

## 2I SYSTEMS AND SERVICES LIMITED



### Directors' Report And Financial Statements For the year ended 31 December 2011

# 2I SYSTEMS AND SERVICES LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	M Hook G Rowe N D Rowe
<b>Secretary</b>	Temple Secretarial Limited
<b>Company number</b>	04382849
<b>Registered office</b>	16 Old Bailey London EC4M 7EG
<b>Auditors</b>	Kingston Smith LLP Orbital House 20 Eastern Road Romford Essex RM1 3PJ

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# 2I SYSTEMS AND SERVICES LIMITED

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# 2I SYSTEMS AND SERVICES LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

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The directors present their report and financial statements for the year ended 31 December 2011

### Principal activities

The principal activity of the company continued to be that of IT management and support services

### Directors

The following directors have held office since 1 January 2011

M Hook

G Rowe

M Atkinson

(Resigned 10 August 2011)

N D Rowe

### Auditors

The auditors, Kingston Smith LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006

### 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 judgements and accounting estimates that are reasonable and prudent,
- 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

## 2I SYSTEMS AND SERVICES LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

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#### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



N D Rowe

Director

25 September 2012

# 2I SYSTEMS AND SERVICES LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 2I SYSTEMS AND SERVICES LIMITED

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We have audited the financial statements of 2i Systems and Services Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet 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).

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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditors' report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party 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 auditors**

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 Directors' Report to identify material inconsistencies with the audited financial statements. 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 2011 and of its loss 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.

## 2I SYSTEMS AND SERVICES LIMITED

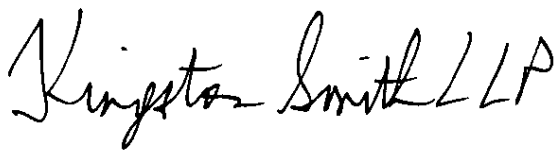
### INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF 2I SYSTEMS AND SERVICES LIMITED

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#### **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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report



**Brian Pope (Senior Statutory Auditor)**  
for and on behalf of Kingston Smith LLP

**Chartered Accountants**  
**Statutory Auditor**



Orbital House  
20 Eastern Road  
Romford  
Essex  
RM1 3PJ

## 2I SYSTEMS AND SERVICES LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Turnover		118,632	125,547
Cost of sales		(89,200)	(87,013)
<b>Gross profit</b>		<b>29,432</b>	<b>38,534</b>
Administrative expenses		(41,284)	(34,062)
<b>(Loss)/profit on ordinary activities before taxation</b>	<b>2</b>	<b>(11,852)</b>	<b>4,472</b>
Tax on (loss)/profit on ordinary activities	<b>3</b>	(523)	(3,196)
<b>(Loss)/profit for the year</b>	<b>10</b>	<b>(12,375)</b>	<b>1,276</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account



# 2I SYSTEMS AND SERVICES LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2011

	Notes	2011 £	£	2010 £	£
<b>Fixed assets</b>					
Investments	5		50		50
<b>Current assets</b>					
Debtors	6	7,336		25,518	
Cash at bank and in hand		361,561		327,574	
		<u>368,897</u>		<u>353,092</u>	
<b>Creditors amounts falling due within one year</b>	7	<u>(160,524)</u>		<u>(132,344)</u>	
<b>Net current assets</b>			208,373		220,748
<b>Total assets less current liabilities</b>			<u>208,423</u>		<u>220,798</u>
			<u>208,423</u>		<u>220,798</u>
<b>Capital and reserves</b>					
Called up share capital	9		400		400
Profit and loss account	10		208,023		220,398
<b>Shareholders' funds</b>	11		<u>208,423</u>		<u>220,798</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006

Approved by the Board and authorised for issue on 25 September 2012



M Hook  
Director

Company Registration No. 04382849

# 2I SYSTEMS AND SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost conventions

The company has taken advantage of the exemption within Financial Reporting Standard 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90% or more of the voting rights are controlled within the group and consolidated accounts are available

The company has taken advantage of the exemption within the Financial Reporting Standard 8 not to disclose related party transactions with the parent company as it is a wholly owned subsidiary

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

#### 1.4 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 less estimated residual value of each asset over its expected useful life, as follows

Computer equipment	33% straight line
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#### 1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value

#### 1.6 Deferred taxation

In accordance with FRS 19, deferred tax is recognised as a liability or asset if transactions or events that give the company the obligation to pay more tax in future or a right to pay less tax in future have occurred by the balance sheet date

#### 1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

2 Operating (loss)/profit	2011	2010
	£	£
Operating (loss)/profit is stated after charging		
Loss on foreign exchange transactions	-	278
Auditors' remuneration (including expenses and benefits in kind)	5,750	3,420

## 2I SYSTEMS AND SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

<b>3 Taxation</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Domestic current year tax</b>		
U K corporation tax	-	2,684
Adjustment for prior years	-	(67)
	<hr/>	<hr/>
<b>Total current tax</b>	-	2,617
<b>Deferred tax</b>		
Deferred tax charge current year	523	579
	<hr/>	<hr/>
	523	3,196
	<hr/>	<hr/>
<b>Factors affecting the tax charge for the year</b>		
(Loss)/profit on ordinary activities before taxation	(11,852)	4,472
	<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2010 - 21.00%)	(2,370)	939
	<hr/>	<hr/>
Effects of		
Exceptional item - Bad debt provision	-	2,231
Capital allowances	(516)	(486)
Losses where group claimed	2,886	-
Adjustments to previous periods	-	(67)
	<hr/>	<hr/>
	2,370	1,678
	<hr/>	<hr/>
<b>Current tax charge for the year</b>	-	2,617
	<hr/>	<hr/>

## 2I SYSTEMS AND SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

#### 4 Tangible fixed assets

	Plant and machinery etc
	£
<b>Cost</b>	
At 1 January 2011	12,381
Disposals	(12,381)
	<hr/>
At 31 December 2011	-
	<hr/>
<b>Depreciation</b>	
At 1 January 2011	12,381
On disposals	(12,381)
	<hr/>
At 31 December 2011	-
	<hr/>
<b>Net book value</b>	
At 31 December 2011	-
	<hr/>
At 31 December 2010	-
	<hr/>

## 2I SYSTEMS AND SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

#### 5 Fixed asset investments

	Shares in group undertakings and participating interests £
<b>Cost</b>	
At 1 January 2011 & at 31 December 2011	50
<b>Net book value</b>	
At 31 December 2011	50
At 31 December 2010	50

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
<b>Subsidiary undertakings</b>			
2Can Services Limited	England & Wales	Ordinary	50.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2011 £	Profit/(loss) for the year 2011 £
	<b>Principal activity</b>		
2Can Services Limited	IT support and services	(4,682)	(6,683)

## 2I SYSTEMS AND SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

<b>6 Debtors</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Trade debtors	6,009	11,956
Amounts owed by group undertakings and undertakings in which the company has a participating interest	-	10,400
Other debtors	-	1,312
Deferred tax asset (see note 8)	1,327	1,850
	<u>7,336</u>	<u>25,518</u>

<b>7 Creditors: amounts falling due within one year</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Trade creditors	404	881
Amounts owed to group undertakings and undertakings in which the company has a participating interest	149,789	117,375
Taxation and social security	4,581	7,338
Other creditors	5,750	6,750
	<u>160,524</u>	<u>132,344</u>

### 8 Provisions for liabilities

The deferred tax asset (included in debtors, note 6) is made up as follows

	<b>2011</b>
	<b>£</b>
Balance at 1 January 2011	(1,850)
Profit and loss account	523
	<u>(1,327)</u>
Balance at 31 December 2011	<u>(1,327)</u>

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Decelerated capital allowances	<u>(1,327)</u>	<u>(1,850)</u>

## 2I SYSTEMS AND SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

9	Share capital	2011 £	2010 £
	<b>Allotted, called up and fully paid</b>		
	400 Ordinary of £1 each	400	400

#### 10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2011	220,398
Loss for the year	(12,375)
Balance at 31 December 2011	208,023

11	Reconciliation of movements in shareholders' funds	2011 £	2010 £
	(Loss)/Profit for the financial year	(12,375)	1,276
	Opening shareholders' funds	220,798	219,522
	Closing shareholders' funds	208,423	220,798

#### 12 Control

Line Management Group Limited is considered the immediate controlling party of the company due to its 100% shareholding. The ultimate parent is considered to be LMGH Limited due to its 100% shareholding in Line Management Group Limited. The directors consider there to be no ultimate controlling party.

Line Management Group Limited, a company registered in England and Wales, prepares group accounts, copies of which can be obtained from Unit 6, Dolphin Point, Dolphin Way, West Thurrock, Essex.

#### 13 Related party relationships and transactions

At the balance sheet date the company was owed £16,562 (2010: £10,400) from 2Can Services Limited, which is a joint venture arrangement. During the year the company provided consultancy services to 2Can Services Limited in respect of works carried out for clients at a cost to 2Can Services Limited of £10,288 (2010: £35,840).