

Registered number  
3270899

2020Log 4 Limited (Formerly 4U Limited)

Report and Accounts

31 December 2006

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**2020Log 4 Limited (Formerly 4U Limited)**  
**Report and accounts**  
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**2020Log 4 Limited (Formerly 4U Limited)**  
**Company Information**

**Directors**

Mark Ryan  
Matthew Moulding

**Secretary**

Matthew Moulding

**Auditors**

PricewaterhouseCoopers LLP  
101 Barbirolli Square  
Lower Mosley Street  
Manchester  
M2 3PW

**Bankers**

Barclays Bank PLC  
PO Box 202  
36 Town Road  
Hanley  
Stoke on Trent  
Staffordshire  
ST1 2PJ

**Solicitors**

Skadden, Arps, Slate, Meagher & Flom (UK) LLP  
40 Bank Street  
Canary Wharf  
London  
E14 5DS

**Registered office**

Caudwell Tower  
Weston Road  
Crewe  
Cheshire  
CW1 6BU

**Registered number**

3270899

**2020Log 4 Limited (Formerly 4U Limited)**  
**Directors' Report**

The directors present their report and audited financial statements for the year ended 31 December 2006

**Principal activities**

2020Log 4 Limited has not traded during the year and changed its name from 4U Limited with effect from 24th October 2006

**Review of business and future developments**

The profit and loss account for the year is set out on page 5. The directors consider the year end financial position to be satisfactory and expect that the company will be a dormant company for the foreseeable future.

**Dividends**

The directors do not recommend the payment of a dividend (2005 £nil).

**Directors**

The directors of the company at 31 December 2006, and their respective dates of appointment are listed below:

	Date of appointment
Mark Ryan	16th May 2006
Matthew Moulding	16th May 2006

Resignations of directors occurring during the financial year are as follows.

	Date of resignation
John David Caudwell	26th September 2006
Brian Caudwell	28th September 2006
Craig Bennett	26th September 2006
Gerry O'Keeffe	31st December 2006
Mark Ormerod	16th May 2006

**Directors' liabilities**

Chicago Alpha Limited has indemnified one or more of the company's directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985. Such qualifying third party indemnity provision was in force at the date of approving the directors' report.

**Auditors**

During the year the company carried out a competitive tender in relation to the provision of audit services. Following the outcome of this exercise the Board of Directors appointed PricewaterhouseCoopers LLP in place of the outgoing auditors, Ernst & Young LLP. A resolution to reappoint PricewaterhouseCoopers LLP as the company's auditors will be put to the forthcoming Annual General Meeting.

This report was approved by the board on 4 May 2007.

  
M Moulding  
Company Secretary

**2020Log 4 Limited (Formerly 4U Limited)**  
**Statement of Directors' Responsibilities**

Company law requires the directors to prepare accounts for each financial year which 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 accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors confirm that they have complied with the above requirements in preparing the accounts

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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

**Auditors and disclosure of information to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and all steps have been made to ensure that the directors are aware of any relevant information, and to establish that the company's auditors are aware of that information

## **2020Log 4 Limited (Formerly 4U Limited)**

### **Independent auditors' report to the members of 2020 Log 4 Limited (formerly 4U Limited)**

We have audited the company's financial statements for the year ended 31 December 2006 which comprise the Profit and Loss Account, Balance Sheet, and the related notes 1 to 17. These financial statements have been prepared on the basis of 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with section 235 of the Companies Act and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition, we 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.

#### **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 judgements 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.

#### **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 2006 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



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Manchester

4 May 2007

**2020Log 4 Limited (Formerly 4U Limited)**  
**Profit and Loss Account**  
**for the year ended 31 December 2006**

	Notes	2006 £	2005 £
<b>Turnover</b>	2	-	35,169,985
Cost of sales		-	(33,300,862)
<b>Gross profit</b>		-	1,869,123
Net operating expenses	3	-	(1,323,835)
<b>Operating profit</b>	4	-	545,288
Interest receivable	7	-	74,514
<b>Profit on ordinary activities before taxation</b>		-	619,802
Tax on profit on ordinary activities	8	(101,849)	(150,325)
<b>(Loss)/profit on ordinary activities after tax</b>	13	<u>(101,849)</u>	<u>469,477</u>

The above results are attributable to discontinued operations disposed of during 2005

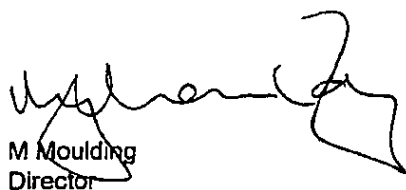
The company has no recognised gains or losses other than those included in the profits above, and therefore no separate statement of recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and (loss) / profit for the year stated above, and their historical cost equivalents

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

**2020Log 4 Limited (Formerly 4U Limited)**  
**Balance Sheet**  
**as at 31 December 2006**

	Notes	£	2006 £	£	2005 £
<b>Current assets</b>					
Debtors	9	3,586,425		3,688,274	
<b>Creditors: amounts falling due within one year</b>	10	(511,112)		(511,112)	
<b>Net current assets</b>			3,075,313		3,177,162
			<u>3,075,313</u>		<u>3,177,162</u>
<b>Capital and reserves</b>					
Called up share capital	12		2		2
Profit and loss account	13		3,075,311		3,177,160
<b>Equity shareholders' funds</b>	14		<u>3,075,313</u>		<u>3,177,162</u>

  
M Moulding  
Director

Approved by the board on 4 May 2007

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

**2020Log 4 Limited (Formerly 4U Limited)**  
**Notes to the Accounts**  
**for the year ended 31 December 2006**

**1 Accounting policies**

The accounts have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

***Basis of Accounting***

The financial statements are prepared in accordance with the historical cost convention.

***Cash flow***

The company is a wholly owned subsidiary of Chicago Beta Limited and its cash flows are included in the consolidated group cash flow statement of that company. Consequently, the company is exempt under the terms of FRS 1 (Revised) 'Cash Flow Statements' from publishing a cash flow statement.

**2 Turnover**

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied. In 2005, the company operated in one principal area of activity, that of the supply of communication products and ancillary services within the UK.

**3 Net operating expenses**

	2006	2005
	£	£
Distribution costs	-	70,308
Administrative expenses	-	1,474,531
Other operating income	-	(221,004)
	<u>-</u>	<u>1,323,835</u>

**4 Operating profit**

	2006	2005
	£	£
This is stated after charging		
Depreciation of owned fixed assets	-	27,911
Operating lease rentals - land and buildings	-	7,347
Auditors' remuneration - audit	-	5,667
	<u>-</u>	<u>5,667</u>

**2020Log 4 Limited (Formerly 4U Limited)**  
**Notes to the Accounts**  
**for the year ended 31 December 2006**

<b>5 Directors' emoluments</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Emoluments	-	164,636
Company contributions to money purchase pension schemes	-	9,182
	<u>-</u>	<u>173,818</u>

No director received any fees or other emoluments in respect of their services rendered during the year

The awards of the directors for services to the Group as a whole are disclosed as presented within the aggregate directors emoluments for services to the Group within the annual report and accounts of 20 20 Mobile Group Limited

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Highest paid director		
Emoluments	-	164,636
Company contributions to money purchase pension schemes	-	9,182
	<u>-</u>	<u>173,818</u>

**Number of directors in company pension schemes:**

	<b>2006</b>	<b>2005</b>
	<b>Number</b>	<b>Number</b>
Money purchase schemes	<u>1</u>	<u>1</u>

<b>6 Staff costs</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Wages and salaries	-	909,849
Social security costs	-	80,671
Other pension costs	-	12,373
	<u>-</u>	<u>1,002,893</u>

**Average number of employees during the year**

	<b>Number</b>	<b>Number</b>
Management and supervision	-	1
Other employees	-	27
	<u>-</u>	<u>28</u>

**2020Log 4 Limited (Formerly 4U Limited)**  
**Notes to the Accounts**  
**for the year ended 31 December 2006**

<b>7 Interest receivable</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
On group loans	-	74,514

<b>8 Taxation</b>	<b>2006</b>	<b>2005</b>
<b>(a) Analysis of profit and loss account charge</b>	<b>£</b>	<b>£</b>
Current tax		
UK corporation tax on profit for the year	-	183,585
Under / (over) provision in respect of prior years	101,849	(114,043)
Total current tax	101,849	69,542
Deferred tax Origination and reversal of timing differences (note 11)		
Current year	-	80,783
	101,849	150,325

**(b) Reconciliation of the expected tax charge at the standard rate to the actual tax charge at the effective rate**

The tax assessed for the year is lower than the standard rate of corporation tax. The differences are explained below

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	-	619,802
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 30%)	-	185,941
Effects of		
Expenses not deductible for tax purposes	-	(582)
Accelerated capital allowances	-	(1,774)
Adjustments to tax charge in respect of previous years	101,849	(114,043)
Current tax charge for the year	101,849	69,542

**(c) Factors that may affect the future tax charge**

The directors are not aware of any significant factors that may affect the future tax charge

**2020Log 4 Limited (Formerly 4U Limited)**  
**Notes to the Accounts**  
**for the year ended 31 December 2006**

<b>9 Debtors</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings		
Parent company and fellow subsidiary undertakings	3,586,425	3,631,228
Corporation tax	-	57,046
	<u>3,586,425</u>	<u>3,688,274</u>
<b>10 Creditors: amounts falling due within one year</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings		
Parent company and fellow subsidiary undertakings	511,112	-
Accruals and deferred income	-	511,112
	<u>511,112</u>	<u>511,112</u>
<b>11 Deferred taxation</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
At 1 January	-	80,783
Charged to the profit and loss account	-	(80,783)
At 31 December	<u>-</u>	<u>-</u>
<b>12 Share capital</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Authorised		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<b>2006</b>	<b>2005</b>
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>2</u>	<u>2</u>
-value (£)		
-number of shares	<u>2</u>	<u>2</u>
<b>13 Profit and loss account</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
At 1 January	3,177,160	2,707,683
(Loss) / profit for the year	<u>(101,849)</u>	<u>469,477</u>
At 31 December	<u>3,075,311</u>	<u>3,177,160</u>

**2020Log 4 Limited (Formerly 4U Limited)**  
**Notes to the Accounts**  
**for the year ended 31 December 2006**

<b>14 Reconciliation of movement in shareholders' funds</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
At 1 January	3,177,162	2,707,685
(Loss) / profit for the year	<u>(101,849)</u>	<u>469,477</u>
At 31 December	<u><u>3,075,313</u></u>	<u><u>3,177,162</u></u>

**15 Contingent liabilities**

The company is party to a credit agreement with the Group Agent bank in respect of loans and overdrafts held within the Group. These arrangements are fully secured and guaranteed over the assets of the company.

**16 Related party transactions**

The company has taken advantage of the exemption granted under paragraph 3(c) of FRS 8 and not disclosed any transactions with other group companies.

**17 Ultimate parent undertaking**

The directors regard Chicago Alpha Limited, a company registered in the Isle of Man as the ultimate parent company. This represents a change in ultimate parent company this year following the change in ownership of the group of Caudwell Holdings Limited in September 2006. Dextra Solutions Limited, a company registered in England and Wales, is the intermediate holding company. The largest Group from within which the results of the company are consolidated in 2006 is that of Chicago Beta Limited, a company also registered in England and Wales. Copies of the parent's consolidated financial statements may be obtained from The Secretary, Caudwell Tower, Weston Road, Crewe, Cheshire, CW1 6BU.