

Goscomb Technologies Limited

Report and Financial Statements

31 March 2014

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COMPANIES HOUSE

Goscomb Technologies Limited

Registered No 05672987

DIRECTORS

C Evans (appointed 8 July 2013)
D A J Goscomb (resigned 8 July 2013)
P Downer (resigned 8 July 2013)

SECRETARY

J McLaughlin (appointed 8 July 2013)

BANKERS

HSBC
74 Goswell Road
London
EC1V 7DA

SOLICITORS

Clintons
55 Drury Lane
Covent Garden
London
WC2B 5RZ

REGISTERED OFFICE

50 Leman Street
London
E1 8HQ

Goscomb Technologies Limited

DIRECTORS' REPORT

The directors present their report and financial statements for the fourteen months ended 31 March 2014

RESULTS AND DIVIDENDS

The loss for the period, after taxation, amounted to £2,000 (year to 31 January 2013 - profit of £108,000 as re-stated) The directors do not recommend the payment of a dividend (2013 - £nil)

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The principal activity of Goscomb Technologies Limited ("the Company") is that of the provision of integrated communications, including voice, internet, co-location, hosting, storage, back-up, disaster recovery and wide area network solutions

The Company continues to market and develop its range of high-speed telecoms and IT services to business customers nationally

On 8 July 2013 HighSpeed Office Limited ("hSo") acquired the entire share capital of the Company, (together "the Group")

During the period the Company hived up the assets and trade to hSo

FUTURE DEVELOPMENTS

The Company continues to transfer all contractual relationships to hSo and will cease to trade

DIRECTORS

The directors during the period are listed on page 1

By order of the board



J McLaughlin
Company Secretary

27 January 2015

Goscomb Technologies Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgments and estimates that are reasonable and prudent,
- c 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.

Goscomb Technologies Limited

PROFIT AND LOSS ACCOUNT for the period ended 31 March 2014

		14 months ended	
		31 March	31 January
		2014	2013
			As re-stated
	Notes	£000	£000
Turnover	1	1,284	1,400
Cost of sales		(1,027)	(897)
GROSS PROFIT		257	503
Administrative expenses		(244)	(372)
OPERATING PROFIT	2, 3, 4	13	131
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		13	131
Taxation	5	(15)	(23)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	12, 13	(2)	108

All amounts relate to continuing operations

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses attributable to shareholders of the Company other than the loss of £2,000 in the period ended 31 March 2014 and the profit of £108,000 as re-stated in the year ended 31 January 2013

BALANCE SHEET
for the period ended 31 March 2014

	Notes	31 March 2014 £000	31 January 2013 As re-stated £000
FIXED ASSETS			
Tangible assets	7	-	165
CURRENT ASSETS			
Debtors	8	428	157
Cash at bank and in hand		27	145
		455	302
CREDITORS amounts falling due within one year	9	(178)	(177)
NET CURRENT ASSETS		277	125
TOTAL ASSETS LESS CURRENT LIABILITIES		277	290
PROVISIONS FOR LIABILITIES AND CHARGES			
	10	-	(6)
		277	284
CAPITAL AND RESERVES			
Called up share capital	11, 12	-	-
Profit and loss account	12, 13	277	284
TOTAL EQUITY SHAREHOLDERS' FUNDS	12, 13	277	284

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

For the year ending 31 March 2014 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

Directors' responsibilities

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

The financial statements on pages 4 to 8 were approved and authorised for issue by the Director on 27 January 2015 and were signed on its behalf by

C Evans
Director



Goscomb Technologies Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2014

1 ACCOUNTING POLICIES

Basis of accounting and preparation

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities (effective 2008)

The directors consider that the accounting policies set out below are suitable, have been consistently applied and are supported by reasonable judgements and estimates. These policies are periodically reviewed to ensure that they continue to be the most appropriate for the Company.

Accounting Period

Following the acquisition the Company extended its accounting period to 31 March 2014 to co-terminate with its parent.

Going Concern

The Company's projections show that the Company has cash resources available which exceed the projected cash requirements for a period of at least one year from the directors' approval of these accounts. The Company has support from its parent company HighSpeed Office Limited. Accordingly the Directors have concluded that the going concern basis for preparation of the financial statements is appropriate.

Turnover

Turnover, which is stated net of value added tax, represents the value of services rendered and goods sold to third parties. Turnover primarily consists of charges to customers for monthly access and variable usage charges. Turnover is recognised as services are provided. Unbilled turnover resulting from services provided from the billing cycle date to the end of each period is accrued and unearned monthly access charges relating to periods after each accounting period end are deferred. Turnover also includes connection charges, which are recognised upon activation of customers. Turnover is attributable to one continuing activity, the provision of telecommunications services within the United Kingdom.

Telecommunication circuit charges

Initial telecommunication circuit connection charges from telecommunication carriers are expensed to the profit and loss account on acceptance of the circuits by the Company. The recurring access fees are expensed in equal instalments over the circuit contract term.

Fixed assets and depreciation

Tangible fixed assets are recorded at cost and are amortised over their estimated useful lives using the following methodologies:

Leasehold improvements	-	equal annual instalments over the life of lease
Network equipment		
- communications equipment	-	equal annual instalments over 6 to 10 years
- building fibre optic wiring	-	equal annual instalments over 6 to 10 years
Office and computer equipment	-	equal annual instalments over 5 years

Prior to the acquisition of the business the depreciation policies adopted were:

Network equipment	-	equal annual instalments over 3 years
Office and computer equipment	-	equal annual instalments over 5 years

The revision in the policies was implemented and the Net Book Value of the assets at the date of acquisition are depreciated over the remaining useful life.

The Company undertakes a review for impairment of a fixed asset if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. To the extent that the carrying amount exceeds the recoverable amount, that is, the higher of net realisable value and value in use, the fixed asset is written down to its recoverable amount. The value in use is determined from estimated discounted future net cash flows.

Goscomb Technologies Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2014

1. ACCOUNTING POLICIES (CONTINUED)

Deferred taxation

Deferred taxation is provided in respect of all timing differences which have originated but not reversed at the balance sheet date and is determined using the average rates that are expected to apply in the years in which the timing differences are expected to reverse. Deferred tax assets are recognised to the extent that it is regarded as more than likely than not that they will be recovered. Where a deferred tax asset is recognised for trading losses, the directors have considered the known taxable profits of the company after the balance sheet date and forecast taxable profits for a period thereafter. The directors have also taken into account the relatively high level of certainty that exists over future revenue streams due to the contractual nature of the Company's customer base. Deferred tax is measured on a non-discounted basis.

Leasing commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Financial Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. OPERATING PROFIT/(LOSS)

This is stated after charging/(crediting)

	<i>14 months ended</i>	<i>Year ended</i>
	<i>31 March</i>	<i>31 January</i>
	<i>2014</i>	<i>2013</i>
	<i>£000</i>	<i>£000</i>
Depreciation of tangible fixed assets – owned	75	98
Operating lease rentals - land and buildings	23	26
	<u> </u>	<u> </u>

Goscomb Technologies Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2014

3. EMPLOYEES

	<i>14 months ended</i> 31 March 2014 £000	<i>Year ended</i> 31 January 2013 £000
Wages and salaries	91	105
Social security costs	8	10
	<u>99</u>	<u>115</u>

The average monthly number of persons (excluding directors) employed by the Company during the year was

	<i>14 months ended</i> 31 March 2014 £000	<i>Year ended</i> 31 January 2013 £000
Technical	2	4
Administration	1	1
	<u>4</u>	<u>1</u>

4. DIRECTORS' EMOLUMENTS

	<i>14 months ended</i> 31 March 2014 £000	<i>Year ended</i> 31 January 2013 £000
Emoluments	<u>31</u>	<u>37</u>

The amounts in respect of the highest paid director are as follows

Emoluments	<u>31</u>	<u>37</u>
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5. TAXATION

Taxation on ordinary activities

	<i>14 months ended</i> 31 March 2014 £000	<i>Year ended</i> 31 January 2013 £000
Current tax:		
UK corporation tax based on results for the year at 26% (2011 28%)	21	35
Total current tax	<u>21</u>	<u>35</u>
Deferred tax:		
Fixed Assets	(6)	(12)
Tax on profit on ordinary activities	<u>15</u>	<u>23</u>

Goscomb Technologies Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 March 2014

5. TAXATION (CONTINUED)

	<i>14 months ended</i> <i>31 March</i> <i>2014</i> <i>£000</i>	<i>Year ended</i> <i>31 January</i> <i>2013</i> <i>£000</i>
Factors affecting the current tax charge		
Profit / (loss) on ordinary activities before taxation	13	112
Taxation at the UK corporation tax of 20%	3	22
Expenses not deductible for tax	2	1
General provision	-	-
Capital allowances in excess of depreciation	16	12
Tax charge	21	35

6. DIVIDENDS

	<i>14 months ended</i> <i>31 March</i> <i>2014</i> <i>£000</i>	<i>Year ended</i> <i>31 January</i> <i>2013</i> <i>£000</i>
Ordinary shares of £1 each – Interim dividend	5	19

Goscomb Technologies Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2014

7. TANGIBLE FIXED ASSETS

	<i>Total £000</i>
Cost	
1 February 2013 as previously stated	412
Prior period adjustment of error	(8)
	<hr/>
1 February 2013 as re-stated	404
Additions	18
Disposals	(422)
	<hr/>
31 March 2014	-
	<hr/>
Depreciation	
1 February 2013 as previously stated	299
Prior period adjustment of error	(60)
	<hr/>
1 February 2013 as re-stated	239
Charge for the year	75
Relating to disposals in the period	(314)
	<hr/>
31 March 2014	-
	<hr/>
Net book amount	
At 31 March 2014	-
	<hr/> <hr/>
At 31 January 2013 as re-stated	165
	<hr/> <hr/>
At 31 January 2013 as previously stated	113
	<hr/> <hr/>

8. DEBTORS

	<i>31 March 2014</i>	<i>31 January 2013</i>
	<i>As re-stated</i>	
	<i>£000</i>	<i>£000</i>
Amounts falling due within one year:		
Trade debtors	24	132
Amounts owed by Group Companies	321	-
Other debtors (as re-stated see Note 13)	83	25
	<hr/>	<hr/>
	428	157
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NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2014

9. CREDITORS: amounts falling due within one year

	31 March 2014 £000	31 January 2013 £000
Trade creditors	157	118
Corporation tax	21	-
Other taxes and social security	-	52
Other current liabilities	-	7
	<u>178</u>	<u>177</u>

10. PROVISIONS FOR LIABILITIES AND CHARGES

	31 March 2014 £000	31 January 2013 £000
Deferred taxation		
Liability brought forward	6	18
Profit and loss account movement arising in the year	(6)	(12)
Carried forward	<u>-</u>	<u>6</u>
The deferred taxation liability consists of timing differences in respect of Fixed Assets	<u>-</u>	<u>6</u>

11. SHARE CAPITAL

	31 March 2014 £	31 January 2013 £
AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID 100 (100) ordinary shares of £1 each	<u>100</u>	<u>100</u>

12. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT IN RESERVES

	Share Capital £000	Profit & loss account £000	Shareholders' funds £000
At 31 January 2012	-	195	195
Profit for the year	-	108	108
Dividends	-	(19)	(19)
At 31 January 2013	<u>-</u>	<u>284</u>	<u>284</u>
Profit for the year	-	(2)	(2)
Dividends	-	(5)	(5)
At 31 March 2014	<u>-</u>	<u>277</u>	<u>277</u>

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NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2014

13. PRIOR PERIOD ADJUSTMENT

In prior periods the depreciation policies were applied incorrectly to the Tangible Fixed Assets and the effect was to overstate the depreciation charged in each of the prior periods. In addition, £8,000 of deposits on co-location rentals were incorrectly recorded as a fixed asset rather than as a supplier deposit within Other Debtors

	<i>31 March</i> 2014 £000	<i>31 January</i> 2013 £000
Profit and loss account		
At 31 January 2013/2012 (as previously reported)	224	154
Depreciation charge adjustment	60	41
At 31 January 2013/2012 (as re-stated)	284	195
Profit for the period as previously reported	(2)	89
Adjustment to depreciation charge	-	19
Dividends	(5)	(19)
100 (100) ordinary shares of £1 each	<u>277</u>	<u>284</u>

14. RELATED PARTY TRANSACTIONS

During the period ending 31 March 2014 dividends of £5,000 (year ended 31 January 2013 - £19,000) were paid to the directors

	<i>14 months ended</i> 31 March 2014 £000	<i>Year ended</i> 31 January 2013 £000
D A J Goscomb	4	19
P Downer	1	-

At the period end dates there were no balances due to or from the directors

The Company has taken advantage of the exemption available in accordance with FRS 8 "Related Party Disclosures" not to disclose transactions entered into between two or more members of a group, as the Company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions

15. ULTIMATE PARENT UNDERTAKING

The Company's ultimate parent company is HighSpeed Office Limited, a company incorporated in England and Wales

16. RELATED PARTY TRANSACTIONS

Advantage is taken of the FRS 8 exemption from disclosure of certain intra group transactions