

**HEL Holding Limited**

**Report and Financial Statements**

**For the year ended 31 December 2014**

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# **HEL Holding Limited**

## **Report and financial statements 2014**

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# **HEL Holding Limited**

## **Officers and professional advisers**

### **Directors**

T Mohr  
J Shutler  
R Winslow

### **Secretary**

J Shutler

### **Registered Office**

5th Floor  
The Shipping Building  
Old Vinyl Factory  
252-254 Blyth Road  
Hayes  
UB3 1HA

### **Bankers**

Lloyds Bank Plc  
City Office  
11-15 Monument Street  
London  
EC3V 9JA

### **Auditor**

Deloitte LLP  
Reading  
United Kingdom

# **HEL Holding Limited**

## **Strategic report**

The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

### **Principal activity**

The company is an intermediate holding company.

### **Business review**

The company did not trade during the year.

### **Principal risks and uncertainties**

As an intermediate parent company, the principal risk that the company faces is that the carrying value of its investments in subsidiaries is not fully recoverable.

Management regularly monitor the carrying value of the company's investments against the position and performance of its subsidiaries to ascertain whether there are any indicators for potential impairments.

The purchase of the subsidiaries was partly funded by bank loans and loans from other group companies. Should the subsidiaries not provide sufficient dividend cash flows to be able to repay these loans, funding would be sought from other group companies. Floating charges over the assets of other group companies are in place relating to the bank loans.

Management have reduced the company's exposure to variations in interest rates by entering into an interest rate swap to fix the interest rate in relation to the bank loans.

As the company is an intermediate holding company the directors do not believe the use of key performance indicators is appropriate.

### **Future developments**

The directors have taken the decision to wind up the company in the following year, as such the accounts have been prepared on a basis other than that of a going concern.

Approved by the Board of Directors  
and signed on behalf of the Board



**J Shutler**  
Company Secretary

30 April 2015

# HEL Holding Limited

## Directors' report

The directors present their report together with the audited financial statements for the year ended 31 December 2014.

### Directors

The directors of the company during the period and to the date of approval of the financial statements were:

Patrick Pulvermueller	(Resigned 24 July 2014)	
Thomas Vollrath	(Resigned 4 February 2014)	
Tobias Mohr		
Matt Mansell	(Appointed 14 January 2014)	(Resigned 2 July 2014)
James Shutler	(Appointed 14 January 2014)	
Richard Winslow	(Appointed 17 July 2014)	

### Results and dividends

The profit and loss account is set out on page 7 and shows the result for the year.

The directors do not recommend the payment of a dividend (2013 - £nil).

### Employment of disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

### Auditor and disclosures of information to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



**J Shutler**  
Company Secretary

30 April 2015

# **HEL Holding Limited**

## **Directors' responsibilities statement**

The directors are responsible for preparing the annual 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 judgements 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.

## **Independent auditor's report to the members of HEL Holding Limited**

We have audited the financial statements of HEL Holding Limited for the year ended 31 December 2014 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. 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).

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, 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 financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its result 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.

### **Emphasis of matter – Financial statements prepared other than on a going concern basis**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of HEL Holding 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.



**Andrew Bond FCA (Senior Statutory Auditor)**  
**for and on behalf of Deloitte LLP**  
Chartered Accountants and Statutory Auditor  
Reading, United Kingdom

30 April 2015



# HEL Holding Limited

## Profit and loss account Year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Administrative expenses		-	(23)
<b>Operating loss</b>	2	-	(23)
<b>Loss on ordinary activities before taxation</b>		-	(23)
Taxation on loss from ordinary activities	5	-	-
<b>Loss for the financial year</b>	10	-	(23)

All amounts relate to discontinued operations.

All recognised gains and losses are included in the profit and loss account. Accordingly, no statement of total recognised gains and losses is presented.

# HEL Holding Limited

## Balance sheet 31 December 2014

	Note	2014 £'000	2013 £'000
<b>Fixed assets</b>			
Investments	6	36,319	23,075
<b>Debtors</b>	7	129	129
<b>Creditors: amounts falling due within one year</b>	8	(108)	(108)
<b>Net current assets</b>		21	21
<b>Net Assets</b>		36,340	23,096
<b>Capital and reserves</b>			
Called up share capital	9	111	111
Share premium account	10	36,308	23,064
Profit and loss account	10	(79)	(79)
<b>Total shareholders' funds</b>	11	36,340	23,096

The financial statements of HEL Holding Limited, registered number 07313158, were approved by the Board of Directors and authorised for issue on 30 April 2015.

Signed on behalf of the Board of Directors



**J Shutler**  
Director

# **HEL Holding Limited**

## **Notes to the financial statements** **Year ended 31 December 2014**

### **1. Accounting policies**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards.

#### **Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and United Kingdom Generally Accepted Accounting Practice. The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial year, are described below.

#### **Consolidated financial statements**

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by S400 of the Companies Act 2006, as it and its subsidiary undertakings are included in full in the consolidated financial statements of its ultimate parent.

#### **Cash flow statement**

Under Financial Reporting Standard 1 (Revised): "Cash Flow Statements", the company is exempt from the requirement to prepare a cash flow statement on the grounds that its ultimate parent undertaking includes the company in its own consolidated financial statements.

#### **Going concern**

The directors have taken the decision to wind up the company, as such the financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value. Provision has also been made for any contractual commitments that have become onerous at the balance sheet date. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such costs were committed at the balance sheet date.

#### **Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses on tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold as it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

# HEL Holding Limited

## Notes to the financial statements Year ended 31 December 2014

### 1. Accounting policies (continued)

#### Investments

Investments are included at cost less any impairment. Impairment charges are recorded if events, or changes in circumstances, indicate that the carrying value may not be recoverable.

#### Finance costs

Finance costs are charged to the profit and loss account over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the associated capital instrument.

### 2. Operating profit

Audit fees for the year were £3,000 (2013 - £3,000). Fees were borne and paid by Host Europe Group Limited which is another entity within the group.

### 3. Employees

In 2014 the company had no employees other than the directors (2013 – nil).

### 4. Directors

The Directors received no remuneration from HEL Holding Limited for the year ended 31 December 2014 nor for the period ended 31 December 2013.

### 5. Taxation on loss on ordinary activities

There was no tax charge in the year:

#### (a) Factors affecting tax charge for the year

The tax charge for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000
Loss on ordinary activities before tax	-	(23)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 21.49% (2013- 23.25%)	-	(5)
Effects of:		
Expenses not deductible for tax purposes	-	4
Amounts surrendered by way of group relief	-	1
Current tax in the year	-	-

#### (b) Factors affecting tax charge for the future years

The future tax charge will be reduced to below the UK standard rate by the availability of tax losses.

# HEL Holding Limited

## Notes to the financial statements Year ended 31 December 2014

### 6. Investments

	Shares in subsidiary undertakings £000
<b>Cost and net book value:</b>	
As at 1 January 2014	23,075
Additions	13,244
	<hr/>
As at 31 December 2014	<b>36,319</b>
	<hr/>

On 14 January 2014 HEL Holding Limited contributed £13,243,652 to the capital reserve of HEL Finco Limited.

HEL Holding Limited or its wholly-owned subsidiaries own 100% of the ordinary share capital and voting rights of the following companies, all of which are incorporated in England and Wales except where noted below:

Name	Place of incorporation	Principal activity
<i>Directly held</i>		
HEL Finco Limited		In liquidation
<i>Indirectly held</i>		
HEL Midco Limited		In liquidation
HEL Bidco Limited		In liquidation
123-Reg Limited		Dormant
DomainBox limited		Telecommunications
DomainMonster Limited		Telecommunications
DomainMonster.com Inc.	United States of America	Telecommunications
Domain Factory GmbH	Germany	Telecommunications
Fourty Six Media GmbH	Germany	Telecommunications
FOURTYSIX Rechenzentrum GmbH	Germany	Telecommunications
Donhost Limited		Dormant
Webfusion Limited		Telecommunications
Heart Internet Limited		Telecommunications
Host Europe Deutschland GmbH	Germany	Intermediate Holding Company
Host Europe GmbH	Germany	Telecommunications
Host Europe Internet GmbH	Germany	Intermediate holding company
Host Europe Solutions GmbH (formerly Telefonica Germany Online Services GmbH)	Germany	Telecommunications
Host Europe Suisse AG	Switzerland	Telecommunications
Host Europe Limited		Intermediate Holding Company
Identity Protect Limited		Dormant
MCN Media Limited		Dormant
Mesh Digital Limited		Telecommunications
Host Europe Iberia SLU (formerly RedCoruna SLU)	Spain	Telecommunications
Sign-Up Technologies Limited		Telecommunications
Supanames Limited		Dormant
Webfusion Internet Limited		Dormant
Webfusion Internet Solutions Limited		Intermediate Holding Company
Webfusion SRL	Romania	Telecommunications

# HEL Holding Limited

## Notes to the financial statements Year ended 31 December 2014

### 7. Debtors

	2014 £'000	2013 £'000
Amounts owed by group undertakings	<u>129</u>	<u>129</u>

### 8. Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Amounts owed to group undertakings	<u>108</u>	<u>108</u>

### 9. Share capital

	2014 Issued	2013 Issued	2014 £'000	2013 £'000
<b>Authorised</b>				
Ordinary shares of 0.01p	<u>1,111,111,133</u>	<u>1,111,111,132</u>	<u>111</u>	<u>111</u>

On 14 January 2014 HEL Holding Limited issued one 'A' Class ordinary shares of 0.01p for a consideration of £13,243,652 generating a share premium of £13,243,652.

Shareholders of all ordinary shares are entitled to one vote for every share.

The ordinary shares have no entitlement to dividends except with special approval, until the group sells all or part of its operating business.

### 10. Profit and loss account and other reserves

	Share Capital £'000	Share Premium Account £'000	Profit and loss account £'000
At 1 January 2014	111	23,064	(79)
Issue of share capital	-	13,244	-
<b>At 31 December 2014</b>	<u>111</u>	<u>36,308</u>	<u>(79)</u>

# HEL Holding Limited

## Notes to the financial statements Year ended 31 December 2014

### 11. Reconciliation of movements in shareholder's funds

	2014 £'000	2013 £'000
Issue of share capital	13,244	12,710
Loss for the year	-	(23)
Net increase to shareholder's funds	13,244	12,687
Opening shareholder's funds	23,096	10,409
Closing shareholder's funds	36,340	23,096

### 12. Related party transactions

The company has taken advantage of the exemptions permitted under FRS 8 not to disclose transactions between members of the group which eliminate on consolidation.

### 13. Immediate and ultimate parent company and controlling party

The immediate parent company at the year end is Host Europe Group Limited.

The ultimate parent company during the year has been Host Europe Holdings Limited, a company incorporated in the Channel Islands, which is the parent company of the largest group to consolidate these financial statements. The smallest group to consolidate these financial statements is Host Europe Investments Limited, an intermediate holding company in the Host Europe Holdings Limited group.

The consolidated financial statements of Host Europe Investments Limited can be obtained from Companies House and the consolidated financial statements of Host Europe Holdings Limited can be obtained from Host Europe Holdings Limited, 5th Floor, The Shipping Building, Old Vinyl Factory, 252-254 Blyth Road, Hayes, UB3 1HA.

The ultimate controlling party is Cinven Private Equity, which holds the majority of the shares in the company's ultimate parent company.