

Financial Statements Esendex Holdings Limited

For the year ended 30 June 2017

Registered number: 05456469

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Esendex Holdings Limited

Company Information

Directors G A Love

Registered number 05456469

Registered office 20 Wollaton Street
Nottingham
Nottinghamshire
NG1 5FW

Independent auditor Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
The Colmore Building
20 Colmore Circus
Birmingham
West Midlands
B4 6AT

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Esendex Holdings Limited .

Strategic Report

For the year ended 30 June 2017

Introduction

The Directors present their strategic report and the financial statements for the year ended 30 June 2017.

Principal activity

The principal activity of the company is that of a holding company.

Business review

During the year ended 30 June 2017 the company made a loss of £182k (2016: loss of £176k). Esendex Holdings Limited is a non-trading entity with its only Statement of Comprehensive Income activity being interest on long-term intercompany loans.

Principal risks and uncertainties

The company's principal financial instruments comprise loan balances due from or to its subsidiary and parent companies. The main purpose of these financial instruments is to finance the group's operations. As a result the company's principal risks and uncertainties relate to movements in the interest rates and the recoverability of the assets from the other group companies.

Financial key performance indicators

Due to the nature of the business, as a holding company, no key performance indicators are used in the monitoring of the entity's performance.

Future developments

Esendex Holdings Limited will continue to be a holding company for the foreseeable future.

This report was approved by the board of directors on 18th December 2017.

Signed on behalf of the board of directors:



G A Love
Director

Esendex Holdings Limited

Directors Report

For the year ended 30 June 2017

The directors present their report and the audited financial statements for the year ended 30 June 2017.

Directors

The director who served during the year was:

G A Love

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations. Future developments are discussed in the Strategic report.

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 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 for the Company financial statements 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.

Disclosure of information to auditor

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

- so far as that director is aware, there is no relevant audit information of which the company and the group'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 relevant audit information and to establish that the company and the group's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, have expressed willingness to be re-appointed.

This report was approved by the board of directors on 18th December 2017.

Signed on behalf of the board of directors:



G A Love
Director

Independent Auditor's Report to the Members of Esendex Holdings Limited

For the year ended 30 June 2017

Independent auditor's report to the members of Esendex Holdings Limited

Opinion

We have audited the financial statements of Esendex Holdings Limited (the 'company') for the year ended 30 June 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its loss for the for 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the strategic report and directors report set out on pages 1 to 2, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



Independent Auditor's Report to the Members of Esendex Holdings Limited (continued)

For the year ended 30 June 2017

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors for the financial statements

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

David White
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham
Date: 18/12/17

Esendex Holdings Limited

Statement of Comprehensive Income

For the year ended 30 June 2017

	Note	2017 £	2016 £
Profit on ordinary activities before interest		--	--
Interest receivable	6	3,837	3,654
Interest payable	7	<u>(185,408)</u>	<u>(179,436)</u>
Loss on ordinary activities before taxation		(181,571)	(175,782)
Tax on loss on ordinary activities	8	--	--
Loss for the financial year		(181,571)	(175,782)
Other comprehensive income for the financial year		-	-
Total comprehensive loss for the financial year		<u>(181,571)</u>	<u>(175,782)</u>

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

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

Esendex Holdings Limited

Statement of Financial Position

For the year ended 30 June 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	9	<u>13,451,998</u>	<u>13,511,998</u>
		13,451,998	13,511,998
Current assets			
Debtors	10	<u>9,939,957</u>	<u>76,736</u>
		9,939,957	76,736
Creditors: amounts falling due within one year	11	<u>(17,529,630)</u>	<u>(7,544,838)</u>
Net current liabilities		(7,589,673)	(7,468,102)
Total assets less current liabilities		<u>5,862,325</u>	<u>6,043,896</u>
Net assets		<u>5,862,325</u>	<u>6,043,896</u>
Capital and reserves			
Called up share capital	12	6,553,427	6,553,427
Capital redemption reserves	13	674	674
Profit and loss account	13	<u>(691,776)</u>	<u>(510,205)</u>
		<u>5,862,325</u>	<u>6,043,896</u>

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

The financial statements were approved by the board of directors on 18th December 2017.

Signed on behalf of the board of directors:


G A Love
Director

Company registration no: 05456469

Esendex Holdings Limited

Statement of Changes In Equity

For the year ended 30 June 2017

	Called-up share capital	Capital redemption reserves	Profit and loss account	Total
	£	£	£	£
At 01 July 2015	6,553,427	674	(334,423)	6,219,678
Comprehensive income				
Loss and total comprehensive loss for the year	--	--	(175,782)	(175,782)
At 30 June 2016	6,553,427	674	(510,205)	6,043,896
Comprehensive income				
Loss and total comprehensive loss for the year	--	--	(181,571)	(181,571)
At 30 June 2017	6,553,427	674	(691,776)	5,862,325

Esendex Holdings Limited

Notes to the Financial Statements

For the year ended 30 June 2017

1 Company information

Esendex Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is 20 Wollaton Street, Nottingham, NG1 5FW.

The principal activity of Esendex Holdings Limited is that of a holding company.

2 Basis of preparation

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of certain exemptions (see below) from the requirements of FRS 102 as permitted by FRS 102.

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including:
 - categories of financial instruments,
 - items of income, expenses, gains or losses relating to financial instruments, and
 - exposure to and management of financial risks.
- the requirement to disclose transactions with wholly owned group entities whose voting rights are held within the group.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Going concern

Esendex Holdings Limited has made a loss of £182k (2016: £176k) during the year ended 30 June 2017. This company does not trade and expenses are for interest charged on inter-company long term loans. As such the ability of Esendex Holdings Limited to continue as a going concern is dependent on the performance of the group. On this basis the directors believe it is appropriate to prepare the financial statements on the going concern basis.

3 Principal accounting policies

3.1 Investment in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the financial statements. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Notes to the Financial Statements

For the year ended 30 June 2017

3 Principal accounting policies (continued)

3.2 Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.3 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through profit or loss are measured at fair value.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity

Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

Esendex Holdings Limited

Notes to the Financial Statements

For the year ended 30 June 2017

3 Principal accounting policies (continued)

3.4 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

3.5 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the group has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

4 Significant judgements and estimates

Preparation of the financial statements require management to make significant judgements and estimates.

Impairment of investments

Investments in subsidiaries are accounted for in accordance with the accounting policy. Management make judgements as to whether an impairment has occurred based on estimated future cash flows and forecasts.

Impairment of intercompany debtors

Intercompany debtor balances are accounted for at amortised cost. Management make judgements as to the recoverability of intercompany debtor balances based on estimated future cash flows and forecasts of the group.

Esendex Holdings Limited

Notes to the Financial Statements

For the year ended 30 June 2017

5 Directors and employees

The company had no employees for the year-ended 30 June 2017 and 30 June 2016 other than directors. Directors are remunerated through Esendex Limited.

6 Interest receivable

	2017 £	2016 £
Interest receivable from group companies	3,837	3,654
	<u>3,837</u>	<u>3,654</u>

7 Interest payable

	2017 £	2016 £
On loans from group companies	185,408	179,436
	<u>185,408</u>	<u>179,436</u>

8 Tax on loss on ordinary activities

The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom at 19.75% (2016: 20%). The differences are explained as follows:

	2017 £	2016 £
Loss on ordinary activities before tax	(181,571)	(175,782)
Loss on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 19.75% (2016: 20%)	(35,862)	(35,156)
Expenses not deductible for tax purposes	--	--
Group relief	35,862	35,156
Tax on results on ordinary activities	<u>--</u>	<u>--</u>

The aggregate current and deferred tax relating to items that are recognised as items of other comprehensive income is £nil (2016: £nil).

During the year the UK corporation tax rate was decreased. The reduction to 17% (1 April 2020) was substantively enacted by Finance Bill 2016 on 15 September 2016.

Esendex Holdings Limited

Notes to the Financial Statements

For the year ended 30 June 2017

9 Investments

	£
Cost	
At 1 July 2016	13,511,998
Receipt of contingent consideration	(60,000)
At 30 June 2017	13,451,998
Accumulated impairment	
At 30 June 2017 and 30 June 2016	--
Net book amount at 30 June 2017	13,451,998
Net book amount at 30 June 2016	13,511,998

Interests in subsidiaries

At 30 June 2017 the company had interests in the following subsidiaries:

Directly owned subsidiaries	Type of shares held	Proportion held	Country of incorporation	Nature of business
Textmarketer Limited	Ordinary	100%	United Kingdom	Dormant company
Collstream (Holdings) Limited	Ordinary	100%	United Kingdom	Dormant company
Esendex Limited	Ordinary	100%	United Kingdom	Provision of business communication services

Indirectly owned subsidiaries	Type of shares held	Proportion held	Country of incorporation	Nature of business
Esendex Espana SL	Ordinary	100%	Spain	Provision of business communication services
SMSpubli Mobile Marketing SLU	Ordinary	100%	Spain	Provision of business communication services
Esendex Australia PTY Limited	Ordinary	100%	Australia	Provision of business communication services
Esendex Inc	Ordinary	100%	USA	Provision of business communication services
Collstream Limited	Ordinary	100%	United Kingdom	Non-trading company

Esendex Holdings Limited

Notes to the Financial Statements

For the year ended 30 June 2017

10 Debtors

	2017 £	2016 £
Amounts owed by group companies	<u>9,939,957</u>	<u>76,736</u>
	<u>9,939,957</u>	<u>76,736</u>

Amounts owed by group companies are unsecured, repayable on demand and attract interest at rates of between 5% and 12% per annum.

11 Creditors: amounts falling due within one year

	2017 £	2016 £
Amounts owed to group companies	<u>17,529,630</u>	<u>7,544,838</u>
	<u>17,529,630</u>	<u>7,544,838</u>

Amounts owed to group companies are unsecured, repayable on demand and attract interest at rates of between 5% and 12% per annum.

12 Called up share capital

	2017 £	2016 £
Authorised, allotted and fully paid:		
653,342,700 ordinary shares of £0.01 each	<u>6,553,427</u>	<u>6,553,427</u>
	<u>6,553,427</u>	<u>6,553,427</u>

13 Reserves

Called-up share capital – represents the nominal value of shares that have been issued.

Capital redemption reserves – is a non-distributable reserve which represents paid up share capital that has been re-purchased from shareholders.

Profit and loss account – includes all current and prior period retained profits and losses.

14 Capital commitments

There were no capital commitments as at 30 June 2017 or 30 June 2016.

15 Contingent liabilities

There were no contingent liabilities as at 30 June 2017 or 30 June 2016.

16 Transactions with related parties

The company has taken advantage of the exemption in FRS102 Section 33 not to disclose transactions with wholly owned group entities whose voting rights are held within the group, and which are included in the consolidated financial statements of Esendex Topco Limited. Copies of the consolidated financial statements can be obtained from the registered office.

Esendex Holdings Limited

Notes to the Financial Statements

For the year ended 30 June 2017

17 Financial risk management

Due to the non-trading nature of the business, the Director feels that there are no significant financial risks present.

18 Financial assets and liabilities

	2017 £	2016 £
Financial assets measured at amortised cost	<u>9,939,957</u>	<u>76,736</u>
Financial liabilities measured at amortised cost	<u>17,529,630</u>	<u>7,544,839</u>

Financial assets measured at amortised cost comprise amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings.

19 Post balance sheet events

There are no subsequent events which are required to be recorded or disclosed in the financial statements.

20 Ultimate parent undertaking and controlling party

The immediate parent company is Esendex Bidco Limited, a company registered in England and Wales.

The largest group for which consolidated accounts are prepared is that headed by Esendex Group Topco Limited, a company registered in England and Wales.

There is no ultimate controlling party.