

**Gnanam Distribution Holding Limited**

Annual report and financial statements for the year ended 29 February 2016

Registered number: 03672687 (England and Wales)



***Gnanam Distribution Holding Limited***  
***Annual report and financial statements for the year ended 29 February 2016***

**Contents**

Company Information	1
Director's Report	2
Audit Report	3-4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7-10

***Gnanam Distribution Holding Limited***  
***Annual report and financial statements for the year ended 29 February 2016***

**Company Information**

**REGISTERED NUMBER:** 03672687 (England and Wales)

**REGISTERED OFFICE:** 3<sup>rd</sup> Floor  
Walbrook Building  
195 Marsh Wall  
London  
E14 9SG

**DIRECTOR:** S Deivendran

**SECRETARY:** S Puvaneswaran

**AUDITORS :** KP Dahal & Co Limited  
132 Pinner Road  
Harrow  
HA1 4JE

**Gnanam Distribution Holding Limited**  
**Annual report and financial statements for the year ended 29 February 2016**

**Director's Report**

The director presents his report with the financial statements of the company for the year ended 29 February 2016.

**PRINCIPAL ACTIVITY**

The principal activity of the Company in the year under review was that of a holding company.

**REVIEW OF BUSINESS**

The results for the year and financial position of the Company are as shown in the annexed financial statements.

The Company is a holding company. As of 29 February 2016, the Company has net assets of €nil (2015: €nil). The immediate parent company is Lycatelcom LDA (a company registered in Portugal) and the ultimate parent undertaking is WWW Holding Company Limited. The accounts along with an analysis of financial and non-financial information of WWW Holding Company Limited can be obtained from 3<sup>rd</sup> Floor, Walbrook Building, 195 Marsh Wall, London E14 9SG

**DIVIDENDS**

The director does not propose any final dividend for the year (28 February 2015 - €nil). No interim dividend was paid during the year ended 29 February 2016 (28 February 2015 - €nil)

**DIRECTOR**

S Deivendran held office during the whole of the period from 1 March 2015 to the date of this report

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law he has elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 director is 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. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**Gnanam Distribution Holding Limited**  
**Annual report and financial statements for the year ended 29 February 2016**

**Director's Report (continued)**

**GOING CONCERN**

The group company financial statement of Lycamobile UK Limited for the year ended 29 February 2016 reported net profit of £6.6 million and current assets of £26.8 million. Draft management accounts prepared by the group for the 10 months ended 31 Dec 2016 indicated group generated a profit after tax of £7.7 million. However, in order to meet the day to day working capital requirement, whole group is reliant on the amount and timing of cash receipts and payments from the related parties and ultimately support of controlling shareholder: Mr A Subaskaran.

On the basis of this assessment, the director has a reasonable expectation that Gnanam Distribution Holding Limited will be able to continue in operational existence for the foreseeable future and for this reason continues to adopt the going concern basis of accounting in preparing the annual financial statements.

**BASIS OF PREPARATION**

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The Company is entitled to take the small companies exemption in relation to the preparation of a strategic report under Section 414B of the Companies Act 2006.

**DISCLOSURE OF INFORMATION TO AUDITORS**

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditors are unaware, and
- he 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**

Under section 487(2) of the Companies Act 2006, KP Dahal & Co Limited will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 26 June 2017 taking advantage of special provisions Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

  
.....  
S Deivendran - Director

**Gnanam Distribution Holding Limited**  
**Annual report and financial statements for the year ended 29 February 2016**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GNANAM DISTRIBUTION HOLDING LIMITED**

We have audited the financial statements of Gnanam Distribution Holding Limited for the period ended 31 May 2015, set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Auditors' 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 DIRECTOR AND AUDITORS**

As explained more fully in the Director's responsibilities statement, the director is 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**

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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's 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.

**BASIS FOR DISCLAIMER OF OPINION ON FINANCIAL STATEMENTS**

The audit evidence available to us to confirm the appropriateness of preparing the financial statements on the going concern basis as described in note 1 was limited. This is because there are not sufficient financial information's and reasonable support from its related parties. Accordingly we are unable to obtain sufficient, appropriate audit evidence as to the ability of the group to access the financial support should it need to do so.

**OPINION ON FINANCIAL STATEMENTS**

Because of the significance of the matter described in the basis for disclaimer of opinion on the financial statements section, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on the financial statements.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

Notwithstanding our disclaimer of an opinion on the financial statements, in our opinion the information given in the Director's report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

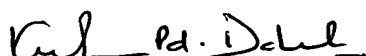
In respect solely of the limitation of our work referred to above, in our opinion:

- we are unable to determine whether adequate accounting records have not been kept,
- we have not received all the information and explanations we require for our audit; or
- certain disclosures of director's remuneration specified by law are not made; or

**Gnanam Distribution Holding Limited**  
**Annual report and financial statements for the year ended 29 February 2016**

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

- 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
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Director's report.



Krishna Prasad Dahal (Senior statutory auditor)  
for and on behalf of

**KP Dahal & Co Limited**  
Statutory Auditors  
132 Pinner Road  
Harrow  
HA1 4JE

Date: 27 June 2017

**Gnanam Distribution Holding Limited**  
**Annual report and financial statements for the year ended 29 February 2016**

**Profit and Loss Account**

*For the year ended 29 February 2016*

	Note	2016 €	2015
Impairment of investments	2	-	
<b>Operating loss</b>		-	
<b>Loss on ordinary activities before taxation</b>		-	
Tax on loss on ordinary activities		-	
<b>Loss for the financial year</b>		-	

The company has no recognised gains or losses other than the losses for the current year or previous year.

The notes on pages 8 to 10 form a part of these financial statements.



**Gnanam Distribution Holding Limited**  
**Annual report and financial statements for the year ended 29 February 2016**

Company registered number: 03672687

**Balance Sheet**

**At 29 February 2016**

	Note	2016 €	2015 €
<b>Fixed assets</b>			
Investments	2	-	-
		<hr/>	<hr/>
Total assets less current liabilities		-	-
 <b>Net assets</b>		 - <hr/>	 - <hr/>
 <b>Capital and reserves</b>			
Called up share capital	3	14,250	14,250
Profit and loss account	4	(14,250)	(14,250)
		<hr/>	<hr/>
<b>Shareholders' funds</b>		- <hr/>	- <hr/>

These accounts have been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime.

These financial statements were approved by the board of directors on 20 June 2017 and were signed on its behalf by:

  
**S Deivendran**  
 Director

The notes on pages 8 to 10 form a part of these financial statements.

**Gnanam Distribution Holding Limited**  
**Annual report and financial statements for the year ended 29 February 2016**

**Notes to the financial statements**  
**(forming part of the financial statements)**

**1 Accounting policies**

***Basis of preparation***

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

***Preparation of consolidated financial statements***

The Company has not complied with the requirements of the Companies Act 2006 to prepare consolidated financial statements that include the Company and its subsidiaries (the Group). Over recent months, the Company has experienced significant resource constraints and as a result, the director has been unable to prepare consolidated financial statements. These financial statements therefore represent parent company financial statements only.

***Going Concern***

The company has net assets of €nil.

The company is a holding company and as at 29 February 2016 has no outstanding liabilities. Should funds be required, then it is wholly reliant on support from affiliated Lycamobile companies. As a result, on 22 March 2017 the company has obtained a letter of support from the Director of immediate parent company 'is Lycatelcom LDA (a company registered in Portugal) to confirm their intention to provide support to Gnanam Distribution Holding Limited for a period of at least 12 months from the date of approval of these Financial Statements.

The group company financial statement of Lycamobile UK Limited for the year ended 29 February 2016 reported net profit of £6.6 million and current assets of £26.8 million. However, in order to meet the day to day working capital requirement, whole group is reliant on the amount and timing of cash receipts and payments from the related parties and ultimately support of controlling shareholder: Mr A Subaskaran.

On the basis of this assessment, the director has a reasonable expectation that Gnanam Distribution Holding Limited will be able to continue in operational existence for the foreseeable future and for this reason continues to adopt the going concern basis of accounting in preparing the annual financial statements.

The group and its related parties form an operating model that ensures revenues and profits are economically allocated to the group which has earned them. As such the group has substantial trading transactions with other related party companies and there may be significant amounts due to or from those parties that are repayable on demand. The Group may also be called upon to fund related parties.

Based on audited group financial statements of Lycamobile UK Limited for the year ended 29 February 2016, group assessed the positive trading forecast and cash flows that group will have enough working capital resources for at least 12 months from the date of signing the balance sheet.

However the uncertainties over tax liabilities and related party working model for Lycamobile UK Limited for the year ended 29 February 2016 referred above indicate existence of material uncertainty, with a limited audit evidence from the subsidiaries and its holding companies financial records and that may cast the significant on the company's ability to going concern that therefore company may be unable to realise its assets and discharging any liabilities in the normal course of business. Hence, the financial statements don't include any of those adjustments that was necessary to assume the going concern principle to be inappropriate.

**Gnanam Distribution Holding Limited**  
**Annual report and financial statements for the year ended 29 February 2016**

Notes (continued)

**Investments**

Investments in subsidiary undertakings are stated at cost.

**Foreign currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

**2 Fixed asset investments**

	Shares in group undertakings
<b>Cost</b>	<b>7,265</b>
As at 1 March 2015	<u>          </u>
<b>Accumulated Impairment</b>	
As at 1 March 2015	(7,265)
Impairment	
As at 29 February 2016	<u>          </u> <u>(7,265)</u>
<b>Net book value</b>	
As at 29 February 2016	<u>          </u> <u>          </u>
As at 28 February 2015	<u>          </u> <u>          </u>

**Gnanam Distribution Holding Limited**  
**Annual report and financial statements for the year ended 29 February 2016**

Notes (continued)

**2 Fixed asset investments (continued)**

The above investments at the balance sheet date include the following:

	Country of incorporation	Nature of business	Class of shares	Holding
Gnanam Europe Limited	United Kingdom	Dormant	Ordinary	Ø
Gnanam Telecom Centers SPRL	Belgium	Telecommunications	Ordinary	Ø
Gnanam Telecom Centers AB	Sweden	Telecommunications	Ordinary	Ø
Gnanam Portugal Unipessoal LDA	Portugal	Dormant	Ordinary	Ø

**3 Called up share capital**

	Nominal value	2016	2015
<b>Allotted, called up and fully paid</b>			
10,000 Ordinary shares of £1		14,250	14,250
		<u>14,250</u>	<u>14,250</u>

The nominal value of the share 1 is £1 (equivalent to €1.425)

**4 Profit and loss account**

	2016 €	2015 €
<b>At 1 March 2015</b>	(14,250)	(14,250)
Loss for the year	-	-
	<u>(14,250)</u>	<u>(14,250)</u>
<b>At 29 February 2016</b>	(14,250)	(14,250)
	<u>(14,250)</u>	<u>(14,250)</u>

**5 Ultimate parent company and controlling party**

The immediate parent company is Lycatelcom LDA (a company registered in Portugal). The ultimate parent undertaking is WWW Holdings Company Limited. The accounts of WWW Holding Company Limited can be obtained from 3rd Floor, Walbrook Building, 195 Marsh Wall, London E14 9SG. The ultimate beneficial owner of WWW Holding Company Limited, by virtue of his majority shareholding is Mr A Subaskaran.

**6 Reconciliation of movements in shareholders' funds**

	2016 €	2015 €
<b>Loss for the year</b>	-	-
Opening shareholders' funds	-	-
	<u>-</u>	<u>-</u>
<b>Closing shareholders' funds</b>	-	-
	<u>-</u>	<u>-</u>