

TELECITY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

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TELECITY LIMITED

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TELECITY LIMITED

DIRECTORS AND ADVISERS

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 (CONTINUED)

The Directors present their report and the audited financial statements of Telecity Limited ('the Company') for the year ended 31 December 2009

Principal activities

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

Results and dividends

The Company's result for the year is shown on page 5. The Directors do not propose a dividend in respect of the year (2008 £nil)

Key performance indicators ('KPI's')

The Directors of Telecity Group plc manage the group's operations on a divisional basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Telecity Limited. The development, performance and position of Telecity Group plc which includes the Company, is discussed on page 32 of the group's annual report which does not form part of this report.

Principal risks and uncertainties

The Directors of Telecity Group plc manage the group's risks at a group level, rather than at an individual business unit level. For this reason, the Company's Directors believe that a discussion of the group's risks would not be appropriate for an understanding of the development, performance or position of Telecity Limited. The principal risks and uncertainties of the Telecity Group plc, which include those of the Company, are discussed on page 17 and 60 of the group's annual report which does not form part of this report.

Charitable Donation

Charitable donations made by Telecity Group plc, which includes the Company are disclosed on page 33 of the group's annual report which does not form part of this report.

Directors

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

Michael Tobin
Brian David McArthur-Muscroft
Robert Coupland (appointed 22 April 2009)
Trevor Wadcock (resigned 22 April 2009)

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements,

DIRECTORS' REPORT (CONTINUED)

Statement of directors' responsibilities (continued)

- 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.

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.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors

PricewaterhouseCoopers LLP, the Company auditors, have indicated their willingness to continue in office.

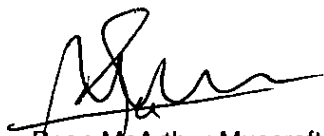
Disclosure of information to auditors

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 Group's auditors are aware of that information.

This confirmation is given in accordance with Section 418(2) of the Act.

On behalf of the Board



Brian McArthur-Muscroft

Director

14 May 2010

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 2009 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 pages 2 and 3, 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 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 2009,
- 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.

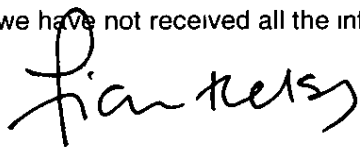
Opinion on other matter prescribed by the Companies Act 2006

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
14 May 2010

TELECITY LIMITED**INCOME STATEMENT**

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Revenue	-	-
Administrative costs analysed		
Other administrative costs	-	(10)
Total administrative costs	-	(10)
Operating loss	-	(10)
Loss before taxation	-	(10)
Income tax	-	-
Loss for the year	-	(10)

The notes on pages 8 to 10 are an integral part of these financial statements

TELECITY LIMITED**STATEMENT OF CHANGES IN EQUITY**

	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000
At 1 January 2008	276	119,997	(63,781)	56,492
Loss for the financial year	-	-	(10)	(10)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008 and 31 December 2009	276	119,997	(63,791)	56,482

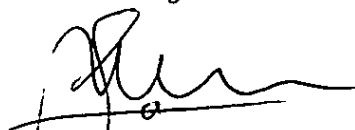
The notes on pages 8 to 10 are an integral part of these financial statements

TELECITY LIMITED**BALANCE SHEET**

	Note	31 December 2009 £'000	31 December 2008 £'000
Current assets			
Trade and other receivables	6	<u>56,482</u>	<u>56,482</u>
Total assets		<u>56,482</u>	<u>56,482</u>
Capital and reserves			
Share capital	7	276	276
Share premium account		119,997	119,997
Retained losses		<u>(63,791)</u>	<u>(63,791)</u>
Total equity		<u>56,482</u>	<u>56,482</u>

The notes on pages 8 to 10 are an integral part of these financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 14 May 2010 and signed on its behalf by


Brian McArthur-Muscroft
Director

TELECITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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.

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 Investments in subsidiaries

Investments in subsidiaries are stated at cost. The carrying values are reviewed where there is an indication of impairment with provisions below original cost and the release of previous provisions being dealt with through the profit and loss account. Movements above original cost are dealt with through revaluation reserve. Dividends received and receivable from subsidiary undertakings are included in the profit and loss account.

2.3 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.

2.4 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.

TELECITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are considered to be the valuation of the Company's receivables.

4. Employee information and Directors' emoluments

The Company had no employees during the period (2008: nil). The Directors did not receive any remuneration in respect of their services to the Company.

5. Auditors' remuneration

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Auditors' remuneration for - the auditing of the Company's financial statements	<u>1</u>	<u>1</u>

The audit fee of the Company is borne by another Group undertaking, the value of which is estimated to be £1,000 (2008: £1,000).

6. Trade and other receivables

	31 December 2009 £'000	31 December 2008 £'000
Current		
Amounts owed by fellow Group companies	<u>56,482</u>	<u>56,482</u>

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.

TELECITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Ordinary shares

	31 December 2009 £'000	31 December 2008 £'000
Authorised		
400,000,000 (2008 400,000,000) shares of £0.001	<u>400</u>	<u>400</u>
	31 December 2009 £'000	31 December 2008 £'000
Allotted		
275,675,186 (2008 275,675,186) shares of £0.001	<u>276</u>	<u>276</u>

8. Related party transactions

There were no related party transactions during the year

9. Immediate and ultimate parent undertaking

At 31 December 2009 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.