

KCOM INTERNATIONAL LIMITED

Annual Report and Financial Statements

for the year ended 31 March 2019



KCOM INTERNATIONAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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KCOM INTERNATIONAL LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

W Halbert (resigned 29 November 2018)
A Bielby (appointed 15 October 2018)
G Sutherland (appointed 15 October 2018, resigned 22 October 2019)
D Raneberg (appointed 14 November 2019)

SECRETARY

K Smith (resigned 21 August 2018)
S Jones (appointed 5 November 2018)

REGISTERED OFFICE

37 Carr Lane
Hull
HU1 3RE

BANKERS

National Westminster Bank PLC
P O Box No 76
19 Silver Street
Hull
HU1 1JQ

KCOM INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present the annual report and the financial statements of the company for the year ended 31 March 2019. In preparing this report, the directors have taken advantage of the exemptions relating to small companies within Section 415A of the Companies Act 2006.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company is dormant, it did not trade during the year and is not expected to trade in the future.

DIRECTORS

The directors who served during the year and up to the date of signing the financial statements are listed on page 1.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

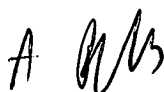
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements 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.

The directors 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.

By the order of the board



A Bielby
Director

26 November 2019

KCOM INTERNATIONAL LIMITED

STATEMENT OF FINANCIAL POSITION As at 31 March 2019

	Note	2019 £'000	2018 £'000
CURRENT ASSETS			
Cash at bank and in hand		150	150
Debtors: amounts falling due after more than one year	2	15,000	15,000
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	3	(150)	(150)
NET CURRENT ASSETS		<u>15,000</u>	<u>15,000</u>
NET ASSETS		<u>15,000</u>	<u>15,000</u>
CAPITAL AND RESERVES			
Called-up share capital	4	15,000	15,000
Profit and loss account		-	-
TOTAL SHAREHOLDERS' FUNDS		<u>15,000</u>	<u>15,000</u>

For the year ending 31 March 2019 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to small companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The notes on pages 4 to 6 are an integral part of these financial statements.

The financial statements on pages 3 to 6 were approved by the Board of Directors and authorised for issue on 26 November 2019. They were signed on its behalf by:



A Bielby
Director

Kingston Communications International Limited

Company Registration No. 2563065

KCOM INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

1. ACCOUNTING POLICIES

KCOM International Limited is a private company, limited by shares and incorporated and domiciled in England in the United Kingdom. The address of the registered office is 37 Carr Lane, Hull, HU1 3RE. The nature of the company's operations is described within the directors' report on page 2. The principal accounting policies are summarised below. They have been applied consistently throughout the year.

Basis of accounting

The accounts have been prepared on a basis other than a going concern as the company does not trade. The company is dormant and will remain dormant until a decision is made about the future of the company.

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular, Financial reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006 (the Act) as appropriate to companies using FRS101. FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The company is a qualifying entity for the purposes of FRS 101. Note 6 gives details of the company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

FRS 101 sets out amendments to EU – adopted IFRS that are necessary to achieve compliance with the Act and related Regulations. The disclosure exemptions adopted by the company in accordance with FRS 101 are as follows:

- a) Statement of cash flows
- b) Capital risk management
- c) Related party transactions
- d) Accounting policies issued but not yet effective
- e) Financial instruments

The financial statements have been prepared under the historical cost convention. A summary of the more important accounting policies is set out below.

New and amended standards adopted by the company

There are no other IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on 1 April 2018 that have had a material impact on the company.

2. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £'000	2018 £'000
Amounts due from group undertakings	15,000	15,000

Amounts due from group undertakings within one year are unsecured, have no fixed date of repayment, bear no interest and are repayable on demand.

KCOM INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2019

3. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £'000	2018 £'000
Amounts due to group undertakings	150	150

The amounts due to group undertakings are unsecured, bear no interest and are repayable on demand.

4. CALLED UP SHARE CAPITAL

	2019 £	2018 £
Allotted, called up and fully paid		
15,000,002 (2018: 15,000,002) ordinary shares of £1 each	15,000,002	15,000,002

5. GUARANTEES AND FINANCIAL COMMITMENTS

The group loan facilities are secured by guarantees given by all material subsidiaries of KCOM Group Limited (formerly KCOM Group PLC), including Kingston Communications International Limited, in favour of the banks. At 31 March 2019 the amount drawn down under the loan facility was £115,000,000 (2018: £75,000,000).

Kingston Communications International Limited has provided a Type A Pension Protection Fund (PPF) guarantee to the trustees of both the Kingston Communications Pension Scheme and the Kingston Communications (Data) Pension Scheme. The principal employer of both of these defined benefit schemes is KCH (Holdings) Limited, which is a fellow subsidiary of KCOM Group Limited (formerly KCOM Group PLC). Details of both pension schemes are fully disclosed in the KCOM Group Limited (formerly KCOM Group PLC) accounts.

6. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company's immediate parent undertaking is KCH (Holdings) Limited. Copies of KCH (Holdings) Limited's accounts can be obtained from 37 Carr Lane, Hull, HU1 3RE.

As at 31 March 2019, the parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up and of which the company is a member is KCOM Group Limited (formerly KCOM Group PLC), registered in England and Wales. Copies of KCOM Group Limited (formerly KCOM Group PLC)'s annual report and financial statements can be obtained from 37 Carr Lane, Hull, HU1 3RE.

Following the acquisition of KCOM Group Limited (formerly KCOM Group PLC) as detailed in Note 7, the company's ultimate parent and controlling party is Macquarie European Infrastructure Fund 6 SCSp (an investment fund managed by Macquarie Infrastructure and Real Assets (Europe) Limited), registered in Luxembourg.

KCOM INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 March 2019**

7. SUBSEQUENT EVENTS

On 30 July 2019, MEIF 6 Fibre Limited, a wholly-owned indirect subsidiary of Macquarie European Infrastructure Fund 6 SCSp (an investment fund managed by Macquarie Infrastructure and Real Assets (Europe) Limited), obtained Court approval for their offer to obtain 100% of the ordinary share capital of KCOM Group limited (formerly KCOM Group PLC) via a Scheme of Arrangement. It became effective on 1 August 2019 and KCOM Group Limited (formerly KCOM Group PLC) was de-listed from the premium list of the London Stock Exchange on 2 August 2019.

As a result of the acquisition, a change in control clause was triggered to repay the drawn down amount under the £180.0 million multi-currency revolving facility, dated 30 September 2016, for which the Company was a guarantor. As at 31 March 2019 KCH (Holdings) Limited had borrowings of £115.0m outstanding under this agreement. The outstanding amount was repaid on 31 October 2019, using funds secured from a short-term intercompany loan from MEIF 6 Fibre Limited to KCH (Holdings) Limited. At the date of repayment, KCH (Holdings) Limited had borrowings of £145.0m and interest of £0.3m outstanding under this agreement. The £145.3m intercompany loan is unsecured and repayable within 1 year.