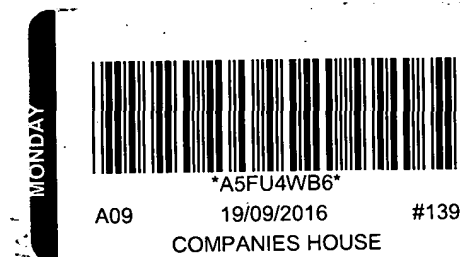


**Datacentred Limited**

**Annual report and financial statements**

**Registered number 05611763**

**31 December 2015**



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## **Directors report**

The Directors present their Directors report and financial statements for the year ended 31 December 2015.

### **Principal activities**

The principal activity of the company in the period was the continued development and operation of the datacentre facility and the creation and operation of the Open Cloud Platform described below. To support both of these activities DataCentred has created a metro optical platform connecting the Manchester Oxford Road area, MediaCityUK, and DataCentred's SAL01 facility. These areas are connected in a ring topology using active DWDM optical technology to provide a rich variety of high capacity services.

### **Research and development**

DataCentred continue to design and build a highly scalable cloud platform to supply on-demand compute and storage capabilities, and physical datacentres to house this platform. The platform, known as the Open Cloud Platform, is based on open source technologies and open standards including the OpenStack® cloud management framework and the Ceph® storage system, and is built on standard x86 hardware. The company continues to develop automated management and monitoring capabilities around these technologies and to integrate the datacentre management systems to provide a single view of our technology stack from environment through to compute workload. In collaboration with actual and potential customers, DataCentred is exploring future cloud hardware and software systems, with proofs of concept in progress on emerging computing architectures and hardware platforms.

### **Directors**

The directors who held office during the year were as follows:

Michael Kelly

Bill Enevoldson

Stephen Blank – Resigned 21<sup>st</sup> April 2015

Eoin Jennings – Resigned 3<sup>rd</sup> August 2015

### **Political contributions**

The Company made no political donations nor incurred any political expenditure during the year.

### **Small companies exemption**

The directors have decided to use the small companies exemption under s415A of the Companies Act 2006 from preparing certain parts of the directors report.

## **Director's report** *(continued)*

### **Auditor**

For the year ending 31<sup>st</sup> December 2015, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

By order of the board



**Michael Kelly**  
*Director*

11 Riverview  
The Embankment Business Park  
Vale Road  
Stockport  
Cheshire  
SK4 3GN

## **Statement of director's responsibilities in respect of the Director's report and the financial statements**

The directors are responsible for preparing the Director's 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 judgments and 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.

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. The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 December 2015*

		<b>Year ended 31 December 2015 £000</b>	<b>Year ended 31 December 2014 £000</b>
Revenue		171	16
Cost of sales		(141)	(101)
<b>Gross profit/(loss)</b>		<b>30</b>	<b>(85)</b>
Administrative expenses	2	(2,987)	(2,976)
Other operating income		3	13
<b>Operating loss</b>		<b>(2,954)</b>	<b>(3,048)</b>
Interest payable and similar charges	5	(263)	(174)
<b>Loss on ordinary activities before taxation</b>		<b>(3,217)</b>	<b>(3,222)</b>
Tax on profit on ordinary activities	6	171	(82)
<b>Loss for the financial year</b>		<b>(3,046)</b>	<b>(3,304)</b>

All amounts relate to continuing operations.

The company has no recognised gains or losses other than the profit for the financial year reported above and therefore no separate statement of other comprehensive income has been presented.

The accompanying notes on pages 7 to 18 form an integral part of these financial statements.

## Balance Sheet

at 31 December 2015

		31 December 2015		31 December 2014	
	Note	£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	7		3,362		3,762
			<u>3,362</u>		<u>3,762</u>
<b>Current assets</b>					
Debtors	8	480		238	
Cash at bank and in hand		548		360	
		<u>1,028</u>		<u>598</u>	
<b>Creditors: amounts falling due within one year</b>	9	(855)		(741)	
<b>Net current assets / (liabilities)</b>		<u>173</u>		<u>(143)</u>	
<b>Total assets less current liabilities</b>			<u>3,535</u>		<u>3,619</u>
<b>Creditors: amounts falling due after more than one year</b>	10		(7,351)		(4,389)
<b>Net liabilities</b>			<u>(3,816)</u>		<u>(770)</u>
<b>Capital and reserves</b>					
Called-up share capital	15		-		-
Revaluation reserve	15		2,634		3,028
Profit and loss account	15		(6,450)		(3,798)
<b>Shareholders' funds</b>			<u>(3,816)</u>		<u>(770)</u>

Company registered number: 05611763

The accompanying notes on pages 7 to 18 form an integral part of these financial statements.

For the year ended 31<sup>st</sup> December 2015, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the directors on 31st August 2016 and were signed on their behalf by:

  
Michael Kelly Director

## Company Statement of Changes in Equity

	<b>Called-up Share capital</b>	<b>Share Premium account</b>	<b>Revaluation reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance at 1 January 2014	-	-	3,541	(907)	2,634
<b>Total comprehensive income for the period</b>					
Profit or loss	-	-		(3,304)	(3,304)
Disposal of revalued asset	-	-	(100)		(100)
Depreciation transfer	-	-	(413)	413	-
<b>Total comprehensive income for the period</b>	<u>-</u>	<u>-</u>	<u>3,028</u>	<u>(3,798)</u>	<u>(770)</u>
<b>Balance at 31 December 2014</b>	<u>-</u>	<u>-</u>	<u>3,028</u>	<u>(3,798)</u>	<u>(770)</u>

	<b>Called-up Share capital</b>	<b>Share Premium account</b>	<b>Revaluation reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance at 1 January 2015	-	-	3,028	(3,798)	(770)
<b>Total comprehensive income for the period</b>					
Profit or loss	-	-		(3,046)	(3,046)
Depreciation transfer	-	-	(394)	394	-
<b>Total comprehensive income for the period</b>	<u>-</u>	<u>-</u>	<u>2,634</u>	<u>(6,450)</u>	<u>(3,816)</u>
<b>Balance at 31 December 2015</b>	<u>-</u>	<u>-</u>	<u>2,634</u>	<u>(6,450)</u>	<u>(3,816)</u>

## Notes to the financial statements

### 1 Accounting policies

Datacentred Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

The Company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time.
- Certain disclosures required by FRS 102.26 Share Based Payments; and,
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### **Measurement convention**

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: tangible fixed assets measured in accordance with the revaluation model.

#### **Basis of preparation**

The company is exempt from the requirement of FRS 1 to prepare a cash flow statement as at 31 December 2015 as it was defined as a small company under s382 of the Companies Act 2006.

#### **Going concern**

The financial statements have been prepared on a going concern basis, notwithstanding net liabilities at 31 December 2015 of £3,816k and £7,351k in loans, which the Directors believe to be appropriate.

In 2015 the Company first brought products to market, and 2015 has been used to shape the product to meet the market demands. The nature of the Company’s operations means that future income is dependent on continuing to secure contracts in the markets within which it currently operates. Revenue has increased in 2015, and continues to increase significantly in 2016. A number of large clients are now installed and using services in significant volume. The growth in the client base and the pipeline allow the Board to have confidence in the delivery of an increasingly profitable business in the near and medium term. In 2015 we have demonstrated that the Cloud product and services, have unique value points, which are much sought after in the market.

The Company secured an additional round of funding from its current investors in December 2015. The Board has adopted a forecast business model which assumes further increases in turnover and improvements in working capital based on a defined strategy and pipeline. The Board believe that within the company’s existing resources, and additional resources, which will be forthcoming on the basis of the commercial returns from new contracts, it will have the total resources required to achieve the targets in the model.

These financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.1 Basic financial instruments

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### *Investments in preference and ordinary shares*

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

#### 1.2 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Tangible fixed assets include investment property whose fair value cannot be measured reliably without undue cost or effort. Certain items of tangible fixed assets that had been revalued to fair value on or prior to the date of transition to FRS 102, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described at 1.5-below.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Plant & Machinery - 10-13% per annum

- Equipment & IT - 10-33% per annum
- Leasehold land - 10% per annum

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

#### *Revaluation*

Plant & Machinery are stated at fair value less any subsequent accumulated depreciation and impairment losses. Gains on revaluation are recognised in other comprehensive income and accumulated in equity/revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease previously recognised in profit or loss.

Losses arising on revaluation are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. Any excess is recognised in profit or loss.

### **1.3 Impairment excluding stocks and deferred tax assets**

#### *Non-financial assets*

The carrying amounts of the entity's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### **1.4 Turnover**

Revenue represents the value of goods and services supplied to customers during the year, excluding value added tax. Where invoices are raised in advance for contracted services, the revenue will be spread over the period of the service and deferred income recognised on the balance sheet.

### **1.5 Expenses**

#### *Operating lease*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

#### *Finance lease*

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce

a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

#### *Interest receivable and Interest payable*

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

#### ***Taxation***

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For non-depreciable assets that are measured using the revaluation model, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

## Notes (continued)

### 2 Expenses and auditor's remuneration

*Included in profit/loss are the following:*

	2015 £000	2014 £000
Depreciation and other amounts written off tangible fixed assets:		
Owned	612	505
Hire of other assets – Operating leases	124	124
	<u>          </u>	<u>          </u>

*Auditor's remuneration:*

	2015 £000	2014 £000
Audit	-	18
All other non-audit services	23	-
	<u>          </u>	<u>          </u>

### 3 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees 2015	2014
Management	8	8
Research and Development	5	4
Engineers	2	2
	<u>          </u>	<u>          </u>
	15	14
	<u>          </u>	<u>          </u>

The aggregate payroll costs of these persons were as follows:

	2015 £000	2014 £000
Wages and salaries	699	773
Social security costs	448	281
Other pension costs	75	47
	<u>          </u>	<u>          </u>
	1,222	1,101
	<u>          </u>	<u>          </u>

#### **4 Remuneration of directors**

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Directors' remuneration	<b>103</b>	<b>224</b>
Company contributions to money purchase pension schemes	<b>4</b>	<b>6</b>
	<b>=====</b>	<b>=====</b>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £nil (2014:nil).

	<b>Number of directors</b>	
	<b>2015</b>	<b>2014</b>
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	<b>1</b>	<b>1</b>
	<b>=====</b>	<b>=====</b>

#### **5 Interest payable and similar charges**

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
On bank loans and overdrafts	<b>-</b>	<b>-</b>
On all other loans	<b>263</b>	<b>174</b>
	<b>=====</b>	<b>=====</b>
	<b>263</b>	<b>174</b>
	<b>=====</b>	<b>=====</b>

## Notes (continued)

### 6 Taxation

#### Analysis of (credit)/charge in period

	2015 £000	2014 £000
<i>UK corporation tax</i>		
Current tax on income for the period	(171)	(103)
Adjustments in respect of previous periods	-	(33)
<i>Deferred tax (see note 13)</i>		
Origination/reversal of timing differences	-	206
Adjustment in respect of previous periods	-	26
Effect of changes in tax rates	-	(14)
	<hr/>	<hr/>
Tax on loss on ordinary activities	(171)	82
	<hr/>	<hr/>

#### Factors affecting the tax charge for the current period

The tax for the year can be reconciled to the profit per the income statement as follows:

	2015 £000	2014 £000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(3,217)	(3,222)
	<hr/>	<hr/>
Current tax at standard UK tax rate of 20.25% (2014: 21.49%)	(652)	(692)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	(18)	145
Effects of R&D tax credit	(171)	(104)
Deferred tax not recognised	679	766
Transfer pricing adjustment	(9)	-
Adjustment from previous periods	-	(33)
	<hr/>	<hr/>
Total current tax charge (see above)	(171)	82
	<hr/>	<hr/>

## Notes (continued)

### 7 Tangible fixed assets

	Plant & Machinery	Equipment & IT	Leasehold	Total
	£000	£000	£000	£000
<b>Cost or valuation</b>				
At beginning of year	4,053	421	141	4,615
Additions	15	198	-	214
Disposals	(1)	-	-	(1)
Revaluations	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	4,067	619	141	4,827
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At beginning of year	773	67	13	853
Charge for year	421	176	15	612
Disposal Depreciation	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	1,194	243	28	1,465
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 December 2014	3,280	354	128	3,762
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	2,873	376	113	3,362
	<hr/>	<hr/>	<hr/>	<hr/>

### 8 Debtors

	31 December 2015 £000	31 December 2014 £000
Other debtors	121	55
Deferred tax assets (due after more than one year) <i>Note 13</i>	-	-
Corporation tax	275	104
Prepayments and accrued income	84	79
	<hr/>	<hr/>
	480	238
	<hr/>	<hr/>

**9 Creditors: amounts falling due within one year**

	<b>31 December 2015 £000</b>	<b>31 December 2014 £000</b>
Trade creditors	89	105
Intercompany payables	192	5
Taxation and social security	32	47
Pension control	5	5
Accruals and deferred income	392	434
Director's loan account	-	-
Obligations under finance leases and hire purchase contracts (see note 10)	110	110
Loan repayment (less than 1 year)	35	35
	<hr/> 855 <hr/>	<hr/> 741 <hr/>

**10 Creditors: amounts falling due after more than one year**

	<b>31 December 2015 £000</b>	<b>31 December 2014 £000</b>
Long term loans	6,570	3,499
Director's loan account	730	730
Obligations under finance leases and hire purchase contracts	51	160
	<hr/> 7,351 <hr/>	<hr/> 4,389 <hr/>

Included within Long term loans above is a loan of £1,981k (2014:£1,980k) with the Greater Manchester Combined Authority, which is repayable in full by June 2020. This long term loan attracts an interest rate of 6% per annum and the loan provider has first charge over the company's assets. There are two further loan agreements amounting to £1,587k (2014:£1,568k) which are repayable by June 2020. One loan is with Enterprise Ventures (£793k) and the other loan is with Moulton Goodies Limited (£794k). These loans attract interest at a rate of 8% per annum. In addition, there is a loan of £3,002 (2014 nil) due to Datacentred Holdings Limited, the parent company of Datacentred Limited. The director's loan account does not attract any interest and is due for repayment after several years.

**11 Interest-bearing loans and borrowings**

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	<b>2015 £000</b>	<b>2014 £000</b>
<b>Creditors falling due more than one year</b>		
Secured bank loans	-	-
Debenture loans	3,568	3,548
Finance lease liabilities	50	160
Shares classified as debt	-	-
	<hr/> 3,618 <hr/>	<hr/> 3,708 <hr/>

**Creditors falling due within less than one year**

Secured bank loans	-	-
Debenture loans	35	35
Shares classified as debt	-	-
Finance lease liabilities	110	110
Unsecured bank facility	-	-
	<u>145</u>	<u>145</u>

**12 Other interest-bearing loans and borrowings**

*Finance lease liabilities*

Finance lease liabilities are payable as follows:

	<b>Minimum lease payments 2015 £000</b>	<b>Minimum lease payments 2014 £000</b>
Less than one year	<b>110</b>	110
Between one and five years	<b>51</b>	160
More than five years	-	-
	<u><b>161</b></u>	<u>270</u>

**13 Deferred tax assets and liabilities**

	<b>Assets 2015 £000</b>	<b>2014 £000</b>	<b>Liabilities 2015 £000</b>	<b>2014 £000</b>	<b>Net 2015 £000</b>	<b>2014 £000</b>
Accelerated capital allowances	-	-	-	-	-	-
Arising on business combinations	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-
Unused tax losses	-	-	-	-	-	-
Other	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Tax (assets) / liabilities	-	-	-	-	-	-
Net of tax liabilities/(assets)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net tax (assets) / liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

In addition to the deferred tax asset above, the Company has additional unrecognised gross tax losses of £5,241k (2014: £3,068k).

## 14 Employee benefits

### *Defined contribution plan*

The Company operates a defined contribution pension plan. The total expense relating to the plan in the current year was £75k (2014: £47k).

## 15 Share capital

<i>Allotted, called-up and fully paid Number</i>	Ordinary shares £
At 1 January 2015 and 31 December 2015	1
	<hr/>
At 1 January 2015 and 31 December 2015	1
	<hr/> <hr/>

### Reserves

	Revaluation Reserve £000	Profit and loss account £000	Total £000
At 1 January 2015	3,028	(3,798)	(770)
Profit for the year	-	(3,046)	(3,046)
Depreciation transfer	(394)	394	-
	<hr/>	<hr/>	<hr/>
At 31 December 2015	<b>2,634</b>	<b>(6,450)</b>	<b>(3,816)</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## 16 Operating leases

Annual commitments under non-cancellable operating leases are as follows:

	31 December 2015 £000	31 December 2014 £000
Land and buildings		
Operating leases which expire:		
Within one year	-	-
In the second to fifth years inclusive	-	-
Over five years	124	124
	<hr/>	<hr/>
	<b>124</b>	<b>124</b>
	<hr/> <hr/>	<hr/> <hr/>

**17 Related party disclosures**

There are no related party disclosures for 2015.

**18 Post balance sheet events**

The Company has had initial offers of additional funding from its current investors and other finance providers to provide additional debt of up to £1.16m. The Board has agreed that all interest repayments, including those from previous loans will continue to be deferred by existing investors.

The Company's revenues have continued to increase significantly since December 2015. The year to date revenues at the end of June 2016 were £561k.

**19 Ultimate controlling party**

The Company is a subsidiary undertaking of DataCentred Holdings Limited, which is the ultimate parent company incorporated in England and Wales. Copies of consolidated financial statements of DataCentred Holdings Limited can be obtained from Registrar of Companies.

**20 Explanation of transition to FRS 102 from old UK GAAP**

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015 and the comparative information presented in these financial statements for the year ended 31 December 2014.

In preparing its FRS 102 balance sheet, the Company has not been required to adjust any balances as there are no GAAP conversion differences to the amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP).