

# Aston Bidco Limited

## Report and Financial Statements

31 March 2017

Registered No. 09091934

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COMPANIES HOUSE

**Directors**

C Nellemann

N Conaghan

**Secretary**

P Koullas

**Auditors**

Ernst & Young LLP

1 More London Place

London SE1 2AF

**Bankers**

Lloyds Bank Plc

City Office

PO Box 72

Bailey Drive

Gillingham Business Park

Gillingham

Kent

ME8 0LS

**Solicitors**

Squire Patton Boggs (UK) LLP

6 Wellington Place

Leeds

LS1 4AP

**Registered Office**

First Floor Millbank Tower

21-24 Millbank

London SW1P 4QP

Registered No. 09091934

## Strategic report

The Directors present their Strategic Report for the year ended 31 March 2017.

### Principal activity

The Company's principal activity during the year was that of an intermediate holding company in the Aston (XLN) Topco Limited group ("the Group") which is engaged in the provision of telecommunication, broadband, mobile, credit card processing and energy services to the SME market in the United Kingdom. The Company also holds and manages the Group's secured debt, as detailed in note 12.

### Business review

The loss for the year after taxation amounted to £9,373,778 (2016: loss of £9,807,951). The Company operated as a holding company during the year and incurred an interest expense on the secured loan outstanding in the year. The main driver of the reduction in the interest charge is the repayment of £5,500,000 of secured debt on 30 June 2016.

The Company's key performance indicators are as follows:

	2017	2016	Change
Interest payable and similar charges (£)	(10,390,952)	(10,928,493)	(4.9%)
Year-end secured debt nominal amount balance (£)	109,500,000	115,000,000	(4.8%)

The Company considers interest payable and other similar charges and secured debt balances as key performance indicators and reviews them on a monthly basis in order to determine appropriate debt reduction strategies.

### Principal risks and uncertainties

As a parent undertaking the principal risk relates to reliance on its profitable subsidiaries and on the recoverability of the carrying value of its investments. The subsidiaries manage this risk by providing a strong core product together with a range of value added services to its customers and by providing excellent customer service.

The primary business risks currently facing the Company's subsidiaries are:

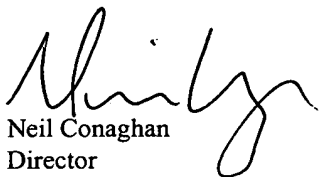
- Changes to the regulatory environment
- Reduction in the use of fixed line telephone services as a result of changes in technology
- Competitive risks

The Directors believe that these factors are unlikely to have a material adverse effect on the Company's subsidiaries for the foreseeable future.

### Cash flow risk

Interest-bearing liabilities are reviewed regularly to assess the impact of interest rate fluctuations on cash flow and the need to hedge.

On behalf of the Board



Neil Conaghan  
Director

29 June 2017

## Directors' report

The Directors present their Report and Financial Statements for the year ended 31 March 2017.

### Dividends

The Directors do not recommend a final dividend for the year (2016: £nil).

### Going concern

As a parent undertaking, in considering going concern, the Directors have considered the business activities and financial resources of its trading subsidiaries. Together the subsidiaries have positive EBITDA, have significant assets and are cash generative and as such dividends are expected in the future.

Although the Company does have substantial secured loan liabilities and negative equity, the loan is not repayable until September 2021. The Company is dependent on continuing finance being made available by the group companies to enable it to continue operating and to meet its debts as they fall due. The Company will be able to settle loan interest through cash generated by the subsidiaries from trading. Interest will be paid through the repayment of intercompany debt. The Company will consider refinancing the secured debt in due course.

Given the above, the Company is considered to have adequate resources to continue in operational existence for the foreseeable future. Thus, the going concern principle has been adopted in preparing the financial statements.

### Future developments

The Directors expect the business to continue to be a holding company in the future and do not anticipate any strategic change.

### Directors

The Directors who served the Company during the year were as follows:

C Nellemann

N Conaghan

### Disclosure of information to the auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that he is obliged to take as a Director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board

  
Neil Conaghan

Director

29 June 2017

## Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable UK 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 for that period.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies, and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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 Aston Bidco Limited**

We have audited the financial statements of Aston Bidco Limited for the year ended 31 March 2017 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, and the related notes 1 to 15. 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), including FRS 101 "Reduced Disclosure Framework".

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 set out on page 4, 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 Report and Financial Statements 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 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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## Independent auditor's report (continued)

to the members of Aston Bidco Limited

### Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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.



Neil Cullum (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
29 June 2017

## Statement of comprehensive income

for the year ended 31 March 2017

	2017	2016
Notes	£	£
Administrative expenses	(479,422)	(490,115)
<b>Operating loss</b>	3 (479,422)	(490,115)
Interest receivable and similar income	-	1,307
Interest payable and similar charges	6 (10,390,952)	(10,928,493)
<b>Loss on ordinary activities before taxation</b>	(10,870,374)	(11,417,301)
Tax credit	7 1,496,596	1,609,350
<b>Loss for the year being total comprehensive loss for the year</b>	<u>(9,373,778)</u>	<u>(9,807,951)</u>

All amounts relate to continuing activities.



## Statement of changes in equity

for the year ended 31 March 2017

	<i>Share capital</i>	<i>Retained earnings</i>	<i>Total equity</i>
	£	£	£
At 1 April 2015	100	(6,158,633)	(6,158,533)
Total comprehensive loss for the year	-	(9,807,951)	(9,807,951)
At 1 April 2016	100	(15,966,584)	(15,966,484)
Total comprehensive loss for the year	-	(9,373,778)	(9,373,778)
At 31 March 2017	* 100	(25,340,362)	(25,340,262)

### Dividends paid and proposed

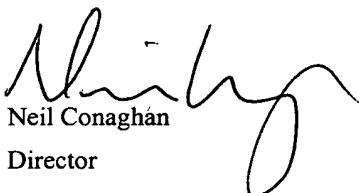
No dividends have been paid (2016: £nil) or proposed (2016: £nil) in the year ended 31 March 2017.

**Balance sheet**

at 31 March 2017

	2017	2016
<i>Notes</i>	£	£
<b>Fixed assets</b>		
Investments	8 <u>65,731,017</u>	<u>65,731,017</u>
<b>Current assets</b>		
Debtors: amounts falling due within one year	9 65,271,266	64,973,760
Cash at bank and in hand	10 <u>55,212</u>	<u>100,099</u>
	65,326,478	65,073,859
<b>Creditors: amounts falling due within one year</b>	11 <u>(49,650,069)</u>	<u>(34,936,213)</u>
<b>Net current assets</b>	<u>15,676,409</u>	<u>30,137,646</u>
<b>Total assets less current liabilities</b>	81,407,426	95,868,663
<b>Creditors: amounts falling due after more than one year</b>	12 <u>(106,747,688)</u>	<u>(111,835,147)</u>
<b>Net liabilities</b>	<u>(25,340,262)</u>	<u>(15,966,484)</u>
<b>Capital and reserves</b>		
Share capital	13 100	100
Retained earnings	<u>(25,340,362)</u>	<u>(15,966,584)</u>
<b>Total equity</b>	<u>(25,340,262)</u>	<u>(15,966,484)</u>

These financial statements of Aston Bidco Limited, registered number 09091934, were approved by the Board of Directors and authorised for issue on 29 June 2017 and signed on its behalf by: .

  
Neil Conaghan  
Director

## Notes to the financial statements

at 31 March 2017

### 1. Accounting policies

#### **Domicile**

The Company is incorporated and domiciled in England and Wales.

#### **Compliance with FRS 101**

These financial statements were prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in pounds sterling and all values are rounded to the nearest pound except when otherwise indicated.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Aston (XLN) Topco Limited.

The results of the Company are included in the consolidated financial statements of Aston (XLN) Topco Limited, which are available at First Floor Millbank Tower, 21-24 Millbank, London SW1P 4QP.

#### **Basis of preparation**

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) the requirements of IFRS 7 *Financial Instruments: Disclosures*;
- b) the requirements of IAS 7 *Statement of Cash Flows*;
- c) the requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
- d) the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*;
- e) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- f) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 *Impairment of Assets*;
- g) the requirements of paragraphs 17 and 18(a) of IAS 24 *Related Party Disclosures*;
- h) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 *Presentation of Financial Statements*; and
- i) the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

#### **Going concern**

As a parent undertaking, in considering going concern, the Directors have considered the business activities and financial resources of its trading subsidiaries. Together the subsidiaries have positive EBITDA, have significant assets and are cash generative and as such dividends are expected in the future.

Although the Company does have substantial secured loan liabilities and negative equity, the loan is not repayable until September 2021. The Company is dependent on continuing finance being made available by the group companies to enable it to continue operating and to meet its debts as they fall due. The Company will be able to settle loan interest through cash generated by the subsidiaries from trading. Interest will be paid through the repayment of intercompany debt. The Company will consider refinancing the secured debt in due course.

Given the above, the Company is considered to have adequate resources to continue in operational existence for the foreseeable future. Thus, the going concern principle has been adopted in preparing the financial statements.

## Notes to the financial statements (continued)

at 31 March 2017

### 1. Accounting policies (continued)

#### *Foreign currency translation*

The Company's financial statements are presented in pounds sterling, which is also the Company's functional currency.

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Exchange differences are included in the statement of comprehensive income.

#### *Investments*

Investments in subsidiaries are held at historical cost less any applicable provision for impairment.

#### *Assessment of control*

These financial statements disclose information of all entities controlled by the Company. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable return from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

There is no instance where the Company holds more than half of the voting rights in an entity, and the entity is not deemed to be controlled by the Company.

#### *Investment impairment review*

Determining whether an investment in a subsidiary is impaired requires an estimation of the fair value of the investment. The Company estimates the fair value of an investment by applying a suitable discount rate to the future cash flows that are expected to be generated by the investment. These future cash flows are inherently judgemental and future events could cause the underlying assumptions to change. If an investment is found to be impaired, the excess carrying amount is written off to the statement of comprehensive income.

#### *Financial instruments*

##### *Financial assets*

##### *Initial recognition and measurement*

Financial assets within the scope of IAS 39 are classified as loans and receivables. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus directly attributable transaction costs.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

##### *Derecognition of financial assets*

A financial asset is derecognised when (i) the rights to receive cash flows from the asset have expired or (ii) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

##### *Impairment of financial assets*

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

## Notes to the financial statements (continued)

at 31 March 2017

### 1. Accounting policies (continued)

#### *Impairment of financial assets (continued)*

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced, with the amount of the loss recognised in administrative expenses.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

#### *Financial liabilities*

##### *Initial recognition and measurement*

Financial liabilities within the scope of IAS 39 are classified as loans and borrowings. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

##### *Interest bearing loans and borrowings*

Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in interest receivable and similar income or interest payable and similar charges.

##### *Derecognition of financial liabilities*

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in the statement of comprehensive income.

##### *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

##### *Fair values*

The fair value of financial instruments is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

##### *Cash at bank and in hand*

Cash in the balance sheet comprises cash at banks and in hand.

## Notes to the financial statements (continued)

at 31 March 2017

### 1. Accounting policies (continued)

#### *Provisions for liabilities*

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material provisions are discounted.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when recovery is virtually certain.

#### *Pensions and other post-retirement benefits*

Contributions to the defined contribution scheme are recognised in the statement of comprehensive income in the period in which they become payable. The majority of contributions made are in line with the requirements for auto-enrolment pension schemes.

#### *Income taxes*

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the statement of comprehensive income.

## Notes to the financial statements (continued)

at 31 March 2017

### 2. Significant accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are continually evaluated based on historical experience and other factors, including the expectations of future events that are believed to be reasonable under the circumstances. In the future, actual results may differ from these estimates and assumptions.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

#### *Impairment review of assets*

Determining whether assets are impaired requires an estimation of the value in use of the cash-generating units to which assets has been allocated. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate a present value. These future cash flows will be based on forecasts which are inherently judgemental. Future events could cause the assumptions to change which could have an adverse effect on the future results of the Company.

#### *Recognition of deferred tax assets*

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future, against which the reversal of temporary differences can be deducted. Recognition therefore involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised. Historical differences between forecast and actual taxable profits have not resulted in material differences to the recognition of deferred tax assets.

### 3. Operating loss

Audit fees of £7,000 (2016: £7,000) have been borne by another group company.

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of its ultimate parent Aston (XLN) Topco Limited.

During the year no impairment losses (2016: £nil) or reversal of prior losses (2016: £nil) were recognised.

### 4. Directors' remuneration

	2017	2016
	£	£
Remuneration	<u>432,345</u>	<u>438,538</u>
Remuneration of the highest paid director:		
Remuneration	<u>228,998</u>	<u>230,884</u>

## Notes to the financial statements (continued)

at 31 March 2017

### 4. Directors' remuneration (continued)

The above reflects remuneration paid to the Directors by the Company. The Directors are also directors of other companies within the Group, and in their opinion it is not practicable to apportion their total remuneration between qualifying services to the Company and services to other companies in the Group.

No Director received or exercised any share options, nor received qualifying service shares under long term incentive schemes in the year (2016: £nil).

### 5. Staff costs

	2017	2016
	£	£
Salaries and wages	355,777	361,279
Pension	2,000	2,000
Social security costs	45,785	45,785
	<u>403,562</u>	<u>409,064</u>

The number of employees (including directors) during the year was made up as follows:

	No.	No.
Administration	3	3
	<u>3</u>	<u>3</u>

### 6. Interest payable and similar charges

	2017	2016
	£	£
Secured loan	9,978,411	10,378,356
Amortisation of secured loan costs	412,541	550,137
	<u>10,390,952</u>	<u>10,928,493</u>



## Notes to the financial statements (continued)

at 31 March 2017

### 7. Tax

#### (a) Tax on loss on ordinary activities

The tax credit is made up as follows:

	2017	2016
	£	£
<b>Current tax:</b>		
UK corporation tax on the loss for the year	1,318,752	1,610,273
Adjustment in respect of prior year	177,844	-
Total current tax	<u>1,496,596</u>	<u>1,610,273</u>
<b>Deferred tax:</b>		
Other	-	(923)
Total deferred tax (note 7(c))	<u>-</u>	<u>(923)</u>
Total tax credit on the statement of comprehensive income (note 7(b))	<u>1,496,596</u>	<u>1,609,350</u>

#### (b) Factors affecting tax credit for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20% (2016: 20%). The differences are explained below:

	2017	2016
	£	£
Loss on ordinary activities before taxation	<u>(10,870,374)</u>	<u>(11,417,301)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016: 20%).	2,174,075	2,283,460
<i>Effects of:</i>		
Expenses not deductible for tax purposes	(855,323)	(673,187)
Adjustment in respect of prior year	177,844	-
Other	-	(923)
Total tax credit for the year (note 7(a))	<u>1,496,596</u>	<u>1,609,350</u>

## Notes to the financial statements (continued)

at 31 March 2017

### 7. Tax (continued)

(c) Deferred tax

	£
At 1 April 2015	923
Charge to statement of comprehensive income (note 7(a))	<u>(923)</u>
At 1 April 2016	-
Charge to statement of comprehensive income (note 7(a))	<u>-</u>
At 31 March 2017	<u><u>-</u></u>

#### *Deferred tax in the statement of comprehensive income*

	2017	2016
	£	£
Other (note 7(a))	<u>-</u>	<u>(923)</u>
	<u><u>-</u></u>	<u><u>(923)</u></u>

As at 31 March 2017, the Company has no recognised or unrecognised deferred tax asset or liability (2016: £nil).

(d) Factors that may affect future tax charge

The headline rate of UK corporation tax remained at 20% on 1 April 2016 and reduced to 19% on 1 April 2017. Finance Act 2016 includes a further reduction to 17% from 1 April 2020. This reduction was substantively enacted on September 2016 and has been reflected in the calculation of deferred tax balances at the balance sheet date.

### 8. Investments

	<i>Subsidiary undertakings</i>
	£
Cost and net book value:	
At 1 April 2016	65,731,017
Additions	<u>-</u>
At 31 March 2017	<u><u>65,731,017</u></u>

## Notes to the financial statements (continued)

at 31 March 2017

### 8. Investments (continued)

The Company has investments in the following subsidiary undertakings.

<i>Subsidiary undertakings</i>	<i>Country of incorporation</i>	<i>Principal activity</i>	<i> Holding</i>	<i>%</i>
Hamsard 3209 Limited	United Kingdom	Parent undertaking	Ordinary shares	100
Hamsard 3219 Limited*	United Kingdom	Parent undertaking	Ordinary shares	100
Hamsard 3210 Limited*	United Kingdom	Parent undertaking	Ordinary shares	100
XLN Telecom Holdings Limited*	United Kingdom	Parent undertaking	Ordinary shares	100
XLN Telecom (No 1) Limited*	United Kingdom	Parent undertaking	Ordinary shares	100
XLN Telecom Limited*	United Kingdom	Telecommunications	Ordinary shares	100
OneBill Group Limited*	United Kingdom	Parent undertaking	Ordinary shares	100
OneBill Limited*	United Kingdom	Parent undertaking	Ordinary shares	100
OneBill Telecom Limited*	United Kingdom	Telecommunications	Ordinary shares	100
XLN Card Processing Solutions Limited*	United Kingdom	Card processing services	Ordinary shares	100
Card Processing Solutions (Manchester) Limited *	United Kingdom	Dormant	Ordinary shares	100
Card Processing Group Limited*	United Kingdom	Dormant	Ordinary shares	100
Card Processing Finance Limited*	United Kingdom	Dormant	Ordinary shares	100
Card Processing Service Limited*	United Kingdom	Dormant	Ordinary shares	100
CPS Merchant Services Limited*	United Kingdom	Dormant	Ordinary shares	100
Card Processing Solutions Limited*	United Kingdom	Dormant	Ordinary shares	100
Shine Telecom Limited*	United Kingdom	Dormant	Ordinary shares	100
XLN Energy Limited *	United Kingdom	Gas and Electricity	Ordinary shares	100

\* Investment held via subsidiary undertaking

## Notes to the financial statements (continued)

at 31 March 2017

### 9. Debtors: amounts falling due within one year

	2017	2016
	£	£
Amounts owed by group undertakings	63,941,314	63,353,487
Amounts owed by group undertakings – tax group relief	1,318,752	1,610,273
Prepayments	10,000	10,000
Other taxes and social security costs	1,200	-
	<u>65,271,266</u>	<u>64,973,760</u>

Amounts owed by group undertakings are interest-free and are repayable on demand.

### 10. Cash at bank and in hand

	2017	2016
	£	£
Cash at bank	<u>55,212</u>	<u>100,099</u>
	<u>55,212</u>	<u>100,099</u>

### 11. Creditors: amounts falling due within one year

	2017	2016
	£	£
Amounts owed to parent undertaking	19,472,945	19,472,945
Amounts owed to group undertakings	30,138,628	15,426,127
Other taxes and social security costs	16,978	16,069
Accruals	<u>21,518</u>	<u>21,072</u>
	<u>49,650,069</u>	<u>34,936,213</u>

Amounts owed to parent and to group undertakings are interest free and are repayable on demand.

## Notes to the financial statements (continued)

at 31 March 2017

### 12. Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Secured loan	106,747,688	111,835,147
	<u>106,747,688</u>	<u>111,835,147</u>
<b>Secured loan:</b>		
Due in more than two years but less than five years	106,747,688	-
Due in more than five years	-	111,835,147
	<u>106,747,688</u>	<u>111,835,147</u>

In October 2014, the Company entered into a £115,000,000 senior loan agreement. Loan issue costs totalling £3,896,800 were incurred and have been amortised by £1,144,488 as at the balance sheet date (2016: £731,947). The debt matures in September 2021 and accrues quarterly interest of 7.75% per annum plus 3-month pound sterling LIBOR, with a floor set at 3-month pound sterling LIBOR rate of 1.25%. The group of companies included in the joint composite guarantee and noted below must comply with certain contractually defined covenants. The Group continues to comply with these covenants.

There is a joint composite guarantee between the Company, Aston (XLN) Topco Limited, Hamsard 3209 Limited, Hamsard 3219 Limited, Hamsard 3210 Limited, XLN Telecom Holdings Limited, XLN Telecom (No 1) Limited, XLN Telecom Limited, XLN Card Processing Solutions Limited, OneBill Group Limited, OneBill Limited, OneBill Telecom Limited and XLN Energy Limited. This guarantee relates to the secured loan issued by U.S. Bank Trustees Limited (as the security agent) of £115,000,000 to the Company. This guarantee and debenture is secured by fixed and floating charges over all existing and future assets of the Company.

On 30 June 2016, the Company received funds from a group undertaking via an intercompany loan amounting to £5,500,000 which the Company used to reduce its outstanding secured debt by the same amount.

### 13. Authorised, issued and called up share capital

		2017		2016
<i>Authorised, allotted, called up and fully paid</i>	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
Ordinary shares of £1 each	100	<u>100</u>	100	<u>100</u>

The ordinary shares are entitled to one vote per share. There are no preferences or restrictions associated with this class of shares in relation to dividends or capital repayment.

No shares were issued in the year (2016: nil).

### 14. Related party transactions

The Company has taken advantage of the exemptions allowed by FRS 101 Paragraph 8 (k) not to disclose any transactions with entities that are included in the group financial statements of Aston (XLN) Topco Limited on the grounds that it is a wholly owned subsidiary undertaking of Aston (XLN) Topco Limited.

Interest payable of £9,978,411 (2016: £10,378,356) arising on the secured loan was due to and paid to a consortium of funds which, together, hold warrants over 30.13% of the voting shares of Aston (XLN) Topco Limited

## **Notes to the financial statements (continued)**

at 31 March 2017

### **15. Ultimate parent undertaking and controlling party**

The immediate and ultimate parent undertaking is Aston (XLN) Topco Limited, a company incorporated in Jersey.

The largest and smallest group of undertakings for which group financial statements have been drawn is that headed by Aston (XLN) Topco Limited. Copies of the group financial statements are available from First Floor Millbank Tower, 21-24 Millbank, London SW1P 4QP.

The controlling party is Knud Nellesmann.