREDITORS

Amounts falling due within one year

	2011 £
Other loans	950,000
Trade creditors	258,305
Social security and other taxes	71,074
Deep Discount Bond	250,000
Accruals and deferred income	276,549
	<u><u>1,805,928</u></u>

Included in other loans are secured loans of £700,000 from Hawk Investment Holdings Limited

Also included within other loans is a debenture secured by a fixed charge of £250,000, created on 1 October 2010 by Primus Telecommunications Limited, and repaid in April 2011

NEW CALL TELECOM LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2011**

11 CREDITORS

Amounts falling due after more than one year

	2011 £
Deep Discount Bond (net of expenses)	2,863,354
Deferred consideration (net of expenses)	1,050,000
	<u>3,913,354</u>

The Deep Discount Bond was issued by Hawk Investment Holdings Limited and is repayable in twelve quarterly instalments commencing 1 January 2012. The final redemption date is 1 October 2014. The Bond is secured by a Debenture dated 1 October 2010. The Debenture holds the first legal mortgage and the first fixed charge over all the undertakings of New Call Telecom Limited.

The deferred consideration is payable on 30 September 2012 and relates to the acquisition referred to in Note 7.

12. SHARE CAPITAL

	2011 £
Allotted, called up and fully paid	
378,000 Series A shares of £1 each	<u>378,000</u>
Allotted, called up and unpaid	
91,565 Ordinary shares of £0.10 each	<u>9,157</u>

Ordinary share holders have full voting rights, right to receive dividends and right to return of par value to participate in the distribution of any surplus in the event of liquidation.

Series A shareholders have the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions. They have the right to receive dividends. They also have the right to return of par value to participate in the distribution of any surplus in the event of liquidation.

13. RESERVES

	Share premium account £	Profit and loss account £
Share premium on shares issued	82,409	
Loss for the period		(157,764)
At 31 March 2011	<u>82,409</u>	<u>(157,764)</u>

NEW CALL TELECOM LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2011**

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £
Opening shareholders' funds	-
Loss for the period	(157,764)
Shares issued during the period	387,157
Share premium on shares issued	82,409
	<hr/>
Closing shareholders' funds	311,802
	<hr/>

15. NET CASH FLOW FROM OPERATING ACTIVITIES

	2011 £
Operating profit	487,580
Amortisation of intangible fixed assets	450,865
Depreciation of tangible fixed assets	7,668
Increase in debtors	(1,497,962)
Increase in creditors	1,905,928
	<hr/>
Net cash inflow from operating activities	1,354,079
	<hr/>

16. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2011 £
Returns on investments and servicing of finance	
Interest paid	(194,479)
	<hr/>
	2011 £
Capital expenditure and financial investment	
Purchase of intangible fixed assets	(4,558,648)
Purchase of tangible fixed assets	(13,998)
	<hr/>
Net cash outflow from capital expenditure	(4,572,646)
	<hr/>

NEW CALL TELECOM LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2011**

16. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2011 £
Financing	
Issue of Series A and Ordinary shares	469,566
New secured loans	3,813,354
	<hr/>
Net cash inflow from financing	4,282,920
	<hr/>

17. ANALYSIS OF CHANGES IN NET DEBT

	29 June 2010 £	Cash flow £	Other non-cash changes £	31 March 2011 £
Cash at bank and in hand	-	419,009	-	419,009
Debt				
Debts due within one year	-	(3,813,354)	2,863,354	(950,000)
Debts falling due after more than one year	-	-	(2,863,354)	(2,863,354)
	<hr/>	<hr/>	<hr/>	<hr/>
Net funds	-	(3,394,345)	-	(3,394,345)
	<hr/>	<hr/>	<hr/>	<hr/>

18. OPERATING LEASE COMMITMENTS

At 31 March 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2011 £
Expiry date:	
Between 2 and 5 years	99,723
	<hr/>

19. POST BALANCE SHEET EVENTS

On 30 June 2011 the company purchased the international prepay and Instant Dial Around business of Talk Talk Telecoms Group PLC

20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Hawk Investment Holdings Limited, a company registered in Guernsey, is deemed to be the ultimate parent undertaking and controlling party of New Call Telecom Limited