

Registered Number 3819054

**TELECITY LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

THURSDAY



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COMPANIES HOUSE

# **TELECITY LIMITED**

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## **TELECITY LIMITED**

### **DIRECTORS AND ADVISORS**

#### **Directors**

M Tobin  
B McArthur-Muscroft  
R Coupland

#### **Company Secretary**

A G Hunter

#### **Registered company number**

3819054

#### **Independent Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

#### **Solicitors**

Lovells LLP  
Atlantic House  
Holborn Viaduct  
London EC1A 2FG

Reed Smith LLP  
The Broadgate Tower  
20 Primrose Street  
London EC2A 2RS

#### **Principal bankers**

Barclays Bank plc  
1 Churchill Place  
London E14 5HP

#### **Registered Office**

Masters House  
107 Hammersmith Road  
London  
W14 0QH

## **TELECITY LIMITED**

### **DIRECTORS REPORT**

The Directors present their report and the financial statements of Telecity Limited ('the Company') for the year ended 31 December 2011

#### **Principal activity**

The Company has not traded in the year and is not expected to trade in the forthcoming year

#### **Results and dividends**

The results for the financial year ended 31 December 2011 are set out in the income statement on page 4. A capital reduction was performed during the year. Following this capital reduction, the Company paid an interim dividend of £63,303,000 (2010: £nil).

#### **Directors**

The Directors of the Company who served during the year and up to the date of this report are set out below:

M Tobin  
B McArthur-Muscroft  
R Coupland

#### **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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. In preparing these financial statements, the Directors have also elected to comply with IFRSs, issued by the International Accounting Standards Board (IASB). 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 IFRSs as adopted by the European Union 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 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.

**TELECITY LIMITED**

**DIRECTORS REPORT**

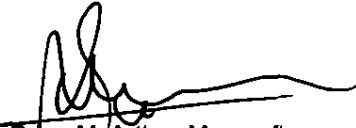
**Statement of disclosure of information to auditors**

Each Director in office at the date of this report has confirmed that

- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the reasonable steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Brian', with a long horizontal flourish extending to the right.

Brian McArthur-Muscroft  
**Director**  
22 May 2012

## TELECITY LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TELECITY LIMITED

We have audited the financial statements of Telecity Limited for the year ended 31 December 2011 which comprise the Income Statement, Statement of Changes in Equity, Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

#### Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement 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.

#### 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 profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

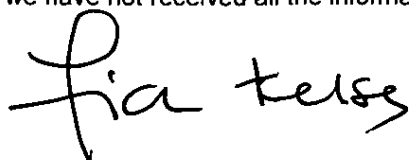
#### Opinion on other matter prescribed by the Companies Act 2006

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.



Fiona Kelsey (Senior Statutory Auditor)  
for and behalf PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London WC2N 6RH  
23 May 2012

**TELECITY LIMITED****INCOME STATEMENT**

	Note	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Other income	6	6,821	—
Profit before tax		6,821	—
Income tax	7	—	—
Profit for the financial year attributable to owners of the parent		6,821	—

The notes on pages 7 to 10 are an integral part of these financial statements

There are no other items of comprehensive income other than those shown above

**TELECITY LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

	Share capital £'000	Share premium £'000	Retained profits £'000	Total £'000
<b>At 1 January 2010, 31 December 2010 and 1 January 2011</b>	<b>276</b>	<b>119,997</b>	<b>(63,791)</b>	<b>56,482</b>
Profit for the year	—	—	6,821	6,821
Total comprehensive income for the year ended 31 December 2011	—	—	6,821	6,821
Transactions with owners				
Capital reduction	(276)	(119,997)	120,273	—
Interim dividend paid	—	—	(63,303)	(63,303)
	(276)	(119,997)	56,970	(63,303)
<b>At 31 December 2011</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

The notes on pages 7 to 10 are an integral part of these financial statements



**TELECITY LIMITED****BALANCE SHEET**

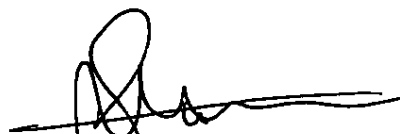
	Note	31 December 2011 £'000	31 December 2010 £'000
<b>Current assets</b>			
Trade and other receivables	9	—	56,482
<b>Total assets</b>		—	56,482
<b>Capital and reserves</b>			
Share capital	10	—	276
Share premium account		—	119,997
Retained losses		—	(63,791)
<b>Total equity</b>		—	56,482

The number under which the Company is registered at Companies House is 3819054

The notes on pages 7 to 10 are an integral part of these financial statements

There were no cash related transactions during the year

The financial statements were approved by the Board of Directors and authorised for issue on 22 May 2012 and signed on its behalf by



Brian McArthur-Muscroft  
Director  
22 May 2012

## **TELECITY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **Statement of accounting policies**

##### **1. General information**

Telecity Limited is a company incorporated, and domiciled, in the United Kingdom and has Sterling as its presentation and functional currency

##### **2. Summary of significant accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented.

###### **2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with EU Endorsed International Financial Reporting Standards ('IFRS'), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention and on a going concern basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

###### **2.2 Financial assets**

Financial assets are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

###### **Loans and receivables**

Loans and receivables comprise mainly trade and other receivables and cash and cash equivalents.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

###### **Cash and cash equivalents**

The Company did not hold any cash or cash equivalents during the year and hence has not presented a cash flow statement.

###### **2.3 Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

##### **3. Critical accounting estimates and judgements**

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates made by management based on the best available evidence, due to events or actions, actual results ultimately may differ from those estimates.

# TELECITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 4. Employee information and Directors' emoluments

The Company had no employees during the period (2010 nil) The Directors did not receive any remuneration in respect of their services to the Company (2010 £nil)

### 5 Auditors' remuneration

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Auditors' remuneration for - the auditing of the Company's financial statements	1	1

The audit fee of the Company is borne by another Group undertaking, the value of which is estimated to be £1,000 (2010 £1,000)

### 6. Other income

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Release of provision against inter-company debtor	6,821	—

### 7. Income tax

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the tax rate applicable to profits of the Company as follows

	Year ended 31 December 2011 £'000	Year ended 31 December 2010 £'000
Profit before tax	6,821	—
Profit before tax multiplied by the standard rate of corporation tax in the UK of 26.5% (2010 28%)	1,808	—
Items not taken into account for tax purposes	(1,808)	—
	—	—

### 8 Dividends

	2011 £'000	2010 £'000
Equity - ordinary		
Interim paid £63,303 (2010 nil) per £0.001 share	63,303	—
	63,303	—

On 21 November 2011, the Company paid an interim dividend of £63,302,999 (2010 £nil) to its immediate parent company, TelecityGroup Investments Limited

# TELECITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 9. Trade and other receivables

	31 December 2011 £'000	31 December 2010 £'000
<b>Current</b>		
Amounts owed by fellow Group companies	—	56,482

The Directors consider the carrying values of these assets to approximate to their fair values due to their short maturity period. The carrying amount of the Company's trade and other receivables are denominated in Sterling.

### 10. Ordinary shares

	Number	Value £'000
<b>Allotted – ordinary shares of £0.001 each</b>		
At 1 January 2010 and 31 December 2010	275,675,186	276
Capital reduction (note 11)	(275,674,186)	(276)
<b>At 31 December 2011</b>	<b>1,000</b>	<b>—</b>

### 11. Capital reduction

On 25 October 2011, the shareholder of the Company approved a capital reduction which resulted in the cancellation of 275,674,186 ordinary shares of £0.001 each and the reduction in the share premium by cancelling the amount of £119,997,000 of share premium. As a result of this capital reduction, the Company has outstanding 1,000 ordinary shares of £0.001 each and no share premium.

### 12. Related party transactions

Other than the dividend paid to TelecityGroup Investments Limited, there were no related party transactions during the year.

### 13. Immediate and ultimate parent undertaking

At 31 December 2011 the Company's immediate parent company was TelecityGroup Investments Limited and its ultimate parent company was Telecity Group plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the Group financial statements may be obtained from the Company Secretary, Telecity Group plc, Masters House, 107 Hammersmith Road, London, W14 0QH. The largest and smallest group in which the results of the Company are consolidated is that headed by Telecity Group plc.