
Company Registration No. 4492919

OMNETICA HOLDING LIMITED

Annual Report and Financial Statements

for the year ended 31 March 2011



OMNETICA HOLDING LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
MARCH 2011**

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OMNETICA HOLDING LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P Simpson
W Halbert

COMPANY SECRETARY

K Smith

REGISTERED OFFICE

37 Carr Lane
Hull
HU1 3RE

BANKERS

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

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Benson House
33 Wellington Street
Leeds
LS1 4JP

OMNETICA HOLDING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2011

The directors present their annual report and the audited financial statements of the company for the year ended 31 March 2011. This report has been presented in accordance with the special provisions relating to small companies within Section 415A of the Companies Act 2006.

PRINCIPAL ACTIVITY

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

RESULTS AND DIVIDENDS

The company has made a loss of £173,942,000 (2010: £Nil). The directors recommend the payment of a final dividend of £Nil (2010: £Nil).

REVIEW OF THE BUSINESS

As part of the Group-wide re-organisation implemented during the year, the Company went through a significant transformation in the year. On 4 November 2010, the directors passed a number of resolutions to remove all of the balances in the company except for £1 of share capital. This included a waiver of all intercompany receivables with the company and an agreement with the directors of Affinity Integrated Solutions Limited, a fellow subsidiary, to waive an intercompany debt owed by the company. Finally, the directors agreed to reduce the share capital of the company to £1. The company will remain dormant henceforth.

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 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,
- 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.

DISCLOSURE OF INFORMATION TO AUDITORS

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

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment and authorising the directors to fix their remuneration will be proposed at the Annual General Meeting.

By the order of the board



K Smith
Company Secretary
(4 October 2011)

OMNETICA HOLDING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OMNETICA HOLDING LIMITED

We have audited the financial statements of Omnetica Holding Limited for the year ended 31 March 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 2 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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. 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 March 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.

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 take advantage of the small companies' exemption in preparing the Directors' report.



Steve Denison (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

14 October 2011

OMNETICA HOLDING LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2011

	Note	2011 £	2010 £
Operating income	4	7	-
OPERATING PROFIT		7	
Waiver of long term debt due from and to group undertakings	3, 4, 5	(173,949)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(173,942)	-
Tax on loss on ordinary activities	2	-	-
LOSS FOR THE FINANCIAL YEAR	7	(173,942)	-

The above results are all derived from continuing operations

There are no material differences between the loss on ordinary activities before taxation and the loss for the financial years stated above and their historical cost equivalents

The company has no recognised gains or losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

OMNETICA HOLDING LIMITED

BALANCE SHEET As at 31 March 2011

	Note	2011 £'000	2010 £'000
CURRENT ASSETS			
Debtors amounts falling due after more than one year	3	-	176,820
CREDITORS: amounts falling due within one year	4	-	(533)
NET CURRENT ASSETS		-	176,287
CREDITORS: amounts falling due after more than one year	5	-	(2,345)
NET ASSETS		-	173,942
CAPITAL AND RESERVES			
Called-up share capital	6	-	-
Share premium account	7	-	53,886
Profit and loss account	7	-	120,056
TOTAL SHAREHOLDERS' FUNDS	7	-	173,942

These financial statements on pages 4 to 8 were approved by the directors on 14 October 2011



P Simpson
Director

Omnetica Holding Limited

Company Registration No. 4492919

OMNETICA HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

1. ACCOUNTING POLICIES

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

Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Cashflow and related party disclosures

As at 31 March 2011, the company was a subsidiary undertaking where 100% of the voting rights were controlled within the KCOM Group PLC and was included in the consolidated financial statements of that group, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1. The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the KCOM Group PLC or investees of that group.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially 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 when, 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.

2. TAX ON LOSS ON ORDINARY ACTIVITIES

a) The tax charge comprises

	2011 £'000	2010 £'000
Current tax		
Tax on loss on ordinary activities	-	-

b) The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows

	2011 £'000	2010 £'000
Loss on ordinary activities before tax	(173,942)	-
Tax on loss on ordinary activities at standard UK corporation tax rate of 28% (2010: 28%)	(48,704)	-
Effects of		
Non-taxable intercompany debt waivers	48,704	-
Current tax charge for period	-	-

OMNETICA HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

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

	2011 £'000	2010 £'000
Amounts due from group undertakings	-	176,820

In the year ended 31 March 2010, the amounts due from group undertakings related to an amount owed by Affiniti Integrated Solutions Limited of £169,000,000 for an intercompany loan and an accrued interest element of £7,820,000. As part of the Group-wide re-organisation in the year, the balance was written off on 4 November 2010.

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £'000	2010 £'000
Amounts owed to group undertakings	-	526
Other creditors	-	7
	-	533

As part of the Group-wide re-organisation in the year, the £526,000 owed to Affiniti Integrated Solutions Limited was written off on 4 November 2010. The remaining other creditors amount was released to the profit and loss account in the year.

5. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011 £'000	2010 £'000
Amounts owed to group undertakings	-	2,345

As part of the Group-wide re-organisation in the year, the balance with Affiniti Integrated Solutions Limited was written off on 4 November 2010.

6. CALLED UP SHARE CAPITAL

	2011 £'000	2010 £'000
Authorised		
200 ordinary shares of 0.5p each (2010: 19,999,980,000 ordinary shares of 0.5p each)	-	100,000
Nil 'A' shares of ½p each (2010: 4,400 'A' shares of ½p each)	-	-
Nil 'B' shares of ½p each (2010: 7,800 'B' shares of ½p each)	-	-
Nil 'C' shares of ½p each (2010: 7,800 'C' shares of ½p each)	-	-
	-	100,000
Allotted, called up and fully paid		
200 ordinary shares of 0.5p each (2010: 80,000 ordinary shares of 0.5p each)	-	-
Nil 'A' shares of ½p each (2010: 1,404 'A' shares of ½p each)	-	-
Nil 'B' shares of ½p each (2010: 2,606 'B' shares of ½p each)	-	-
Nil 'C' shares of ½p each (2010: 7,800 'C' shares of ½p each)	-	-
	-	-

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

7. RECONCILIATION OF MOVEMENTS IN TOTAL SHAREHOLDERS' FUNDS AND MOVEMENTS IN RESERVES

	Share Capital £000	Share Premium account £000	Profit and loss account £000	Total Equity Shareholders' funds £000
As at 1 April 2009 and 1 April 2010	-	53,886	120,056	173,942
Loss for the financial year	-	-	(173,942)	(173,942)
Share capital and share premium reduction	-	(53,886)	53,886	-
As at 31 March 2011	-	-	-	-

During the year ended 31 March 2011, as part of the Group-wide re-organisation programme, the director's cancelled and extinguished £427 of share capital and the entire share premium account (£53,885,883) of the company for £Nil consideration. This left £1 of share capital in the company.

8. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company's immediate parent undertaking is Network Holdco 3 BV. Copies of Network Holdco 3 BV's financial statements can be obtained from 37 Carr Lane, Hull, HU1 3RE.

The parent undertaking of the only group of undertakings for which group financial statements are drawn up and of which the company is a member is KCOM Group PLC, registered in England and Wales. KCOM Group PLC is also the company's ultimate controlling party. Copies of KCOM Group PLC's financial statements can be obtained from 37 Carr Lane, Hull, HU1 3RE.