

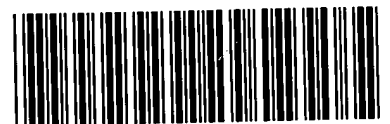
Registered number 04968341

M247 Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2018

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M247 Limited

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M247 Limited

COMPANY INFORMATION

Directors

W Ashcroft
JG Buckle
CG Byrd
AG Goldwater
P Pintiliescu
JP Smith

Registered number

04968341

Registered office

Turing House
Archway 5
Manchester
M15 5RL

Independent auditors

Grant Thornton UK LLP
4 Hardman Square
Manchester
M3 3EB

Bankers

HSBC Bank plc
4 Hardman Square
Manchester
M3 3EB

Solicitors

Pinsent Mason
3 Hardman Street
Manchester
M3 3AU

STRATEGIC REPORT

For the year ended 31 March 2018

Introduction

The Directors present their strategic report of M247 Limited (the "Company") for the year ended 31 March 2018.

Principal activity and business review

The principal activity of the Company was the provision of data centres and connectivity related services.

Highlights

The first full year since acquisition of the Company by Metronet saw revenue increase by 13% to £10.7m with continuing investment to build infrastructure capacity and to expand capability to meet customer demand. The prior year saw significant exceptional costs relating to the sale to Metronet. These were not repeated, and combined with lower overheads, the business made an operating profit of £1.1m.

Principal risks and uncertainties

The Company continues to face a range of risks and uncertainties from both internal and external sources, these include: technological change, health and safety and employee hiring and retention. The Board considers the likelihood and significance of risk factors when putting in place risk management procedures.

Technological change

The Company invests in its network infrastructure and IT systems and maintains a resilient and robust network with multiple data links to protect against the risk of failure. The Company provides significant training to enable its engineers to both develop and enhance the network capabilities and maintain performance of the existing network. Business recovery processes are in place which are periodically tested.

Health & safety

The Company maintains health and safety policies to ensure compliance with the relevant regulations and to reasonably protect its employees from the risk of injury.

Employee hiring and retention

The Company can attract and retain hire calibre employees through its competitive basic salaries and high quality training programmes.

Financial risk management objectives and policies

Credit risk

The Directors consider that credit risk is low. The Group has diverse customer base with no customer or segment concentration. Most customers have short payment terms and collections are direct debit collections. Potential new customers are subject to credit reviews at the point of order.

Liquidity risk

Liquidity is managed at a group level. The Company has no external borrowing and generates sufficient funds from operations to meet day to day cash requirements.

M247 Limited

STRATEGIC REPORT (continued)
For the year ended 31 March 2018

Outlook and post balance sheet events

Management are confident on the outlook for 2018 with the Company expecting to continue to grow revenue and adjusted EBITDA at similar levels.

There have been no material post balance sheet events.

This report was approved by the Board on 25 January 2019 and signed on its behalf by

A handwritten signature in black ink, consisting of a stylized 'A' followed by a horizontal line that curves upwards at the end.

AG Goldwater
Director

DIRECTORS' REPORT

For the year ended 31 March 2018

The directors present their annual report and the audited financial statements of M247 Limited ("the Company") for the year ended 31 March 2018.

Results and dividends

The result for the year was a profit of £0.7m (2017: loss £1.7m). There were no dividends paid or declared in the year (2017: £nil).

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

W Ashcroft
JG Buckle
CG Byrd
AG Goldwater
LJ Perkins (resigned 16 March 2018)
P Pintiliescu
JP Smith

Business review, KPIs and future outlook

The business review is contained within the Strategic Report on pages 3-4.

Going concern

The Directors' have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approving these financial statements, thus they adopt the going concern basis of preparation in preparing the annual financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 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;
- state whether applicable UK Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

DIRECTORS' REPORT (continued)
For the year ended 31 March 2018

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 to enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that ought to have been taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Financial risk management

Information in respect of financial risk management for the Company has been disclosed within the Strategic Report.

Independent auditors

Grant Thornton UK LLP were appointed as statutory auditors on 11 August 2018. Pursuant to s487 Companies Act 2006, the auditor will be deemed to be reappointed and Grant Thornton will remain in office.

This report was approved by the Board on 25 January 2019 and signed on its behalf by



AG Goldwater
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF M247 LIMITED

REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of M247 Limited (the 'company') for the year ended 31 March 2018 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF M247 LIMITED CONTINUED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF M247 LIMITED CONTINUED

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on pages 5-6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Grant Thornton UK LLP

Michael Frankish (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
Chartered Accountant & Statutory Auditor
Manchester

January 2019

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2018

	Note	Year ended 31 March 2018 £ 000	11 months ended 31 March 2017 £ 000
Revenue	4	10,711	9,476
Cost of sales		(8,168)	(5,922)
Gross profit		2,543	3,554
Administrative expenses		(1,465)	(3,885)
Exceptional administrative expenses	10	-	(1,772)
Operating profit/(loss)	5	1,078	(2,103)
Finance costs	8	(149)	(38)
Profit/(loss) before tax		929	(2,141)
Income tax charge/(credit)	9	(205)	398
Profit/(loss) for period		724	(1,743)
Total comprehensive income/(expense) for the period		724	(1,743)

All revenue and profits were derived from continuing activities.

There were no recognised gains and losses for 2018 or 2017 other than those included in the Statement of Comprehensive Income.

The notes on pages 13-23 form part of these financial statements.

M247 Limited

Registered number 04968341

STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	Note	31 March 2018 £ 000	31 March 2017 £ 000
Fixed assets			
Property plant and equipment	11	<u>3,371</u>	<u>2,361</u>
		3,371	2,361
Current assets			
Trade and other receivables	13	4,510	2,396
Cash at bank and in hand		<u>388</u>	<u>2,098</u>
		4,898	4,494
Creditors - amounts falling due within one year	14	<u>(4,183)</u>	<u>(3,369)</u>
Net current assets		715	1,125
Total assets less current liabilities		<u>4,086</u>	<u>3,486</u>
Creditors - amounts falling due after more than one year	15		<u>(124)</u>
Net assets		<u>4,086</u>	<u>3,362</u>
Equity			
Ordinary shares	17	1	1
Share premium account	18	1,061	1,061
Revaluation reserve	18	432	432
Retained earnings	18	<u>2,592</u>	<u>1,868</u>
		<u>4,086</u>	<u>3,362</u>

The notes on pages 13-23 form part of these financial statements.

The financial statements on pages 10-23 were approved and authorised for issue by the board and were signed on its behalf by



AG Goldwater
Director

25 January 2019

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2018

	Ordinary shares £ 000	Share premium account £ 000	Revaluation reserve £ 000	Retained earnings £ 000	Total shareholders' funds £ 000
At 1 May 2016	1	755	432	3,611	4,799
Comprehensive expense for the year	-	-	-	(1,743)	(1,743)
	1	755	432	1,868	3,056
Contributions by and distributions to owners					
Shares issued	-	306	-	-	306
At 31 March 2017	1	1,061	432	1,868	3,362
Comprehensive income for the year	-	-	-	724	724
At 31 March 2018	1	1,061	432	2,592	4,086

M247 Limited
Notes to the financial statements
For the year ended 31 March 2018

1 General information

The Company is a private company limited by shares and is incorporated in the United Kingdom. The address of its registered office is Turing House, Archway 5, Manchester M15 5RL.

The principal activity of the company during the year was the provision of data centre and related services.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently throughout the period:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- 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;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- 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
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- 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

2.3 Going concern

The Directors' have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approving these financial statements, thus they adopt the going concern basis of preparation in preparing the annual financial statements.

2 Accounting policies (continued)

2.4 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.5 Revenue

Revenue consists primarily of services such as the provision of a hosting and content services. It is reported excluding value added tax and net of appropriate adjustments such as credits.

Revenues are recognised at the stage of completion when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. Payments received in advance of providing services are deferred until services are provided, with unbilled revenues for services provided accrued at the end of each period.

2.6 Property, plant and equipment

Property, plant and equipment are stated at historic purchase cost plus any directly associated costs (including labour) less accumulated depreciation. Cost includes the original purchase price of the asset and the costs, including labour, which are directly attributable to bringing the asset to its working condition for its intended use.

Depreciation is calculated to reflect the usage of the asset, less its estimated residual value over the useful economic life of that asset as follows:

Freehold property	40 years
Plant and machinery	4 years
Motor vehicles	3 years
Computer equipment and software	4 years

2.7 Trade and other receivables

Short term receivables are measured at transaction price less any impairment.

2.8 Cash at bank

Cash comprises deposits with financial institutions repayable without penalty on notice of not more than 24 hours

2.9 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2 Accounting policies (continued)

2.11 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire.

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

Financial liabilities, including bank borrowings, are initially recognised at fair value, net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of Financial Position.

2.12 Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

2 Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the Period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.14 Pensions

The Company operates a defined contribution scheme. All contributions are recognised in the statement of comprehensive income in the period in which they become payable.

2.15 Exceptional items

The Company presents certain items as exceptional on the face of the statement of comprehensive income in arriving at operating profit. These are items which in management's judgement need to be disclosed separately by virtue of their size, nature and occurrence.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The principal area of judgement concerns determination of income and expense to be reported as exceptional in order to understand the Company's underlying performance.

M247 Limited
Notes to the financial statements (continued)
For the year ended 31 March 2018

4 Revenue

The whole of the turnover is attributable to the principal activity of the Company and all arose within the United Kingdom.

5 Operating profit/(loss)

The operating profit/(loss) is stated after charging

	Year ended 31 March 2018 £ 000	11 months ended 31 March 2017 £ 000
Depreciation of property plant and equipment	884	2,044
Amortisation of intangible assets	-	356
Operating lease rentals	183	113
Auditors remuneration – fees for audit of the financial statements	12	40

6 Employees

Staff costs

	Year ended 31 March 2018 £ 000	11 months ended 31 March 2017 £ 000
Wages and salaries	783	1,015
Social security costs	83	83
Other pension costs - defined contribution scheme	8	43
	874	1,141

Average monthly number of employees during the year, including directors

	Year ended 31 March 2018 number	11 months ended 31 March 2017 number
Sales and administration	22	33

Wages and salaries costs were recharged to a fellow group subsidiary Metronet (UK) Limited for the year ended 31 March 2018 (2017: No recharge).

M247 Limited
Notes to the financial statements (continued)
For the year ended 31 March 2018

7 Directors' remuneration

	Year ended 31 March 2018 £ 000	11 months ended 31 March 2017 £ 000
Directors' emoluments	339	281

Remuneration of the highest paid director was £111,000 (2017: £102,000).

8 Finance costs

	Year ended 31 March 2018 £ 000	11 months ended 31 March 2017 £ 000
Bank interest payable	149	28
Finance lease costs	-	10
	149	38

9 Income tax

	Year ended 31 March 2018 £ 000	11 months ended 31 March 2017 £ 000
Corporation tax		
Current tax on profits for the year	191	-
Adjustments in respect of prior periods	(1)	(2)
Total current tax	190	(2)
Deferred tax		
Origination and reversal of timing differences	14	(472)
Changes to tax rates	-	70
Adjustments in respect of prior periods	1	6
	15	(396)
Total income tax charge/(credit)	205	(398)

M247 Limited
Notes to the financial statements (continued)
For the year ended 31 March 2018

9 Income tax continued

The tax assessed for the year lower than the standard rate of corporation tax in the UK of 19% (2017: 20%). The differences are explained below.

	Year ended 31 March 2018 £ 000	11 months ended 31 March 2017 £ 000
Profit/(loss) before tax	929	(2,141)
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19% (2018: 20%)	176	(428)
Effects of		
Changes in tax rates	27	70
Group relief	-	19
Expenses not deductible	-	328
Adjustments in respect of prior years	2	5
Tax relief on exercise of share options	-	(392)
Total charge/(credit) for the year	205	(398)

Factors that may affect future tax changes

The UK corporation tax rate decreased to 19% on 1 April 2017. Following Budget 2016 announcements the rate will fall to 17% in 2020. The deferred tax at 31 March 2018 was calculated based on the rate of 17%.

10 Exceptional items

	Year ended 31 March 2018 £ 000	11 months ended 31 March 2017 £ 000
Acquisition costs	-	1,772

Acquisition costs relate to the acquisition of the Company by Metronet (UK) Limited in October 2016.

M247 Limited
Notes to the financial statements (continued)
For the year ended 31 March 2018

11 Property, plant and equipment

	Motor vehicles £ 000	Plant and machinery £ 000	Computer equipment and software £ 000	Freehold property £ 000	Total £ 000
Cost					
At 1 April 2017	11	2,564	2,267	1,090	5,932
Additions	-	1,005	890	-	1,895
Disposals	-	(4)	(1)	-	(5)
At 31 March 2018	11	3,565	3,156	1,090	7,822
Accumulated depreciation					
At 1 April 2017	10	2,206	1,248	107	3,571
Disposals	-	(4)	-	-	(4)
Reclassification	-	195	(195)	-	-
Charge for year	1	204	652	27	884
At 31 March 2018	11	2,601	1,705	134	4,451
Net book value					
At 31 March 2017	1	358	1,019	983	2,361
At 31 March 2018	-	964	1,451	956	3,371

Property plant and equipment includes £317,000 of assets held under finance leases (2017: £407,000).

M247 Limited
Notes to the financial statements (continued)
For the year ended 31 March 2018

12 Investments

	31 March 2018 £ 000	31 March 2017 £ 000
Investment in subsidiary companies	-	-

The following are subsidiary undertakings of the Company:

Name	Holding	Principal activity
M247 Estates Limited ¹	100%	Property holding
M247 Europe SRL ²	100%	Data centre and connectivity
UK Web.Solutions Limited ¹	100%	Hosting and domain services
Axamba Inc ¹	100%	Dormant

All shareholdings are of Ordinary shares.

¹ Incorporated in England and Wales; registered office Turing House, Archway 5, Manchester M15 5RL.

² Incorporated in Romania; registered office SoS Fabrica de Clucoza Nr11b, Sector 2, Bucharest.

13 Trade and other receivables

	31 March 2018 £ 000	31 March 2017 £ 000
Trade debtors	666	597
Amounts owed by group undertakings	3,173	1,138
Prepayment and accrued income	257	280
Corporation tax recoverable	-	2
Other tax and social security	50	-
Deferred taxation (note 16)	364	379
	4,510	2,396

The amounts owed by group undertakings are unsecured, repayable on demand, and are interest free.

M247 Limited
Notes to the financial statements (continued)
For the year ended 31 March 2018

14 Creditors – amounts falling due within one year

	31 March 2018 £ 000	31 March 2017 £ 000
Trade creditors	956	1,324
Amounts owed to group undertakings	1,628	795
Corporation tax	189	-
Other tax and social security	-	43
Obligations under finance leases	124	173
Accruals and deferred income	1,286	1,034
	4,183	3,369

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

15 Creditors – amounts falling due after more than one year

	31 March 2018 £ 000	31 March 2017 £ 000
Obligations under finance leases	-	124
	-	124

16 Deferred taxation asset

	31 March 2018 £ 000	31 March 2017 £ 000
At beginning of year	379	(17)
(Charged)/credited to profit and loss	(15)	396
At end of year	364	379

The balance is entirely attributable to accelerated capital allowances.

17 Share capital

	31 March 2017 and 2018 £ 000
Shares classified as equity	
Allotted, called up and fully paid.	
1,143 ordinary shares of £1 each	1

M247 Limited
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18 Reserves

Share premium account

The share premium account represents consideration receivable on the issue of shares in excess of the nominal value of those shares.

Revaluation reserve

This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Retained earnings

Retained earnings includes all current and prior period profits and losses.

19 Commitments under operating leases

At 31 March 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	31 March 2018	31 March 2017
	£ 000	£ 000
Not later than 1 year	183	236
Between 1 and 5 years	489	550
Later than 5 years	2,538	2,660
At end of year	3,210	3,446

20 Ultimate group company

The Company's immediate parent undertaking is Manchester Metronet Limited, a company incorporated in England.

The largest and smallest company to consolidate the results of the Company is Pimco 2947 Topco Limited. The financial statements of Pimco 2947 Topco Limited are publicly available and can be obtained from its registered office at Turing House, Archway 5, Manchester M15 5RL.