

## **CIX Holdings Limited**

Annual Report and Financial statements

Registered number 04781727

For the year ended 31 December 2008

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# **CIX Holdings Limited**

## **Annual report and financial statements for the year ended 31 December 2008**

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### **Directors**

P Dubens  
D Till

### **Secretary and registered office**

R Wotherspoon  
5 Roundwood Avenue, Stockley Park, Uxbridge, UB11 1FF

### **Company number**

04781727

### **Auditors**

BDO Stoy Hayward LLP, 55 Baker Street, London W1U 7EU

# CIX Holdings Limited

## Report of the directors for the year ended 31 December 2008

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The directors present their annual report and financial statements of CIX Holdings Limited ("the company") for the year ended 31 December 2008.

### Principal activity

The company acts as an intermediate holding company.

### Business review

On 31 March 2008 the company issued 1,000,000 ordinary shares at nominal value of £1,000,000 for cash consideration. The company subscribed for 6,489,965 ordinary shares in its subsidiary, Compulink Information Exchange Limited, for consideration of £6,489,965, consisting of £1,000,000 cash and £5,489,965 in full settlement of a balance due from the subsidiary. The balance due from the subsidiary had previously been partially provided against and the company made a gain of £5,231,450 as a result of the full settlement. The company has subsequently recorded an impairment of £5,871,652 to reduce the carrying value of the investment to the net assets of the subsidiary at year end.

On 2 April 2008, Freedom4 Group plc (formerly Freedom4 Communications plc, formerly Pipex Communications plc), the ultimate parent company prior to 2 April 2008, sold the company to Host Europe WVS Limited. The ultimate parent company after the sale was Host Europe Corporation Ltd.

### Key performance indicator

The company has one financial KPI which it monitors on a regular basis:

	Year ended 31 December 2008	Year ended 31 December 2007
Carrying value of investment in subsidiary	£618,314	£1

### Future developments

The company has no plans to start any trading activities.

### Financial risk management objectives and policies

The company's only significant risk is the recoverability of its loan balance due from another group company. The company monitors this on a regular basis.

### Results and dividend

The profit and loss account is set out on page 5. The directors do not recommend the payment of a dividend (2007: £nil).

### Directors

The directors who held office during the year and since the year end are as follows:

P Dubens	
S Porter	(resigned 31 December 2008)
M Read	(resigned 28 March 2008)
D Till	(appointed 31 December 2008)

# CIX Holdings Limited

## Report of the directors *(continued)* for the year ended 31 December 2008

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### Directors' Responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial period which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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; 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Auditors

KPMG Audit Plc resigned as auditors of the company during the year and BDO Stoy Hayward LLP were appointed as auditors of the company by the directors. BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board



**R Wotherspoon**  
Secretary

18 June 2009

# **CIX Holdings Limited**

## **Report of the independent auditors**

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### **To the shareholders of CIX Holdings Limited**

We have audited the financial statements (the "financial statements") of CIX Holdings Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

#### *Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *Basis of audit opinion*

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# CIX Holdings Limited

## Report of the independent auditors (*continued*)

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### *Opinion*

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

*BDO Stoy Hayward LLP*

BDO STOY HAYWARD LLP  
Chartered Accountants  
and Registered Auditors  
London

18 June 2009

# CIX Holdings Limited

## Profit and loss account for the year ended 31 December 2008

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	<i>Note</i>	2008 £	2007 £
Exceptional items	2	(640,202)	-
Loss on ordinary activities before taxation	3	(640,202)	-
Taxation on profit on ordinary activities	6	-	-
Loss on ordinary activities after taxation	10	(640,202)	-

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All recognised gains or losses in both years are included in the profit and loss account.

The above results relate to continuing operations.

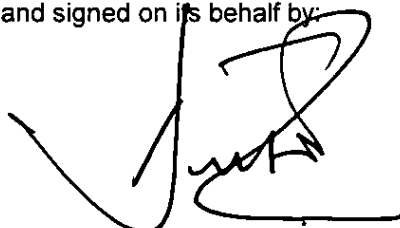
The notes on pages 7 to 11 form part of the financial statements.

# CIX Holdings Limited

## Balance sheet at 31 December 2008

	Note	2008 £	2007 £
<b>Fixed Assets</b>			
Investments	7	618,314	1
<b>Creditors: amounts falling due within one year</b>	8	(258,515)	-
<b>Net assets</b>		<u>359,799</u>	<u>1</u>
<b>Capital and reserves</b>			
Called up share capital	9	1,000,001	1
Profit and loss account	10	(640,202)	-
<b>Equity shareholders' funds</b>	11	<u>359,799</u>	<u>1</u>

These financial statements were approved and authorised for issue by the Board of Directors on 18 June 2009 and signed on its behalf by:



**D Till**  
Director

The notes on pages 7 to 11 form part of the financial statements.



# CIX Holdings Limited

## Notes forming part of the financial statements for the year ended 31 December 2008

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

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

#### *Cash flow statement*

Under Financial Reporting Standard 1: 'Cash Flow Statements', the company is exempt from the requirement to prepare a cash flow statement on the grounds that its ultimate parent undertaking includes the company in its own published consolidated financial statements.

#### *Consolidation*

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements, as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its ultimate parent. These financial statements present information about the company as an individual undertaking and not about its group.

#### *Investments*

Investments in subsidiary undertakings are recorded at cost less any impairment. Impairment charges are recorded if events, or changes in circumstances, indicate that the carrying value may not be recoverable.

### 2 Exceptional items

	2008 £	2007 £
Release of provisions against balances with other group companies	5,231,450	-
Impairment of investment in subsidiary undertaking	(5,871,652)	-
	<u>(640,202)</u>	<u>-</u>

The release of provisions of against balances with other group companies followed settlement of the balance in full by the issue of shares of nominal value equal to the full balance.

The carrying value of the investment was subsequently impaired to ensure that the carrying value did not exceed the net assets of the subsidiary.

### 3 Operating profit

In 2008 the auditors' remuneration was borne by another group company. In 2007 there was no audit requirement.

### 4 Employees

In 2008 the company had no employees (2007: nil).

# CIX Holdings Limited

## Notes forming part of the financial statements *(continued)* for the year ended 31 December 2008

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### 5 Directors

None of the directors received any remuneration for their services to the company.

### 6 Taxation

#### *(a) Analysis of tax charge for the year*

There was no tax charge in the year (2007: £nil).

#### *(b) Factors affecting tax charge for the year*

The tax charge for the year is greater than the standard rate of corporation tax in the UK. The differences are explained below:

	2008 £	2007 £
Loss on ordinary activities before tax	(640,202)	-
Loss on ordinary activities at the standard rate of corporation tax in the UK of 28.5% (2007: 30%)	(182,458)	-
Effects of:		
Expenses not deductible for tax purposes	1,673,421	-
Income not taxable	(1,490,963)	-
Current tax charge for year	-	-

# CIX Holdings Limited

Notes forming part of the financial statements *(continued)*  
for the year ended 31 December 2008

## 7 Investments

	Shares in subsidiary £
<i>Cost</i>	
At 1 January 2008	1
Additions	6,489,965
<b>At 31 December 2008</b>	<b>6,489,966</b>
<i>Impairments</i>	
At 1 January 2008	-
Charge for the year	5,871,652
<b>At 31 December 2008</b>	<b>5,871,652</b>
<i>Net book value</i>	
<b>At 31 December 2008</b>	<b>618,314</b>
At 1 January 2008	1

On 31 March 2008, the company subscribed for 6,489,965 ordinary shares in Compulink Information Exchange Limited for consideration of £6,489,965, comprising cash of £1,000,000 and the settlement of balances due from Compulink Information Exchange Limited of £5,489,965.

The company holds 100% of the share capital of Compulink Information Exchange Limited consisting of 9,863,919 Ordinary shares of £1 each. Compulink Information Exchange Limited is incorporated in England and Wales and its principal activity is telecommunications.

## 8 Creditors: amounts falling due within one year

	2008 £	2007 £
Amounts owed to group undertakings	258,515	-

# CIX Holdings Limited

## Notes forming part of the financial statements *(continued)* for the year ended 31 December 2008

### 9 Called up share capital

	2008 Number	2007 Number	2008 £	2007 £
<b>Authorised</b>				
Ordinary shares of £1 each	1,001,000	1	1,001,000	1
<b>Allotted, called up and fully paid</b>				
Ordinary shares of £1 each	1,000,001	1	1,000,001	1

On 31 March 2008, the company issued 1,000,000 ordinary shares at nominal value for consideration of £1,000,000 cash.

### 10 Profit and loss account

	£
At 1 January 2008	-
Loss for the year	(640,202)
At 31 December 2008	(640,202)

### 11 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
At 1 January	1	1
Issue of shares	1,000,000	-
At 31 December	1,000,001	1

### 12 Related Party Transactions

The company has taken advantage of the exemption under FRS8 "Related Party Transactions" not to disclose transactions with members of the group headed by Host Europe Corporation Limited on the grounds that at least 90% of the voting rights in the company are controlled within the group and the company is included in consolidated financial statements.

# **CIX Holdings Limited**

## **Notes forming part of the financial statements *(continued)* for the year ended 31 December 2008**

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### **13 Immediate and ultimate parent company and controlling party**

The immediate parent company until 2 April 2008 was Freedom4 Group plc. From 2 April 2008 to 9 June 2009 the immediate parent company was Host Europe WVS Ltd. On 9 June 2009 the immediate parent company became Vialtus Solutions Limited.

Until 2 April 2008, the ultimate parent company and controlling party was Freedom4 Group plc, which was the parent undertaking of the smallest and largest group to consolidate these financial statements. From this date the ultimate parent company has been Host Europe Corporation Limited, which is the parent company of the largest group to consolidate these financial statements. The smallest group to consolidate these financial statements is Host Europe Holdings Limited, an intermediate holding company in the Host Europe Corporation Limited group. The consolidated financial statements of both these groups can be obtained from Companies House.

The ultimate controlling party is Oakley Capital Private Equity LP, which holds the majority of the shares in the company's ultimate parent company.