

Financial Statements

Datum Datacentres Limited

For the year ended 31 December 2013

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COMPANIES HOUSE

Registered number: 07954217

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Strategic Report

For the year ended 31 December 2013

The financial statements contain information about Datum Datacentres Ltd (“Datum” or “the Company”) as an individual company; the ultimate parent company Amphora Topco Limited produces consolidated accounts, which are publicly available.

Business review, principal activities and future developments

The company was incorporated in 2012. Datum’s principal activity is the provision of colocation services; Datum’s vision is to build a **network of regional, environmentally intelligent, carrier neutral datacentres** following a repeatable blueprint and targeting locations that offer something a little different from the traditional UK colocation centres. Datum differentiates itself around three themes.

- **Environmental Intelligence**
Environmentally Intelligent Cooling - Our Free Cooling design uses a Flooded Airflow approach to deliver energy efficient and cost effective datacentres, significantly reducing running costs and carbon footprint both for ourselves and our Clients.
- **Security and Reliability**
Highly available infrastructure with 2N main and backup power delivered from secure campus locations.
- **100% Client Focused**
Proactive service delivery and account management - Your IT needs and our first class service in perfect alignment.

Key performance Indicators

The results for the company show an operating loss of £2,019k (2012: loss £734k) and revenues of £425k (2012: £267k). During 2013 the build project for the initial facility in Farnborough was completed and by the end of the year Attenda was operational as an anchor tenant and a number of new clients were in the data centre. During 2014 growth will be measured by new client acquisition, power capacity sold and increasing recurring annuity revenues from long term contracts.

Business environment and strategy

Datum’s market – Datum’s core target market is the Service Provider community who focus on business critical IT and in particular mid to large players. Datum’s vision is to build a network of regional, **environmentally intelligent, carrier neutral** datacentres following a repeatable blueprint and targeting locations that differentiates through environmental intelligence, secure and reliant facilities and 100% client focus.

The prevailing economic climate continues to be of concern but sentiment has certainly improved over the last 6 months with significantly more activity amongst our target market. Competition remains strong and with additional capacity coming on stream during 2014 this is unlikely to change significantly, however Datum has built a strong brand and gained some important clients; performance that will ensure Datum continues to outperform the market.

Strategic Report (continued)

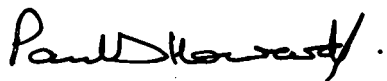
Research and Development

Datum's initial state-of-the-art Datacentre was completed and became operational in early 2013.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks; these risks are identified and mitigated where appropriate. The initial Farnborough Data Centre was opened in early 2013 and during 2014 the focus will be on growing the client base and filling the capacity of the facility which will require further build out beyond the initial hall.

This report was approved by the board and signed on its behalf.



P Howard
Director

Date: 13/05/14

Directors' Report

For the year ended 31 December 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

Results and dividends

The loss for the year, after taxation, amounted to £2,064k (2012 - loss £734k).

Going Concern

The company's business activities, together with the factors likely to affect its future development and performance are set out in the Directors' Report.

In conclusion, the directors have a reasonable expectation, consistent with their forecasting procedures and the repayments due on the various loans within the group, that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Consequently, they continue to adopt the going concern basis in preparation of the annual report and accounts.

Post balance sheet events

None

Directors

The directors who served during the year were:

M Fowle
P Howard

Financial risk management objectives and policies

The company uses a variety of financial instruments including cash, borrowings, equity investments and various items, such as trade debtors and trade creditors, that arise directly from its operations. The main purpose of these financial instruments is to provide working capital for the company's operations.

The directors are of the view that the main risks arising from the company's financial instruments are interest rate risk, liquidity risk and credit risk. The directors set and review policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Interest rate risk

The company and wider group finances its operations through a combination of bank funding and shareholders' funds. The interest rate on bank funding is variable with base rate but the group uses certain financial instruments to fix the effective cost of a significant portion of its borrowings for the medium to long term.

Investor loan notes have a fixed rate of interest and have no current payment terms.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The company has access to finance leases and has used and will continue to use these to fund capital investments as required. Cash flows are monitored on a monthly basis.

Directors' Report

For the year ended 31 December 2013

Credit risk

The principal credit risk arises from trade debtors. In order to manage credit risk, credit limits are set for customers and a regular review is made of trade debtors outstanding. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

All potential areas of financial risk are monitored regularly and reviewed by the directors and local management. Any preventative or corrective measures are taken as necessary.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

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

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Datum Datacentres Limited

Directors' Report

For the year ended 31 December 2013

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.



P Howard
Director

Date:

13/05/14



Independent Auditor's Report to the Members of Datum Datacentres Limited

We have audited the financial statements of Datum Datacentres Limited for the year ended 31 December 2013, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.



Independent Auditor's Report to the Members of Datum Datacentres Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Grant Thornton

James Rogers (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Reading
Date:

13 May 2014

Profit and Loss Account

For the year ended 31 December 2013

	Note	2013 £000	2012 £000
Turnover	1	425	267
Cost of sales		(1,718)	(382)
Gross loss		(1,293)	(115)
Administrative expenses		(726)	(619)
Operating loss	3	(2,019)	(734)
Interest payable and similar charges	5	(45)	-
Loss on ordinary activities before taxation		(2,064)	(734)
Tax on loss on ordinary activities	6	-	-
Loss for the financial year	12	(2,064)	(734)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

The notes on pages 10 to 16 form part of these financial statements.

Balance Sheet

As at 31 December 2013

	Note	£000	2013 £000	£000	2012 £000
Fixed assets					
Tangible assets	7		6,683		6,601
Current assets					
Debtors	8	688		1,465	
Cash at bank		460		9	
		<u>1,148</u>		<u>1,474</u>	
Creditors: amounts falling due within one year	9	<u>(1,505)</u>		<u>(1,309)</u>	
Net current (liabilities)/assets			<u>(357)</u>		<u>165</u>
Total assets less current liabilities			<u>6,326</u>		<u>6,766</u>
Creditors: amounts falling due after more than one year	10		<u>(9,124)</u>		<u>(7,500)</u>
Net liabilities			<u>(2,798)</u>		<u>(734)</u>
Capital and reserves					
Called up share capital	11		-		-
Profit and loss account	12		<u>(2,798)</u>		<u>(734)</u>
Shareholders' funds	13		<u>(2,798)</u>		<u>(734)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

M Fowle
Director

Date:


13/5/14

The notes on pages 10 to 16 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2013

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover is stated net of value added tax and trade discounts. Deployment revenues are recognised over the length of the set-up period on a percentage to completion basis. Recurring revenues are recognised on a straight lines basis, from a pre-defined date explicit in each contract, to the end of the contract. Flowthrough revenues are recognised in full once fulfilment has been achieved.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less accumulated depreciation

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for intended use.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of fixed assets on a straight line basis over their estimated useful lives as follows:

Datacentre property equipment	-	10 years
Fixtures, fittings & equipment	-	3 years

1.5 Finance leases

Assets acquired under finance leases are recorded in the balance sheet as tangible fixed assets at their equivalent capital value and are depreciated over their useful economic life. The corresponding liability is recorded as a loan creditor and the interest element of the finance charge is charged to the profit and loss account over the lease period or its estimated useful life, whichever is shorter.

1.6 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Notes to the Financial Statements

For the year ended 31 December 2013

1. Accounting Policies (continued)

1.7 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

1.8 Pensions

The company operates a money purchase pension scheme. The assets of the pension scheme are held separately to that of the company and the pension charge represents contributions payable to the scheme.

2. Turnover

The whole of the turnover is attributable to principal activities undertaken by the company.

All turnover arose within the United Kingdom.

3. Operating loss

The operating loss is stated after charging:

	2013 £000	2012 £000
Depreciation of tangible fixed assets:		
- owned by the company	567	-
Auditor's remuneration	7	5
Auditor's remuneration - taxation services	2	1
Operating lease rentals:		
- other operating leases	393	41
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Notes to the Financial Statements

For the year ended 31 December 2013

4. Staff costs

Staff costs were as follows:

	2013 £000	2012 £000
Wages and salaries	341	71
Social security costs	50	17
Other pension costs	7	2
	<u>398</u>	<u>90</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2013 No.	2012 No.
	<u>7</u>	<u>3</u>

5. Interest payable

	2013 £000	2012 £000
Interest payable on finance leases	<u>45</u>	<u>-</u>

6. Taxation

	2013 £000	2012 £000
UK corporation tax charge on loss for the year	<u>-</u>	<u>-</u>

Notes to the Financial Statements

For the year ended 31 December 2013

6. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.50%). The differences are explained below:

	2013 £000	2012 £000
Loss on ordinary activities before tax	(2,064)	(734)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.50%)	(480)	(180)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	13	-
Fixed asset timing differences	(503)	-
Unrelieved tax losses and other deductions arising in the period	970	180
Current tax charge for the year (see note above)	-	-

The company has a potential deferred tax asset in respect of taxable losses carried forward. The amount not recognised is £527,000 (2012: £168,000).

7. Tangible fixed assets

	Assets under construction £000	Datacentre property equipment £000	Fixtures, fittings & equipment £000	Total £000
Cost				
At 1 January 2013	6,601	-	-	6,601
Additions	-	363	286	649
Transfer between classes	(6,601)	6,454	147	-
At 31 December 2013	-	6,817	433	7,250
Depreciation				
At 1 January 2013	-	-	-	-
Charge for the year	-	477	90	567
At 31 December 2013	-	477	90	567
Net book value				
At 31 December 2013	-	6,340	343	6,683
At 31 December 2012	6,601	-	-	6,601

Notes to the Financial Statements

For the year ended 31 December 2013

7. Tangible fixed assets (continued)

The above amounts includes assets held under finance leases amounting to £1,410k at cost (2012: £nil). As the substance of the transaction is a secured loan, the asset has remained on the balance sheet and the sale price reflected as a liability.

8. Debtors

	2013 £000	2012 £000
Trade debtors	17	-
Amounts owed by group undertakings	340	69
Other debtors	93	50
Prepayments and accrued income	152	260
VAT recoverable	86	1,086
	<u>688</u>	<u>1,465</u>

9. Creditors:**Amounts falling due within one year**

	2013 £000	2012 £000
Net obligations under finance leases	499	-
Trade creditors	396	1,042
Accruals and deferred income	610	267
	<u>1,505</u>	<u>1,309</u>

10. Creditors:**Amounts falling due after more than one year**

	2013 £000	2012 £000
Amounts owed to group undertakings	8,500	7,500
Net obligations under finance leases	624	-
	<u>9,124</u>	<u>7,500</u>

Notes to the Financial Statements

For the year ended 31 December 2013

10. Creditors:**Amounts falling due after more than one year (continued)**

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2013 £000	2012 £000
Between one and five years	624	-

The amounts owed to group undertakings are unsecured and incur no interest charge.

11. Share capital

	2013 £000	2012 £000
Allotted, called up and fully paid		
1 Ordinary share capital share of £1	-	-

12. Reserves

	Profit and loss account £000
At 1 January 2013	(734)
Loss for the financial year	(2,064)
At 31 December 2013	(2,798)

13. Reconciliation of movement in shareholders' deficit

	2013 £000	2012 £000
Opening shareholders' deficit	(734)	-
Loss for the financial year	(2,064)	(734)
Closing shareholders' deficit	(2,798)	(734)

14. Capital commitments

At 31 December 2013 the company had capital commitments as follows:

	2013 £000	2012 £000
Contracted for but not provided in these financial statements	-	410,000

Notes to the Financial Statements

For the year ended 31 December 2013

15. Operating lease commitments

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2013	2012
	£000	£000
Expiry date:		
Between 2 and 5 years	407	-
After more than 5 years	-	407
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16. Related party transactions

The company has taken advantage of the exemption provided by Financial Reporting Standard 8 'Related Party Disclosures' not to disclose transactions with fellow group undertakings controlled by Amphora Topco Limited where 100% of the voting rights are controlled within the group.

17. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Amphora Finco Limited. The ultimate parent undertaking is Amphora Topco Limited, a company incorporated in the United Kingdom.

Amphora Topco Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2013. The consolidated financial statements of Amphora Topco Limited are available from Companies House on request.

The ultimate controlling party is Darwin Private Equity LLP which manages a majority of the shares in Amphora Topco Limited.