

REGISTERED NUMBER: 04295324 (England and Wales)

FINANCIAL STATEMENTS

FOR THE PERIOD 1 JULY 2016 TO 31 DECEMBER 2017

FOR

DATA CONTINUITY GROUP LIMITED

Wilkins Kennedy Audit Services
7/8 Eghams Court
Boston Drive
Bourne End
Buckinghamshire
SL8 5YS

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FOR THE PERIOD 1 JULY 2016 TO 31 DECEMBER 2017**

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DATA CONTINUITY GROUP LIMITED
COMPANY INFORMATION
FOR THE PERIOD 1 JULY 2016 TO 31 DECEMBER 2017

DIRECTORS: B Raynes
Ms J S Hall

SECRETARY: Speafi Secretarial Limited

REGISTERED OFFICE: 1 London Street
Reading
Berkshire
RG1 4QW

BUSINESS ADDRESS: Bridge House
1 Brants Bridge
Bracknell
Berkshire
RG12 9BG

REGISTERED NUMBER: 04295324 (England and Wales)

AUDITORS: Wilkins Kennedy Audit Services
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ABRIDGED BALANCE SHEET
31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Tangible assets	5		167,779		293,069
CURRENT ASSETS					
Debtors	6	724,546		1,713,512	
Cash at bank		<u>377,328</u>		<u>48,480</u>	
		1,101,874		1,761,992	
CREDITORS					
Amounts falling due within one year		<u>1,092,812</u>		<u>1,196,327</u>	
NET CURRENT ASSETS			<u>9,062</u>		<u>565,665</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			176,841		858,734
CREDITORS					
Amounts falling due after more than one year			-		(2,632,787)
PROVISIONS FOR LIABILITIES			<u>(11,510)</u>		<u>(12,720)</u>
NET ASSETS/(LIABILITIES)			<u>165,331</u>		<u>(1,786,773)</u>
CAPITAL AND RESERVES					
Called up share capital	8		2,383		2,383
Share premium			1,135,799		1,135,799
Capital redemption reserve			144,000		144,000
Retained earnings			<u>(1,116,851)</u>		<u>(3,068,955)</u>
			<u>165,331</u>		<u>(1,786,773)</u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

All the members have consented to the preparation of an abridged Balance Sheet for the period ended 31 December 2017 in accordance with Section 444(2A) of the Companies Act 2006.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 26 September 2018 and were signed on its behalf by:

B Raynes - Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2016 TO 31 DECEMBER 2017

1. STATUTORY INFORMATION

Data Continuity Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

The accounting period has been extended from 30 June 2017 to 31 December 2017 therefore the accounts have been prepared for the 18 month period ending 31 December 2017.

Going concern

Since the year end a decision has been taken to transfer the company's business and assets and liabilities to a fellow group company, On Direct Business Services Limited, during 2018.

Accordingly, the Directors consider that it is not appropriate for the company to adopt the going concern basis of preparation for these financial statements. The business and assets and liabilities will be transferred at book values and no adjustment to the carrying value of assets and liabilities at 31 December 2017 is required.

The Directors regard the business carried on by the company, and subsequently to be carried on by On Direct Business Services Limited following the transfer, to be a going concern. Having reviewed the businesses trading forecasts and projections and making appropriate enquiries, the Directors believe the businesses have adequate financial facilities and resources to continue in operational existence for the foreseeable future.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JULY 2016 TO 31 DECEMBER 2017

3. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the company's accounting policies:

Determine whether leases entered into by the company either as a lessor or lessee are operating or finance leases. These decisions depend on whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Key accounting estimates and assumptions

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Provision is made for dilapidations which requires management best estimate of the costs that will be incurred based on legislative and contractual requirements.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Turnover relating to installation is recognised on completion of the work. Revenue arising from rentals and maintenance is recognised in the period in which it is earned. Product sales are recognised at the point of delivery.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Leasehold land and buildings	- over the life of the lease
Fixtures, fittings, tools and equipment	- Straight line over 3 years
Computer equipment	- Straight line over 3 years

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other operating income or losses in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JULY 2016 TO 31 DECEMBER 2017

3. ACCOUNTING POLICIES - continued

Financial instruments

The company uses certain financial instruments in its normal operating and investing activities, which are deemed appropriate to its circumstances, such as trade receivables and trade payables, cash at bank deposits and bank overdrafts, loans and equity shares. Financial assets and liabilities are recognised on the company's statements of financial position (balance sheets) when the company has become a party to the contractual provisions of the instrument.

Cash and cash equivalents comprise cash on hand and on demand deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Financial assets

Trade debtors, loans and other receivables that have fixed or determinable payments are classified as 'Loans and receivables' and are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short term receivables when the recognition of interest would be immaterial.

Financial assets are assessed for impairment at each balance sheet date and any impairment recognised in the profit or loss for the year in the statement of comprehensive income. Trade debtors are assessed for collectability and where appropriate the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account and changes in the carrying amount of the allowance account are recognised in the profit or loss for the year in the statement of comprehensive income.

Debt and equity instruments issued by the company

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities

Financial liabilities such as trade creditors and loans are classified as 'Other financial liabilities' and are measured initially at fair value. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, except for short term payables when the recognition of interest would be immaterial.

Other financial instruments

Other financial instruments not meeting the definition of basic financial instruments are recognised initially at fair value. Subsequent to initial recognition, other financial instruments are measured at fair value with changes recognised in profit or loss.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JULY 2016 TO 31 DECEMBER 2017

3. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Leased assets - Lessee

Where assets are financed by leasing arrangements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life or the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight line basis over the term of the lease.

Where the company has a legal obligation, a dilapidations provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Comparative period

The accounting period was extended to an 18 month period to 31 December 2017 in order that the year end corresponds with that of its new parent company. Accordingly, the comparative figures for the year ended 30 June 2016 are not strictly comparable.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the period was 24 (2016 - 30) .

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JULY 2016 TO 31 DECEMBER 2017

5. TANGIBLE FIXED ASSETS

	Totals £
COST	
At 1 July 2016	1,991,733
Additions	104,826
Disposals	(16,966)
At 31 December 2017	<u>2,079,593</u>
DEPRECIATION	
At 1 July 2016	1,698,664
Charge for period	225,753
Eliminated on disposal	(12,603)
At 31 December 2017	<u>1,911,814</u>
NET BOOK VALUE	
At 31 December 2017	<u>167,779</u>
At 30 June 2016	<u>293,069</u>

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

	2017 £	2016 £
Other debtors	<u>-</u>	<u>36,613</u>

7. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts 2017 £	2016 £
Net obligations repayable:		
Within one year	73,400	72,168
Between one and five years	<u>-</u>	<u>103,358</u>
	<u>73,400</u>	<u>175,526</u>
	Non-cancellable operating leases	
	2017 £	2016 £
Within one year	74,459	74,459
Between one and five years	297,836	297,836
In more than five years	<u>-</u>	<u>117,893</u>
	<u>372,295</u>	<u>490,188</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JULY 2016 TO 31 DECEMBER 2017

8. CALLED UP SHARE CAPITAL

Allotted, called up and fully paid	31 December 2017 Number	30 June 2016 Number	31 December 2017 £	30 June 2016 £
Ordinary shares of £0.01 each	238,293	111,592	2,393	1,116
A Ordinary shares of £0.01 each	0	50,428	0	504
AA Ordinary shares of £0.01 each	0	46,864	0	469
Preferred ordinary shares of £0.01 each	0	29,409	0	294
	<u>238,293</u>	<u>238,293</u>	<u>2,383</u>	<u>2,383</u>

All shares are entitled to one vote and dividends and return of capital are payable and distributed amongst the holders of equity shares pari passu.

On 18 January 2017 all existing shares were redesigned as Ordinary shares of £0.01 each.

9. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Tim Collerton (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy Audit Services

10. CONTINGENT LIABILITIES

A contingent liability existed at the year end as a result of a customer claim for compensation. An offer has been made to the customer post year end to pay out £10,000 cash or £20,000 of services to settle the issues. No response has yet been received.

11. POST BALANCE SHEET EVENTS

As described in note 3 to the financial statements, since the year end a decision has been taken to transfer the company's business and assets and liabilities to a fellow group company during 2018.

12. ULTIMATE CONTROLLING PARTY

The company's immediate parent company is alwaysOn Group Limited a company incorporated in England & Wales.

The company's ultimate parent company is OnDirect Group Limited a company incorporated in England and Wales.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.