

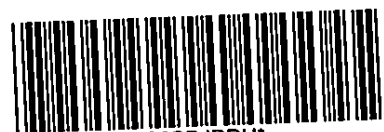
Company Registration No. SC160949

Edinburgh Network Technologies Limited

Report and Financial Statements

31 December 2012

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Edinburgh Network Technologies Limited

Report and financial statements 2012

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Edinburgh Network Technologies Limited

Report and financial statements 2012

Officers and professional advisers

Directors

A Kurt-Elli

G MacKenzie

M Howling

A Payne

(appointed 13 December 2012, resigned 7 January 2013)

Registered Office

Floor 6

Sugar Bond

2 Anderson Place

Edinburgh

EH6 5NP

EH6 5NP Bankers

HSBC Bank

69 Pall Mall

London

SW1Y 5EY

Solicitors

Travers Smith

10 Snow Hill

London

EC1A 2AL

Independent Auditor

Deloitte LLP

Edinburgh

United Kingdom

Edinburgh Network Technologies Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2012.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Principal activity

The principal activity of the company is an intermediate holding company within the Pulsant Topco Limited group.

Results and dividends

The profit and loss account is set out on page 5 and shows a profit for the year of £90,492 (period ended 31 December 2011: £224,884).

The directors do not recommend the payment of a dividend (period ended 31 December 2011: £nil).

Going concern

The company relies upon the ongoing financial support, direction and controls exercised by the group. After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Although the company is in a net current liabilities position, this is due to amounts owing to fellow group undertakings within the next 12 months, the demand for repayment of which is wholly within the control of the group. The ultimate parent company has provided a letter of support to the company to confirm that there is no intention to demand repayment of this debt within the next 12 months. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors

The directors who served during the year and at the date of this report are set out on page 1.

Independent auditor

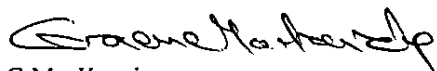
Each of the persons who is a director at the date of approval of this report confirms that:

- 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 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.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of directors on 30 April 2013 and signed on behalf of the Board.



G MacKenzie
Director

30 April 2013

Edinburgh Network Technologies 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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 Edinburgh Network Technologies Limited

We have audited the financial statements of Edinburgh Network Technologies Limited for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet and the related notes 1 to 19. 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 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 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- *the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing of the Directors' Report.*



James Boyle CA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Edinburgh, United Kingdom

30 April 2013

Edinburgh Network Technologies Limited

Profit and loss account

For the year ended 31 December 2012

		Year ended 31 December 2012 £	15 months ended 31 December 2011 £
	Notes		
Turnover	2	600,000	855,000
Cost of sales		-	-
Gross profit		600,000	855,000
Administrative expenses		(476,629)	(615,203)
Operating profit	3	123,371	239,797
Gain/(loss) on disposal of tangible fixed assets		52,000	(21,000)
Other interest received and similar income		-	580
Interest payable and similar charges	5	(49,132)	(7,271)
Profit on ordinary activities before taxation		126,239	212,106
Tax on profit on ordinary activities	6	(35,747)	12,778
Profit on ordinary activities after taxation	15, 16	90,492	224,884

The current year and prior period results have been derived wholly from continuing operations.

There have been no recognised gains and losses other than the results for the current and preceding financial year/period and, accordingly, no Statement of Total Recognised Gains and Losses is shown.

The accompanying notes are an integral part of these financial statements.

Edinburgh Network Technologies Limited

Balance sheet

As at 31 December 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	7	1,399,660	1,816,435
Investments	8	51,041	51,041
		<u>1,450,701</u>	<u>1,867,476</u>
Current assets			
Debtors	9	1,456,146	1,303,421
Cash at bank and in hand		60,425	11,384
		<u>1,516,571</u>	<u>1,314,805</u>
Creditors: amounts falling due within one year	10	<u>(2,408,181)</u>	<u>(2,709,905)</u>
Net current liabilities		<u>(891,610)</u>	<u>(1,395,100)</u>
Total assets less current liabilities		559,091	472,376
Provisions for liabilities	11	-	(3,777)
Net assets		<u>559,091</u>	<u>468,599</u>
Capital and reserves			
Called up share capital	14	1,060	1,060
Share premium account	15	51,151	51,151
Revaluation reserve	15	531,850	531,850
Profit and loss account	15	<u>(24,970)</u>	<u>(115,462)</u>
Shareholder's funds	16	<u>559,091</u>	<u>468,599</u>

The accompanying notes are an integral part of these financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements of Edinburgh Network Technologies Limited, registered number SC160949 were approved and authorised for issue by the Board and were signed on its behalf on 30 April 2013.



G MacKenzie
Director

Edinburgh Network Technologies Limited

Notes to the financial statements Year ended 31 December 2012

1. Accounting policies

The Financial Statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current year and prior period.

Consolidation

The company has taken advantage of section 400 of the Companies Act 2006, exemption from preparing group financial statements on the basis that group financial statements are prepared by the ultimate holding company Pulsant Topco Limited.

Going concern

The company relies upon the ongoing financial support, direction and controls exercised by the group. After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Although the company is in a net current liabilities position, this is due to amounts owing to fellow group undertakings within the next 12 months, the demand for repayment of which is wholly within the control of the group. The ultimate parent company has provided a letter of support to the company to confirm that there is no intention to demand repayment of this debt within the next 12 months. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost of valuation less estimates residual value of each asset over its expected useful life as follows:

Land and buildings freehold	Straight line over fifty years
Computer equipment	33 1/3% Straight line
Fixtures, fittings and equipment	25% Straight line

Revaluation of properties

Freehold property is carried at revalued amounts at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is considered likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the profit and loss account.

Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement on reserves. On the disposal or recognition of a provision for impairment of a revalued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves.

Edinburgh Network Technologies Limited

Notes to the financial statements Year ended 31 December 2012

1. Accounting policies (continued)

Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the year of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the year to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter year is used.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

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 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 in tax assessments in years 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.

Share based payments

The company has issued share options to certain employees. These must be measured at fair value and recognised as an expense in the profit and loss account with a corresponding increase in equity. The fair value of the options was estimated at the date of grant using the Black-Scholes model. The fair value will be charged as an expense in the profit and loss account over the vesting year. The charge is adjusted each year to reflect the expected and actual level of vesting.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

Edinburgh Network Technologies Limited

Notes to the financial statements Year ended 31 December 2012

3. Operating profit

	Year ended 31 December 2012 £	15 months ended 31 December 2011 £
Operating profit is stated after charging:		
Depreciation of tangible assets	62,652	82,248
Exceptional items non - recurring acquisition costs	-	31,773
	<u>62,652</u>	<u>114,021</u>

In the current year auditor's remuneration of £3,000 (2011:£3,000) has also been borne by another group company. In addition, non audit fees of £5,000 (2011:£3,000) were also paid by another group company.

Details of non-audit services are disclosed in the financial statements of the ultimate parent company.

4. Directors' emoluments

During the year, no director retained emoluments for services to the company (2011: £19,566). The directors are also directors of, and are remunerated by, Pulsant Bidco Limited, a fellow group company.

5. Interest payable

	Year ended 31 December 2012 £	15 months ended 31 December 2011 £
On bank loans and overdrafts	-	1,496
Hire purchase interest	-	5,775
Interest on intercompany balance	49,132	-
	<u>49,132</u>	<u>7,271</u>

Edinburgh Network Technologies Limited

Notes to the financial statements Year ended 31 December 2012

6. Taxation

	Year ended 31 December 2012 £	15 months ended 31 December 2011 £
Domestic current year tax		
UK corporation tax	40,799	(2,686)
Adjustment for prior year	(67)	-
Current tax charge	40,732	(2,686)
Deferred tax		
Origination and reversal of timing differences	(4,988)	(10,185)
Adjustment in respect of prior years	-	1,003
Effect of tax rate change on opening balance	3	(910)
	35,747	(12,778)

Factors affecting the tax charge for the year

	Year ended 31 December 2012 £	15 months ended 31 December 2011 £
Profit on ordinary activities before taxation	126,239	212,106
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.5% (2011: 26.8%)	30,929	56,837
Effects of:		
Capital allowances in excess of depreciation	6,899	8,401
Expenses not deductible	4,885	11,574
Adjustments to prior years	(66)	-
Share option timing differences	-	(81,281)
Other short term timing differences	(1,915)	1,783
Current tax charge	40,732	(2,686)

No provision has been made for deferred tax on gains recognised on revaluing properties to their market value. Such tax would become payable only if the properties were sold. The total amount unprovided for is estimated at £89,000 (2011: £89,000). At present, it is not envisaged that any tax will become payable in the foreseeable future.

Edinburgh Network Technologies Limited

Notes to the financial statements Year ended 31 December 2012

7. Tangible fixed assets

	Land and buildings freehold £	Computer equipment £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 January 2012	1,820,000	202,641	317,901	2,340,542
Disposals	(370,000)	(202,624)	(37,986)	(610,610)
At 31 December 2012	1,450,000	17	279,915	1,729,932
Depreciation				
At 1 January 2012	81,900	202,641	239,566	524,107
Disposals	(22,200)	(202,624)	(31,663)	(256,487)
Charge for the year	34,550	-	28,102	62,652
At 31 December 2012	94,250	17	236,005	330,272
Net book value				
At 31 December 2012	1,355,750	-	43,910	1,399,660
At 31 December 2011	1,738,100	-	78,335	1,816,435

8. Fixed asset investments

	£
Cost	
At 1 January 2012 and 31 December 2012	51,041
Net book value	
At 31 December 2012	51,041
At 31 December 2011	51,041

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Edinburgh Network Technologies Limited

Notes to the financial statements Year ended 31 December 2012

8. Fixed asset investments (continued)

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration incorporation	Class	Shares held %	Principal activity
Subsidiary undertakings				
Pulsant (Scotland) Limited	Scotland	Ordinary	100	Internet Services
Lumison Limited	Scotland	Ordinary	100	Dormant

9. Debtors

	2012 £	2011 £
Other debtors	293,788	146,382
Prepayments and accrued income	4,855	9,156
Amounts due from group undertakings	1,156,295	1,147,883
Deferred tax asset (note 11)	1,208	-
	<u>1,456,146</u>	<u>1,303,421</u>

Amounts due from group companies are repayable on demand.

10. Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	1,368	20,459
Amounts owed to group undertakings	2,360,662	2,468,871
Taxes and social security costs	-	207,175
Accruals and deferred income	46,151	13,400
	<u>2,408,181</u>	<u>2,709,905</u>

Amounts owed to group undertakings are repayable on demand.

Edinburgh Network Technologies Limited

Notes to the financial statements Year ended 31 December 2012

11. Provision for liabilities

	Deferred taxation £
Balance at 1 January 2012	3,777
Profit and loss account	(4,985)
Balance at 31 December 2012	<u>(1,208)</u>

The deferred tax (asset)/liability is made up as follows:

	2012 £	2011 £
Accelerated capital allowances	(1,208)	-
Fixed assets	-	5,727
Other short term timing differences	-	(1,950)
	<u>(1,208)</u>	<u>3,777</u>

12. Pension and other post-retirement benefit commitments

Defined contribution

	2012 £	2011 £
Contributions payable by the company for the year/period	<u>9,123</u>	<u>8,670</u>

13. Share based payments

The company had a share option scheme under which options to subscribe for the shares in the company have been granted to certain employees.

All share options were exercised in 2011 and as such the expense in the current year is nil (2011: £74,034).

14. Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
106,000 A ordinary shares of 1p each (2011: 100,000)	<u>1,060</u>	<u>1,060</u>

Edinburgh Network Technologies Limited

Notes to the financial statements Year ended 31 December 2012

15. Statement of movements on reserves

	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2012	51,151	531,850	(115,462)
Profit for the year	-	-	90,492
Balance at 31 December 2012	<u>51,151</u>	<u>531,850</u>	<u>(24,970)</u>

16. Reconciliation of movements in shareholder's funds

	2012 £	2011 £
Profit for the financial year	90,492	224,884
Share based payment transactions	-	74,034
Issues of shares	-	60
Net addition to shareholder's funds	<u>90,492</u>	<u>298,978</u>
Opening shareholder's funds	<u>468,599</u>	<u>169,621</u>
Closing shareholder's funds	<u>559,091</u>	<u>468,599</u>

17. Financial commitments

At 31 December 2012 the group was committed to making the following annual payments under non-cancellable operating leases:

	Land and buildings 2012 £	2011 £
Operating leases which expire in more than 5 years	<u>-</u>	<u>225,000</u>

18. Related party transactions

The Company has taken advantage of the exemption available under Financial Reporting Standard 8 with regard to the non-disclosure of transactions between group companies

19. Immediate and ultimate parent undertakings

The immediate parent undertaking of this company is Pulsant Bidco Limited, which is a company registered in England.

The largest and smallest group in which the results of this company are consolidated is that headed by the ultimate holding company, Pulsant Topco limited.

Copies of the consolidated financial statements of Pulsant Topco Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The ultimate controlling party is Bridgepoint Advisers II Limited.