

Willow Starcom Limited

Registered number 02286795

Directors' report and financial statements

For the year ended 30 November 2010

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WILLOW STARCOM LIMITED

COMPANY INFORMATION

Directors	M Berry D Harrison M E W Jackson
Company secretary	M Berry
Company number	02286795
Registered office	32 Bedford Row London WC1R 4HE
Auditors	Mazars LLP Chartered Accountants & Statutory Auditors The Lexicon Mount Street Manchester M2 5NT
Bankers	National Westminster Bank plc Arndale House 243 High Street North Poole Dorset BH15 1BD

WILLOW STARCOM LIMITED

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WILLOW STARCOM LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2010

The directors present their report and the financial statements for the year ended 30 November 2010

Principal activities

The principal activity of the company during the year was that of maintenance and support of computer hardware and software systems

Business review

2010 saw a continuation of our move from traditional hardware maintenance to a broader portfolio providing organisations with a better return on their investment in IT. Additionally, a move away from the competitive hardware supply business and a focus on service and consultancy, areas where we add value through expertise, saw margins improve.

With further investment in our Data Centre facility we have added a range of Hosted and SaaS based products to our existing portfolio of hardware maintenance, software support, managed services, workplace recovery and online backup. We continue to deliver a high level of service to our reseller community but with this area being limited to hardware support, we have accelerated our drive towards non-competing direct end user relationships, where we are able to deliver our full product range. Throughout this transition period we have consistently generated profits and cash reserves. The coming year will see a continuation of our strategy as we move towards a broader range of recurring revenue based services, delivering on-site, remotely and in-cloud.

Results and dividends

The profit for the year, after taxation, amounted to £149,566 (2009 - £251,092)

The directors have not recommended the payment of a dividend (2009 - £nil)

Directors

The directors who served during the year were

M Berry
D Harrison
M E W Jackson

Financial risk management objectives and policies

The company's treasury activities are designed to provide suitable, flexible funding arrangements to satisfy the company's requirements. The company uses financial instruments comprising cash, liquid resources and items such as trade debtors and creditors that arise directly from its operations. The main risk arising from the company's financial instruments is liquidity risk. The board reviews the policies for managing this risk annually.

WILLOW STARCOM LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2010

Statement of directors' responsibilities

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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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,
- 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.

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are 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 information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf


M Berry
Secretary

Date 25/3/11

32 Bedford Row
London
WC1R 4HE

WILLOW STARCOM LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WILLOW STARCOM LIMITED

We have audited the financial statements of Willow Starcom Limited for the year ended 30 November 2010, which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 1, 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 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 (APB's) Ethical Standards for Auditors. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 November 2010 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 the 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.

WILLOW STARCOM LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WILLOW STARCOM LIMITED

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

Marion CW

Mazars LLP, Chartered Accountants (Statutory Auditors)

Pamela Dawes (Senior Statutory Auditor)

The Lexicon
Mount Street
Manchester
M2 5NT

31 March 2011

WILLOW STARCOM LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 2010

	Note	2010 £	2009 £
Turnover	1,2	1,770,232	2,255,514
Cost of sales		(944,297)	(1,475,486)
Gross profit		825,935	780,028
Administrative expenses		(669,696)	(503,239)
Operating profit	3	156,239	276,789
Interest receivable and similar income		-	303
Profit on ordinary activities before taxation		156,239	277,092
Tax on profit on ordinary activities	7	(6,673)	(26,000)
Profit for the financial year	14	149,566	251,092

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the Profit and Loss Account

The notes on pages 8 to 15 form part of these financial statements


WILLOW STARCOM LIMITED

Registered number 02286795


BALANCE SHEET**AS AT 30 NOVEMBER 2010**

	Note	£	2010 £	£	2009 £
Fixed assets					
Tangible assets	8		70,170		83,760
Current assets					
Stocks	9	245,192		255,240	
Debtors	10	707,168		622,890	
Cash at bank		361,773		430,324	
		<u>1,314,133</u>		<u>1,308,454</u>	
Creditors: amounts falling due within one year	11	<u>(818,665)</u>		<u>(974,142)</u>	
Net current assets			<u>495,468</u>		<u>334,312</u>
Total assets less current liabilities			<u>565,638</u>		<u>418,072</u>
Provisions for liabilities					
Deferred tax	12		<u>(2,000)</u>		<u>(4,000)</u>
Net assets			<u><u>563,638</u></u>		<u><u>414,072</u></u>
Capital and reserves					
Called up share capital	13		100		100
Profit and loss account	14		<u>563,538</u>		<u>413,972</u>
Shareholders' funds	15		<u><u>563,638</u></u>		<u><u>414,072</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by


M Berry
 Director

Date 25/3/11


M E W Jackson
 Director

Date 25/3/2011

The notes on pages 8 to 15 form part of these financial statements

WILLOW STARCOM LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2010

	Note	2010 £	2009 £
Net cash flow from operating activities	16	(40,142)	254,461
Returns on investments and servicing of finance	17	-	303
Taxation		(8,999)	9,326
Capital expenditure and financial investment	17	(19,410)	(31,350)
		<hr/>	<hr/>
(Decrease)/Increase in cash in the year		(68,551)	232,740

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE YEAR ENDED 30 NOVEMBER 2010

	2010 £	2009 £
(Decrease)/Increase in cash in the year	(68,551)	232,740
	<hr/>	<hr/>
Movement in net debt in the year	(68,551)	232,740
Net funds at 1 December 2009	430,324	197,584
	<hr/>	<hr/>
Net funds at 30 November 2010	361,773	430,324

The notes on pages 8 to 15 form part of these financial statements

WILLOW STARCOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2010

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, adjusted for accrued income, exclusive of Value Added Tax

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Fixtures and fittings	-	20% and 33% on cost and reducing balance
Office equipment	-	20% and 33% on cost and reducing balance

1.4 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks

1.5 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

1.6 Deferred taxation

Deferred tax is provided in full on all timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based upon current tax rates and law

Timing differences arise from the inclusion of items in income and expenditure in tax computations in periods different from those which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted

1.7 Pensions

The Company operates a defined contribution pension scheme for certain employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account

1.8 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

WILLOW STARCOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2010

2 Turnover

The whole of the turnover is attributable to the one principal activity of the company

All turnover arose within the United Kingdom

3 Operating profit

The operating profit is stated after charging

	2010 £	2009 £
Depreciation of tangible fixed assets		
- owned by the company	33,000	33,550
Operating lease rentals		
- rent	32,185	29,160
	<u>32,185</u>	<u>29,160</u>

4. Auditors' remuneration

	2010 £	2009 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	6,600	4,009
Fees payable to the Company's auditor and its associates in respect of		
Other services relating to taxation	-	500
	<u>-</u>	<u>500</u>

5. Staff costs

Staff costs, including directors' remuneration, were as follows

	2010 £	2009 £
Wages and salaries	705,603	762,756
Social security costs	73,770	85,839
Other pension costs	33,901	30,173
	<u>813,274</u>	<u>878,768</u>

The average monthly number of employees, including the directors, during the year was as follows

	2010 No	2009 No
Number of selling, distribution and administrative staff	21	24

WILLOW STARCOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2010

6. Directors' remuneration

	2010 £	2009 £
Emoluments	156,923	196,207
Company pension contributions to defined contribution pension schemes	13,856	13,337

During the year retirement benefits were accruing to 2 directors (2009 - 2) in respect of defined contribution pension schemes

The interests of the non group directors in share options in the ultimate parent company, Access Intelligence Plc are as follows

Name	Date of grant	Exercise price per ordinary share (p)	No of ordinary shares under option	Exercise period
D Hamson	24 April 2006	7 50p	682,826	Apr 2009 to Apr 2016
	17 November 2007	6 75p	33,334	Nov 2009 to Nov 2016
	29 December 2009	5 00p	400,000	Dec 2012 to Dec 2019

7 Taxation

	2010 £	2009 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	-	2,000
Adjustments in respect of prior periods	8,673	-
Total current tax	8,673	2,000
Deferred tax		
Origination and reversal of timing differences	(2,000)	2,000
Tax losses	-	22,000
Total deferred tax (see note 12)	(2,000)	24,000
Tax on profit on ordinary activities	6,673	26,000

WILLOW STARCOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2010

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2009 - lower than) the standard rate of corporation tax in the UK of 28% (2009 - 28%) The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before tax	156,239	277,092
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	43,747	77,586
Effects of		
Expenses not deductible for tax purposes	839	991
Capital allowances for year in excess of depreciation	(118)	(4,286)
Adjustments to tax charge in respect of prior periods	8,673	-
Other timing differences	-	(30,570)
Over provision in prior year	-	1,674
Small profits relief	-	(399)
Group relief	(44,468)	(43,237)
Rounding	-	241
Current tax charge for the year (see note above)	8,673	2,000

Factors that may affect future tax charges

There were no factors that may affect future tax charges

WILLOW STARCOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2010

8. Tangible fixed assets

	Fixtures & fittings £	Office equipment £	Total £
Cost			
At 1 December 2009	67,820	232,593	300,413
Additions	-	19,410	19,410
At 30 November 2010	67,820	252,003	319,823
Depreciation			
At 1 December 2009	49,078	167,575	216,653
Charge for the year	6,500	26,500	33,000
At 30 November 2010	55,578	194,075	249,653
Net book value			
At 30 November 2010	12,242	57,928	70,170
At 30 November 2009	18,742	65,018	83,760

9. Stocks

	2010 £	2009 £
Stock	245,192	255,240

10. Debtors

	2010 £	2009 £
Trade debtors	370,161	364,842
Amounts owed by group undertakings	274,561	201,356
Prepayments and accrued income	62,446	56,692
	707,168	622,890

WILLOW STARCOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2010

11. Creditors Amounts falling due within one year

	2010 £	2009 £
Trade creditors	131,621	159,029
Amounts owed to group undertakings	157,110	297,842
Corporation tax	-	326
Social security and other taxes	55,836	64,272
Accruals and deferred income	474,098	452,673
	<u>818,665</u>	<u>974,142</u>

12. Deferred taxation

	2010 £	2009 £
At beginning of year	4,000	(20,000)
(Released during)/charge for year	(2,000)	24,000
	<u>2,000</u>	<u>4,000</u>
At end of year	<u>2,000</u>	<u>4,000</u>

The provision for deferred taxation is made up as follows

	2010 £	2009 £
Accelerated capital allowances	<u>2,000</u>	<u>4,000</u>

13 Share capital

	2010 £	2009 £
Allotted, called up and fully paid		
100 Ordinary shares shares of £1 each	<u>100</u>	<u>100</u>

14 Reserves

	Profit and loss account £
At 1 December 2009	413,972
Profit for the year	149,566
	<u>563,538</u>
At 30 November 2010	<u>563,538</u>

WILLOW STARCOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2010

15 Reconciliation of movement in shareholders' funds

	2010 £	2009 £
Opening shareholders' funds	414,072	162,980
Profit for the year	149,566	251,092
Closing shareholders' funds	563,638	414,072

16. Net cash flow from operating activities

	2010 £	2009 £
Operating profit	156,239	276,789
Depreciation of tangible fixed assets	33,000	33,550
Decrease in stocks	10,048	12,942
(Increase)/decrease in debtors	(84,278)	13,085
Decrease in creditors	(155,151)	(81,905)
Net cash (outflow)/inflow from operating activities	(40,142)	254,461

17 Analysis of cash flows for headings netted in cash flow statement

	2010 £	2009 £
Returns on investments and servicing of finance		
Interest received	-	303
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(19,410)	(31,350)

18. Analysis of changes in net debt

	1 December 2009 £	Cash flow £	Other non-cash changes £	30 November 2010 £
Cash at bank and in hand	430,324	(68,551)	-	361,773
Net funds	430,324	(68,551)	-	361,773

WILLOW STARCOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2010

19 Contingencies and guarantees

The company's bankers have a debenture to include fixed and floating charges over all current and future assets of the company

20. Pension commitments

During the year, pension contributions totalled £29,622 (2009 £30,173) of which £nil (2009 £nil) was outstanding at the year end

21 Operating lease commitments

At 30 November 2010 the Company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2010	2009
	£	£
Expiry date:		
Within 1 year	120	1,897
Between 2 and 5 years	30,773	27,159
	<u> </u>	<u> </u>

22 Related party transactions

The company has taken advantage of the exemption available under FRS8 not to disclose transactions with its parent company and its fellow wholly owned subsidiary companies, on the grounds that it is a subsidiary of Access Intelligence plc, which prepares consolidated accounts

23 Ultimate parent undertaking and controlling party

The ultimate parent company is Access Intelligence Plc, a company incorporated in England and Wales
Copies of the consolidated accounts can be obtained from Companies House, Cardiff