

CALLITECH LIMITED

**Annual Report and Financial Statements
For the year ended 31 December 2012**

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COMPANIES HOUSE

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr E J B Reeves
Mrs R M E Clacher

SECRETARY

Mr E J B Reeves

REGISTERED OFFICE

Moneypenny House
Ellice Way
Wrexham
LL13 7YT

BANKERS

The Royal Bank of Scotland plc
15 Foregate Street
Chester
CH1 1HD

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester
United Kingdom

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report, for the year ended 31 December 2012

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of the provision of a telephone and virtual reception service for its clients

BUSINESS REVIEW AND FUTURE PROSPECTS

The directors are satisfied with the performance of the business during the year and plan to improve performance in the coming year

The company's profit and loss account on page 6 shows an increase in the company's turnover of 12% and the operating profit has increased to £1,744,559 from £1,488,964 in the prior year

The continuing improvement in results is due to the continued investment in sophisticated technology systems and the level of customer service provided by retaining experienced staff

The financial position of the company is shown on the balance sheet on page 7. This shows that there is an increase in shareholder's funds as a result of the decision to retain profits in the year

PRINCIPAL RISKS AND UNCERTAINTIES

The directors and senior management are confident of the skills and knowledge throughout the company and in its capability of offering the required product mix to meet market requirements

All companies are exposed to certain risks and uncertainties, which are under close scrutiny given the current economic climate, and the company does not underestimate these threats, and it is the responsibility of the officers of the company to assess, control and minimise any exposure

The directors have identified two key areas, which they believe pose the most significant threat to the business

Credit risk

The company's financial assets are bank balances and cash and trade and other receivables

The company's credit risk is primarily attributable to trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made when there is an identified loss event, which, based on previous experience, is evidence of a reduction in the recoverability of cash flows

The credit risk on liquid funds is limited because the counterparts are banks with high credit-ratings assigned by international credit-rating agencies

Economic risk

Whilst the company is subject to the same external uncertainties faced by all companies in the current macro environment, the directors believe that the company is well placed to respond to challenges that may arise in the foreseeable future due to having a diversified customer base spread across a number of industry sectors

GOING CONCERN

After making enquiries and based on the assumptions outlined in note 1 to the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements

DIRECTORS' REPORT (CONTINUED)

DIVIDENDS AND TRANSFERS TO RESERVES

The directors have not recommended a final dividend. An interim dividend of £418.53 (2011: £1,512.75) per ordinary share has been paid in the year. Retained profit for the year of £882,224 (2011: retained loss of £422,397) has been transferred to (2011: from) reserves.

DIRECTORS

The directors of the company, all of whom served throughout the year and since the year end, are shown on page 1.

SUPPLIER PAYMENT POLICY

The company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment.

CHARITABLE AND POLITICAL CONTRIBUTIONS

During the year the company made charitable donations of £3,885 (2011: £2,590), principally to local charities and sports groups serving the communities in which the company operates. No political contributions have been made in either year.

EMPLOYEE RELATIONS

Formal regular meetings are held with employee representatives to discuss the company's performance. Opportunity is given at such meetings for questions regarding matters concerning the employees, particularly with reference to matters concerning health and safety.

Employment policies provide equal opportunity, irrespective of sex, religion, race or marital status. Applications by persons with disabilities are given full and fair consideration and, wherever practicable, provision is made for their special needs. The same criteria for training and promotion apply to persons with disabilities as to any other employee. If employees become disabled, every effort is made to ensure their continued employment.

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 the steps that he/she ought to have taken as a director in order to make himself/herself 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.

Deloitte LLP have expressed their willingness to be reappointed as auditor for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors on 27 September 2013



Mr E J B Reeves
Company Secretary

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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- 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. 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 CALLITECH LIMITED

We have audited the financial statements of Callitech Limited for the year ended 31 December 2012, which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 17. 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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.

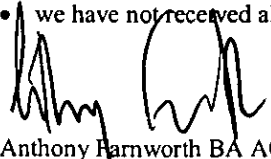
Opinion on other matter prescribed by the Companies Act 2006

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.


Anthony Farnworth BA ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom
30/03/2013

CALLITECH LIMITED**PROFIT AND LOSS ACCOUNT**
Year ended 31 December 2012

	Note	2012 £	2011 £
TURNOVER	1	9,314,495	8,297,312
Administrative expenses		<u>(7,569,936)</u>	<u>(6,808,348)</u>
OPERATING PROFIT	2	1,744,559	1,488,964
Net interest receivable/(payable)		2	<u>(631)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,744,561	1,488,333
Tax on profit on ordinary activities	4	<u>(443,804)</u>	<u>(397,981)</u>
PROFIT FOR THE FINANCIAL YEAR	14,15	<u><u>1,300,757</u></u>	<u><u>1,090,352</u></u>

All of the above results derive from continuing activities

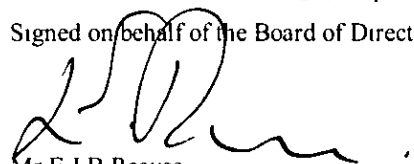
The company has no recognised gains or losses other than the profit for the current and preceding financial year stated above. Accordingly a separate statement of total recognised gains and losses has not been presented

BALANCE SHEET
As at 31 December 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Intangible assets	6	21,094	20,574
Tangible assets	7	612,255	560,629
		<u>633,349</u>	<u>581,203</u>
CURRENT ASSETS			
Debtors			
- due within one year	8	947,519	789,435
- due after one year	8	422,323	485,165
Cash at bank and in hand		837,501	1,935
		<u>2,207,343</u>	<u>1,276,535</u>
CREDITORS amounts falling due within one year	9	(1,608,062)	(1,493,952)
NET CURRENT ASSETS/(LIABILITIES)		<u>599,281</u>	<u>(217,417)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,232,630	363,786
PROVISION FOR LIABILITIES	10	(29,927)	(43,307)
NET ASSETS		<u>1,202,703</u>	<u>320,479</u>
CAPITAL AND RESERVES			
Called-up share capital	13	1,000	1,000
Profit and loss account	14	1,201,703	319,479
SHAREHOLDER'S FUNDS	15	<u>1,202,703</u>	<u>320,479</u>

The financial statements of Callitech Limited, registered number 3894972, were approved by the Board of Directors and authorised for issue on **27** September 2013

Signed on behalf of the Board of Directors



Mr E J B Reeves
Director

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

1. ACCOUNTING POLICIES

The principal accounting policies adopted are summarised below. They have all been applied consistently throughout the current and preceding year.

Basis of accounting

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

Going concern

The directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries and after reviewing the company's future prospects, taking into account possible changes in trading performance, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Cash flow statement

As permitted by Financial Reporting Standard No. 1 (Revised) "Cash Flow Statements", the company has not produced a cash flow statement as it is a wholly owned subsidiary undertaking of TDKP Limited, which has produced publicly available consolidated financial statements which include a consolidated cash flow statement.

Turnover

The turnover shown in the profit and loss account represents the value of all services provided during the year, at selling price exclusive of Value Added Tax. All turnover relates to the company's principal activity and arose within the United Kingdom. Sales are recognised at the point at which the company has fulfilled its contractual obligations to the customer.

Patents

Patents are capitalised at purchase price and amortised over the estimated useful life.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposals proceeds, over the estimated useful economic life of that asset as follows:

Goodwill	-	10% straight line
Patents	-	10% straight line

Tangible assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Freehold and leasehold property	-	Over the period of the lease
Fixtures and fittings	-	20% reducing balance
Computer equipment	-	20% straight line

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2012

1. ACCOUNTING POLICIES (continued)

Operating leases

Rentals paid under operating leases where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the profit and loss account on a straight line basis over the period of the lease, even if the payments are not made on such a basis

Taxation

Current tax, including UK corporation 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 periods 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

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

Pension costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet

2. OPERATING PROFIT

The operating profit is stated after charging

	2012 £	2011 £
Amortisation of intangible assets	4,073	3,613
Depreciation of owned fixed assets	177,733	137,879
Loss on disposal of fixed assets	156	313
Operating lease rentals		
- plant and machinery	24,628	18,816
- other	337,060	280,777
Auditor's remuneration		
- audit of the annual statutory financial statements	15,000	14,000
- other services (tax services)	4,800	5,900
	<u> </u>	<u> </u>

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2012 No.	2011 No.
Average number of persons employed (including directors)	<u>248</u>	<u>221</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2012

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

Staff costs during the year (excluding directors)

	2012 £	2011 £
Wages and salaries	4,498,783	4,117,623
Social security	395,129	367,156
Pension costs	7,738	6,410
	<u>4,901,650</u>	<u>4,491,189</u>

The directors received a remuneration from another group company in both years as the directors are employed by that company. The amount recharged to this company in respect of the directors' emoluments was £522,373 (2011 £450,000)

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2012 £	2011 £
Current taxation		
UK corporation tax	440,310	388,411
Adjustments in respect of prior periods	16,874	2,461
	<u>457,184</u>	<u>390,872</u>
Deferred tax		
Origination and reversal of timing differences	(9,494)	12,599
Adjustments in respect of prior periods	(1,088)	(2,266)
Effect of changes in tax rate	(2,798)	(3,224)
	<u>443,804</u>	<u>397,981</u>
Tax on profit on ordinary activities		

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 24.5% (2011 26.5%)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2012

4 TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

The differences between the current tax shown above and the amount calculated by applying the standard rate of corporation tax to the profit before tax are as follows

	2012 £	2011 £
Profit on ordinary activities before tax	1,744,561	1,488,333
Tax on profit on ordinary activities at standard UK corporation tax rate of 24.5% (2011: 26.5%)	427,417	394,408
Effects of		
Capital allowances less than/(in excess of) depreciation	9,494	(12,599)
Expenses not deductible for tax purposes	3,399	6,602
Adjustments in respect of prior periods	16,874	2,461
Amounts chargeable on loans to participators	-	16,716
Amounts receivable on loans to participators	-	(16,716)
Total actual amount of current tax	457,184	390,872

5. DIVIDENDS PAID

	2012 £	2011 £
Ordinary shares		
Interim dividend paid of £418.53 (2011: £1,512.75) per share	418,533	1,512,749

6 INTANGIBLE FIXED ASSETS

	Goodwill £	Patent £	Total £
Cost			
At 1 January 2012	23,981	12,150	36,131
Additions	4,593	-	4,593
At 31 December 2012	28,574	12,150	40,724
Amortisation			
At 1 January 2012	9,482	6,075	15,557
Charge for year	2,858	1,215	4,073
At 31 December 2012	12,340	7,290	19,630
Net book value			
At 31 December 2012	16,234	4,860	21,094
At 31 December 2011	14,499	6,075	20,574

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2012

7 TANGIBLE FIXED ASSETS

	Freehold and leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2012	118,065	260,306	771,644	1,150,015
Additions	31,792	31,836	165,887	229,515
Disposals	-	(400)	(866)	(1,266)
At 31 December 2012	149,857	291,742	936,665	1,378,264
Depreciation				
At 1 January 2012	19,349	141,264	428,773	589,386
Charge for year	9,530	30,151	138,052	177,733
Disposals	-	(244)	(866)	(1,110)
At 31 December 2012	28,879	171,171	565,959	766,009
Net book value				
At 31 December 2012	120,978	120,571	370,706	612,255
At 31 December 2011	98,716	119,042	342,871	560,629

8 DEBTORS

	2012 £	2011 £
Amounts falling due within one year:		
Trade debtors	520,730	452,405
Other debtors	205,669	166,456
Amounts due from HMRC in respect of tax on loans to participators	12,569	-
Prepayments and accrued income	208,551	170,574
	<u>947,519</u>	<u>789,435</u>
Amounts falling due after more than one year		
Amounts owed by related parties	337,858	388,131
Amounts due from HMRC in respect of tax on loans to participators	84,465	97,034
	<u>422,323</u>	<u>485,165</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2012

9 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Bank overdraft	-	50,575
Trade creditors	124,963	88,859
Amounts owed to group undertakings	107,355	78,648
Corporation tax	440,310	405,125
Other taxes and social security	522,452	479,045
Accruals and deferred income	412,982	391,700
	<u>1,608,062</u>	<u>1,493,952</u>

10. PROVISION FOR LIABILITIES

Deferred taxation

	2012 £	2011 £
At 1 January 2012	43,307	36,198
Charge to profit and loss account	(12,292)	9,375
Adjustments in respect of prior periods	(1,088)	(2,266)
At 31 December 2012	<u>29,927</u>	<u>43,307</u>
The provision for deferred taxation consists of the tax effect of timing differences in respect of	2012 £	2011 £
Allowances in excess of depreciation	<u>29,927</u>	<u>43,307</u>

11. COMMITMENTS UNDER OPERATING LEASES

The company had aggregate annual commitments under non-cancellable operating leases as set out below

	Land and buildings		Other operating leases	
	2012 £	2011 £	2012 £	2011 £
Expiring				
Within 1 year	-	-	1,500	13,257
Between 2 and 5 years	-	-	24,177	4,094
After 5 years	369,290	369,290	300	-
	<u>369,290</u>	<u>369,290</u>	<u>25,977</u>	<u>17,351</u>

12. RELATED PARTY TRANSACTIONS

In preparing these financial statements, advantage has been taken of the provisions of FRS 8 'Related Party Disclosures' for wholly owned subsidiaries not to disclose transactions with entities that are part of the TDKP Limited group, as consolidated financial statements in which the company is included are publicly available

During the year the company received rental invoices of £92,014 from and loaned £41,740 (2011 £66,862) to R and E Investments, a partnership in which the directors of this company are partners. The balance due from the entity at the year end is £337,858 (2011 £388,131)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2012

13. CALLED UP SHARE CAPITAL

	2012 £	2011 £
Allotted, called up and fully paid		
Ordinary shares of £1 each	1,000	1,000

14. RESERVES

	Profit and loss account £
At 1 January 2012	319,479
Profit for the financial year	1,300,757
Dividends paid on ordinary shares	(418,533)
At 31 December 2012	1,201,703

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2012 £	2011 £
Profit for the financial year	1,300,757	1,090,352
Dividends paid on ordinary shares	(418,533)	(1,512,749)
Net increase in/(reduction to) shareholder's funds	882,224	(422,397)
Opening shareholder's funds	320,479	742,876
Closing shareholder's funds	1,202,703	320,479

16. ULTIMATE CONTROLLING PARTY

The company was under the control of its directors through the directors' shareholdings in TDKP Limited, the ultimate parent company

17. ULTIMATE PARENT COMPANY

The directors consider the ultimate parent company to be TDKP Limited, a company incorporated in England and Wales. The largest and smallest group in which the results of the company are consolidated is that headed by TDKP Limited, the financial statements of which may be obtained from the Registrar of Companies, Companies Registration Office, Crown Way, Maindy, Cardiff, CF4 3UZ