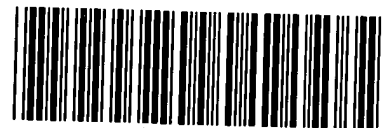


ISDC Developments (No4) Limited
Annual report and financial statements
31 March 2021

Company registration no. 07685812

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ISDC Developments (No4) Limited

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ISDC Developments (No4) Limited

Officers and professional advisers

Directors

S Sutton

J A Thompson

Registered Office

100 Avebury Boulevard

Milton Keynes

MK9 1FH

United Kingdom

Solicitors

Taylor Wessing LLP

5 New Street Square

London

EC4A 3TW

United Kingdom

Auditor

Deloitte LLP

Statutory Auditor

1 Station Square

Cambridge

CB1 2GA

United Kingdom

ISDC Developments (No4) Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2021.

The directors' report has been prepared in accordance with the special provisions applicable to companies entitled to the small companies' exemption, which includes exemption from preparing a Strategic Report.

Principal activities

The principal activities of the Company are the development and future provision of data centre and ancillary services.

Going concern

The directors have considered the risks and uncertainties for the Company including the global COVID-19 pandemic and formed a judgement when approving these financial statements that there is a reasonable expectation based on the Company's forecasts and projections that the Company will have available adequate resources to continue in operational existence for the foreseeable future, which is at least 12 months from the approval of the financial statements. This is reliant on a letter of support received from the parent company, Infinity SDC Limited, which pledges support to the Company such that it is able to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements. However, on 23 June 2022, Infinity SDC Limited (the Company's parent and ultimate controlling party) entered into an agreement for the sale of the entire share capital of the company. As at the time of signing the financial statements there is no guarantee the sale will complete, but should there be a change in ownership within the next 12 months, this would result in the letter of support received from the parent company no longer being relied upon. As such a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern such that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the material uncertainty set out above, on the basis of the forecast position of the Company and the letter of support received, the Directors have a reasonable expectation that the Company will continue in operational existence for at least 12 months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Directors

The directors, who served during the year and to the date of this report, were as follows:

S Sutton

J A Thompson

Directors' indemnities

The parent company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report, this includes the directors of the Company.

Dividends

The directors do not propose the payment of a dividend and have not made an interim dividend payment (2020: £nil).

ISDC Developments (No4) Limited

Directors' report (continued)

Events subsequent to the balance sheet date

On 23 June 2022, Infinity SDC Limited (the Company's parent and ultimate controlling party), entered into an agreement to sell 100% of the Company's share capital. When the sale completes the current directors will resign and new directors will be appointed.

The global COVID-19 pandemic has continued since the year end and a conflict has commenced in Ukraine. The Company has not seen a significant impact upon its operations or cash flows as a result of COVID-19 or the conflict in Ukraine since the year end.

Auditor

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

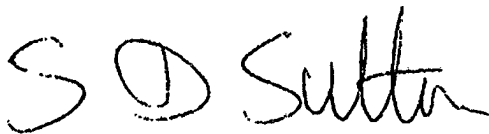
Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them as auditor will be proposed at the forthcoming Annual General Meeting.

Principal risks and uncertainties, financial risk management objectives and policies

Note 16 contains disclosure of the financial risks applicable to the Company.

There is also a risk that the Company could be impacted by global economic and political uncertainties such as COVID-19, the impact of leaving the European Union and the conflict in Ukraine. The Board has no evidence to suggest these uncertainties are affecting the Company's strategy or performance currently, but it continues to monitor developments closely and assesses all strategic and investment decisions with these risks in mind.

Approved by the Board of Directors and signed on behalf of the Board by



S Sutton
Director
24 June 2022

ISDC Developments (No4) Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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 are required to prepare the company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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.

ISDC Developments (No4) Limited

Independent auditor's report to the members of ISDC Developments (No4) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of ISDC Developments (No4) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity 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 Financial Reporting Council's (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.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that should a change in ownership of the Company occur in the next 12 months the letter of support received from the parent company could no longer be relied upon. As stated in note 1.2., these events or conditions, along with the other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

ISDC Developments (No4) Limited

Independent auditor's report to the members of ISDC Developments (No4) Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

ISDC Developments (No4) Limited

Independent auditor's report to the members of ISDC Developments (No4) Limited (continued)

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included data protection regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the directors' report.

ISDC Developments (No4) Limited

Independent auditor's report to the members of ISDC Developments (No4) Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

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.



Paul Adkins FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Cambridge, United Kingdom
24 June 2022

ISDC Developments (No4) Limited

Statement of comprehensive income

for the year ended 31 March 2021

		2021	2020
	Notes	£'000	£'000
Operating expenses			
Depreciation and amortisation	7	(101)	(101)
Other operating expenses		(354)	(321)
Operating loss, being loss before tax		(455)	(422)
Income tax	6	130	39
Loss for the year and total comprehensive expense		(325)	(383)

All activities derive from continuing operations.

There were no items of other comprehensive income in the year and therefore no separate statement of comprehensive income is required.

The notes on pages 15 to 28 are an integral part of these financial statements.

ISDC Developments (No4) Limited

Balance sheet

as at 31 March 2021

	Notes	2021 £'000	2020 £'000
Non-current assets			
Property, plant and equipment	7	10,677	9,386
Deferred tax asset	6	222	87
		10,899	9,473
Current assets			
Trade and other receivables	8	229	204
Income tax receivable	6	149	-
Cash and short-term deposits	9	2	6
		380	210
Total assets		11,279	9,683
Equity			
Issued share capital	10	1	1
Retained losses		(985)	(660)
Shareholders' deficit		(984)	(659)
Non-current liabilities			
Deferred tax liability	6	240	87
		240	87
Current liabilities			
Trade and other payables	11	12,023	10,255
		12,023	10,255
Total liabilities		12,263	10,342
Total equity and liabilities		11,279	9,683

The notes on pages 15 to 28 are an integral part of these financial statements.

The financial statements of ISDC Developments (No4) Limited (registered number 07685812) were approved and authorised for issue by the board of directors on 24 June 2022 and were signed on its behalf by



J A Thompson
Director, 24 June 2022

ISDC Developments (No4) Limited

Statement of changes in equity

for the year ended 31 March 2021

	Issued share capital £'000	Retained losses £'000	Total equity £'000
At 1 April 2019	1	(277)	(276)
Loss and total comprehensive expense for the year ended 31 March 2020	-	(383)	(383)
At 31 March 2020	1	(660)	(659)
At 1 April 2020	1	(660)	(659)
Loss and total comprehensive expense for the year ended 31 March 2021	-	(325)	(325)
At 31 March 2021	1	(985)	(984)

ISDC Developments (No4) Limited

Statement of cash flows

for the year ended 31 March 2021

		Year ended	
		31 March 2021 £'000	31 March 2020 £'000
	Notes		
Cash outflow from operations	12	(375)	(305)
Cash used in operating activities		(375)	(305)
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,492)	(415)
Cash used in investing activities		(1,492)	(415)
Cash flows after investing activities		(1,867)	(720)
Cash flows from financing activities			
Loan proceeds from parent company	13	1,863	726
Net cash inflow from financing activities		1,863	726
Net (decrease)/increase in cash and cash equivalents		(4)	6
Cash and cash equivalents at beginning of year		6	-
Cash and cash equivalents at end of year	9	2	6

ISDC Developments (No4) Limited

Notes to the financial statements

1. Summary of significant accounting policies

ISDC Developments (No4) Limited (the Company) is a company incorporated in the United Kingdom under the Companies Act 2006. The Company is a private company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 3. The nature of the Company's operations and its principal activities are set out in the directors' report on page 4.

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

1.1. Basis of preparation

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The financial statements have been prepared on a historical cost basis. The financial statements are presented in pounds sterling because the functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest thousand (£'000), except when otherwise indicated.

The accounting policies as described below and in the respective notes have been used consistently for the financial year and for the comparative figures. The principal accounting policies are summarised below.

1.2. Going concern

The directors have considered the risks and uncertainties for the Company including the global COVID-19 pandemic and formed a judgement when approving these financial statements that there is a reasonable expectation based on the Company's forecasts and projections that the Company will have available adequate resources to continue in operational existence for the foreseeable future, which is at least 12 months from the approval of the financial statements. This is reliant on a letter of support received from the parent company, Infinity SDC Limited, which pledges support to the Company such that it is able to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements. However, on 23 June 2022, Infinity SDC Limited (the Company's parent and ultimate controlling party) entered into an agreement for the sale of the entire share capital of the company. As at the time of signing the financial statements there is no guarantee the sale will complete, but should there be a change in ownership within the next 12 months, this would result in the letter of support received from the parent company no longer being relied upon. As such a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern such that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the material uncertainty set out above, on the basis of the forecast position of the Company and the letter of support received, the Directors have a reasonable expectation that the Company will continue in operational existence for at least 12 months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

1.3. Property, plant and equipment

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment. No depreciation is provided on freehold land and assets in the course of construction. On other fixed assets, depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

- Plant and equipment between 3 and 15 years

Residual value is calculated on prices prevailing at the date of acquisition.

ISDC Developments (No4) Limited

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

1.4. Impairment of property, plant and equipment

At each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs of disposal and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5. Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ISDC Developments (No4) Limited

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

1.5 Financial assets (continued)

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (ECL) on trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors and general economic conditions.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

1.6. Cash and cash equivalents

Cash and cash equivalents comprises cash in hand and other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value

1.7. Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

ISDC Developments (No4) Limited

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

1.6 Financial liabilities and equity (continued)

Financial liabilities

Financial liabilities are classified as either financial liabilities at 'FVTPL' or 'other financial liabilities'. The Company's financial liabilities at 31 March 2021 and 31 March 2020 were all classified as other financial liabilities.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

1.8. Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

ISDC Developments (No4) Limited

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

1.9. Amendments to IFRS standards and interpretations

The Company considered the following amendments to published standards that are effective for the Company for the financial year beginning 1 April 2020 and concluded that they are either not relevant to the Company or they do not have a significant impact on the Company's financial statements other than disclosures.

- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IFRS 3 - Definition of a business
- Amendments to IAS 1 and IAS 8 - Definition of material
- Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest rate benchmark reform

Standards and revisions effective for future periods:

The following standards and revisions will be effective for future periods:

- Amendments to IFRS 16 - Covid-19 related rent concessions
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest rate benchmark reform phase 2
- Amendments to IFRS 16 - Covid-19 related rent concession beyond 30 June 2021
- Amendments to IAS 16 - Property, plant and equipment - Proceeds before intended use
- Annual improvements to IFRS standards 2018 - 2020
- Amendments to IFRS 3 - Reference to the conceptual framework
- Amendments to IAS 37 - Onerous contract - cost of fulfilling a contract
- Amendments to IFRS 17 - Insurance contracts
- Amendments to IAS 1 - Classification of liabilities as current or non-current
- Amendments to IFRS 4 - Extension of the temporary exemption from applying IFRS 9
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of accounting policies
- Amendments to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction
- Amendments to IAS 8 - Definition of accounting estimates

The company has considered the impact of the remaining above standards and revisions and have concluded that, they will not have a significant impact on the Company's financial statements.

ISDC Developments (No4) Limited

Notes to the financial statements (continued)

2. Critical accounting judgements and key source of estimation uncertainty

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Critical judgements in applying accounting policies

There are no critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Assets that are subject to depreciation and amortisation, as disclosed in note 7, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget, covering the remaining life of the asset and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. At 31 March 2021 the Company had non-financial assets of £10.7m (2020: £9.4m). No impairment triggers have been noted at 31 March 2021.

Deferred tax recognised by the Company

The recognition of deferred tax assets, particularly in respect of tax losses, is based upon whether management judge that it is probable that there will be sufficient and suitable taxable profits in the Company against which to utilise the assets in the future. The Company assesses the availability of future taxable profits using a forecast which is based on the budget and assumptions around future customer revenues and operating expenses. Changes in the assumptions and estimates which underpin the forecasts could have an impact on the amount of future taxable profits and could have a significant impact on the period over which the deferred tax asset would be recovered. At 31 March 2021 the Company have recognised deferred tax assets in respect of tax losses of £0.2 million (2020: £0.1million).

ISDC Developments (No4) Limited

Notes to the financial statements (continued)

3. Employee information

The Company had no employees during the year ended 31 March 2021 (2020: nil).

4. Directors' remuneration

The directors received no remuneration for their services to the Company and were remunerated by another company in the group (2020: nil).

5. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual accounts were £3,885 (2020: £3,700).

6. Income tax

Taxation income of £130,000 arose during the year (2020: £39,000). At 31 March 2021, there were approximately £911,000 (2020: £555,000) of tax losses available for set off against future profits, which may be carried forward indefinitely.

	Year ended	
	31 March 2021	31 March 2020
	£'000	£'000
Current tax		
In respect of the current year	127	-
Adjustments in respect to prior years	21	-
	148	-
Deferred tax		
Origination and reversal of temporary differences	(153)	(8)
Movement in recognised tax asset	135	47
	(18)	39
Tax credit for the year	130	39

ISDC Developments (No4) Limited
Notes to the financial statements (continued)

6. Income tax expense (continued)

The tax for the year can be reconciled to the loss per the statement of comprehensive income as follows:

	Year ended	
	31 March 2021	31 March 2020
	£'000	£'000
Loss before tax on continuing operations	(455)	(422)
Tax at the UK corporation tax rate of 19% (2020: 19%)	(86)	(80)
Expenses not deductible for tax purposes	10	18
Movement in deferred tax not recognised	(19)	19
Re-measurement of deferred tax - change in rate	4	4
Adjustments to tax charge in respect of prior periods	(21)	-
Tax reclaim for land remediation	(18)	-
Tax credit for the year	(130)	(39)

Deferred tax assets and liabilities have been recognised as follows:

	Accelerated capital allowances	Tax losses	Total
	£'000	£'000	£'000
At 1 April 2019	(79)	40	(39)
Credit/(charge) to the income statement	(8)	47	39
At 31 March 2020	(87)	87	-
Credit/(charge) to the income statement	(153)	135	(18)
At 31 March 2021	(240)	222	(18)

Reflected in the Balance sheet as follows:

	Accelerated capital allowances	Tax losses	Total
	£'000	£'000	£'000
Deferred tax asset	-	222	222
Deferred tax liability	(240)	-	(240)
	(240)	222	(18)

ISDC Developments (No4) Limited

Notes to the financial statements (continued)

6. Income tax expense (continued)

Deferred tax assets are not recognised when there is uncertainty of their realisation in the future. Deferred tax not recognised in the Company is as follows:

	31 March 2021 £'000	31 March 2020 £'000
Tax losses not recognised	-	19
Total deferred tax asset not recognised	-	19

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2021 on 24 May 2021. The rate applicable from 1 April 2022 remains at 19%, from 1 April 2023 the rate will be 25%. Deferred tax on temporary differences, tax losses and interest to be deducted in future periods as at the balance sheet date is calculated at the substantively enacted rates at which the temporary differences and tax losses are expected to reverse.

7. Property, plant and equipment

	Assets under construction £'000	Freehold land £'000	Plant and equipment £'000	Total £'000
Cost				
At 1 April 2019	257	4,748	4,030	9,035
Additions	578	-	-	578
At 31 March 2020	835	4,748	4,030	9,613
Additions	1,392	-	-	1,392
At 31 March 2021	2,227	4,748	4,030	11,005
Accumulated depreciation				
At 1 April 2019	-	-	126	126
Charge for the year	-	-	101	101
At 31 March 2020	-	-	227	227
Charge for the year	-	-	101	101
At 31 March 2021	-	-	328	328
Net book value				
At 31 March 2021	2,227	4,748	3,702	10,677
At 31 March 2020	835	4,748	3,803	9,386

ISDC Developments (No4) Limited
Notes to the financial statements (continued)

8. Trade and other receivables

	31 March 2021 £'000	31 March 2020 £'000
Current		
Prepayments	179	179
Other debtors	50	25
	229	204

9. Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held on call with banks, all denominated in sterling.

10. Issued share capital

	31 March 2021 £'000	31 March 2020 £'000
Authorised, called up, allotted and fully paid		
100,000 ordinary shares of £0.01 each	1	1
	1	1

Ordinary shares carry rights to vote at general meetings and rights to dividends.

The directors do not recommend the payment of a dividend (2020: £nil).

Retained losses represents cumulative profits or losses, net of dividends paid and other adjustments.

11. Trade and other payables

	31 March 2021 £'000	31 March 2020 £'000
Trade payables	-	1
Accruals and sundry creditors	84	178
Amounts owed to parent company	11,939	10,076
	12,023	10,255

Trade and other payables are measured at historical cost, which approximates to their fair values due to their short maturity period. The carrying amount of the Company's trade and other payables is denominated in sterling. Amounts owed to parent company are non-interest bearing, not secured and repayable on demand.

ISDC Developments (No4) Limited

Notes to the financial statements (continued)

12. Cash generated from operations

The reconciliation of loss for the year to net cash outflow from operating activities is as follows:

		Year ended	
		31 March 2021 £'000	31 March 2020 £'000
	Notes		
Loss for the year after tax		(325)	(383)
Adjusted for:			
income tax credit	6	(130)	(39)
depreciation charge	7	101	101
Changes in working capital:			
(Increase)/decrease in trade and other receivables		(25)	15
Increase in trade and other payables		4	1
Net cash outflow from operations		(375)	(305)

13. Changes in liabilities from financing activities

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's cash flow statement as cash flows from financing activities.

	Amounts owed to parent company
1 April 2019	9,350
Loan proceeds from parent company	726
31 March 2020	10,076
Loan proceeds from parent company	1,863
31 March 2021	11,939

14. Capital commitments

Capital expenditure in respect of property, plant and equipment that had been contracted but not provided for in the financial statements at 31 March 2021 amounted to £1,465,000 (2020: £798,000).

ISDC Developments (No4) Limited

Notes to the financial statements (continued)

15. Related parties

The Company's parent company is Infinity SDC Limited, transactions and balances with the parent company have arisen from the transfer to or from the parent company of funding and for the purchase of services. Transactions and balances with other subsidiaries of Infinity SDC Limited are for the purchase of services. Balances with related party companies are repayable upon demand and no interest is charged.

Balances and transactions between the Company and its parent company and the parent company's subsidiaries are as follows:

	31 March 2021 £'000	31 March 2020 £'000
Balances with related party companies		
Parent company	(11,939)	(10,076)
Parent company subsidiaries	-	-
Transactions with related party companies		
Parent company	(1,863)	(740)
Parent company subsidiaries	-	14

16. Financial instruments

IFRS 7 requires certain disclosures in respect of financial instruments, these disclosures are given below.

Financial risk management

The Company's objectives, policies and processes for managing financial risk and the methods used to measure them are disclosed below. There have been no significant changes in the Company's exposure to risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods.

The Company is subject through its operations to the following principal financial risk:

Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient funds to meet its financial liabilities as they fall due.

The Company is supported by its parent company whose finance function monitor its rolling forecasts to ensure it has sufficient cash to meet operational, capital investment and debt servicing needs. Cash flow forecasts are regularly prepared and reviewed.

ISDC Developments (No4) Limited

Notes to the financial statements (continued)

16. Financial instruments (continued)

The following table sets out the undiscounted contractual cash flows in respect of financial liabilities.

	Less than one year £'000	Between one and five years £'000	Greater than five years £'000
At 31 March 2021			
Trade payables	-	-	-
Amounts owed to group companies	11,939	-	-
	11,939	-	-
	Less than one year £'000	Between one and five years £'000	Greater than five years £'000
At 31 March 2020			
Trade payables	1	-	-
Amounts owed to group companies	10,076	-	-
	10,077	-	-

Capital risk management

The capital of the Company consists of intercompany loans, net of cash and bank balances and its equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to continue to provide data centre services to its customers and to maintain an optimal capital structure. There are no externally imposed capital requirements.

Fair value measurements

The Company has no financial instruments measured at fair value.

ISDC Developments (No4) Limited

Notes to the financial statements (continued)

16. Financial instruments (continued)

Carrying value

The carrying value of the Company's financial assets and liabilities at the year-end is shown below:

	Note	31 March 2021 £'000	31 March 2020 £'000
Financial assets			
At amortised cost:			
other debtors	8	50	25
cash and cash equivalents	9	2	6
Total financial assets		52	31
		31 March 2021 £'000	31 March 2020 £'000
Financial liabilities			
At amortised cost:			
trade payables	11	-	1
amounts owed to group companies	11	11,939	10,076
Total financial liabilities		11,939	10,077

The carrying values of all financial assets and liabilities in the financial statements approximate their fair values.

17. Events after the reporting period

As disclosed in the Directors Report, on 23 June 2022 Infinity SDC Limited (the Company's parent and ultimate controlling party), entered into an agreement to sell 100% of the Company's share capital. When the sale completes the current directors will resign and new directors will be appointed.

The global COVID-19 pandemic has continued since the year end and a conflict has commenced in Ukraine. The Company has not seen a significant impact upon its operations or cash flows as a result of COVID-19 or the conflict in Ukraine since the year end.

18. Parent undertaking and ultimate controlling party

The Company's parent undertaking, ultimate parent undertaking and ultimate controlling party is Infinity SDC Limited, which is incorporated in the United Kingdom. The group in which the results of the Company are consolidated, being the largest and smallest group of which the Company is part, is that headed by Infinity SDC Limited, 100 Avebury Boulevard, Milton Keynes, MK9 1FH. Copies of the financial statements of that Group can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.