

**Company Registration No. 10009711 (England and Wales)**

**ARK ESTATES SPRING PARK LIMITED**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2020**

## **ARK ESTATES SPRING PARK LIMITED**

### **COMPANY INFORMATION**

---

<b>Directors</b>	H T Owen A J Pettit D McDonald S C Burrage
<b>Secretary</b>	I S Perryment
<b>Company number</b>	10009711
<b>Registered office</b>	Spring Park Westwells Road Hawthorn Corsham Wiltshire SN13 9GB
<b>Independent auditors</b>	PricewaterhouseCoopers CI LLP 37 Esplanade St Helier Jersey JE1 4XA

---

## **ARK ESTATES SPRING PARK LIMITED**

### **CONTENTS**

---

	<b>Page(s)</b>
Directors' report	1 - 3
Independent auditors' report	4 - 6
Profit and loss account	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 18

---

## **ARK ESTATES SPRING PARK LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 30 JUNE 2020**

---

The directors present their annual report and financial statements for the year ended 30 June 2020.

#### **Principal activities**

The principal activity of the Company is the ownership, development and leasing of data centres.

The results for the year and the financial position at the year end were considered satisfactory by the directors.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

H T Owen

A J Pettit

D McDonald

S C Burrage

#### **Qualifying third party indemnity provisions**

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### **COVID-19**

Despite the challenges presented by the pandemic, all of Ark's facilities have remained open for business and will continue to do so due to its long-standing business continuity plans. The Company and its partners have pro-actively and intelligently planned our reaction to the various scenarios that it may present. Those plans are the outcome of tireless work by the Company with all of our partners and clients and we are grateful for the effort and positive engagement. We will continue to execute against those plans and adapt as needed but remain confident that we can meet the challenges before us.

#### **Going concern**

The directors are satisfied that the Company can call on sufficient group financial facilities and support from their shareholders to meet working capital requirements and enable them to meet debts as they fall due. At 30 June 2020 the Company had net liabilities of £30,021,457. This position included liabilities owed to group and related undertakings of £355,210,761 (see Note 9). The amounts owed to group undertakings (£217,314,765) will not be called within 12 months of the date of this report. The amounts owed to related undertakings (£137,895,996) relates to a long term working capital facility provided by the ultimate parent undertaking. Subsequent to the year end, the repayment date of this facility was extended to 30 September 2024. Included within accruals (Note 9) are accrued development costs of £61,114,001 whilst capital commitments not yet provided for in the financial statements of £31,261,514 are detailed in Note 14. These liabilities will be satisfied using the working capital facility described above. Under this facility, the Company has access to liquidity and sufficient undrawn capital to be able to continue to finance the company's liabilities as they fall due. It is therefore the directors' view that it is appropriate to prepare the financial statements on the going concern basis.

## **ARK ESTATES SPRING PARK LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2020**

---

#### **Independent auditors**

PricewaterhouseCoopers CI LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### **Statement of directors' responsibilities in respect of the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors confirm that they have complied with these responsibilities.

#### **Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

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

**ARK ESTATES SPRING PARK LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2020**

---

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

H T Owen

**Director**

Date: 12 April 2021

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARK ESTATES SPRING PARK LIMITED**

---

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, Ark Estate Spring Park Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and audited financial statements (the "Annual Report"), which comprise: balance sheet as at 30 June 2020; the profit and loss account, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We are also independent in accordance with SEC Independence Rules.

#### **Conclusions relating to going concern**

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARK ESTATES SPRING PARK LIMITED**

---

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### ***Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 30 June 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

### **Responsibilities for the financial statements and the audit**

#### ***Responsibilities of the directors for the financial statements***

As explained more fully in the statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

#### ***Auditors' 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 auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### ***Use of this report***

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARK ESTATES SPRING PARK LIMITED**

---

### **Other required reporting**

#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

#### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Lisa McClure (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers CI LLP  
Chartered Accountants and Statutory Auditors  
Jersey  
12 April 2021

**ARK ESTATES SPRING PARK LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 30 JUNE 2020**

		<b>2020</b>	<b>2019</b>
	<b>Notes</b>	<b>£</b>	<b>as restated £</b>
<b>Property income</b>		14,868,972	10,144,504
Property expenses		(3,560,000)	(2,880,000)
<b>Gross profit</b>		<u>11,308,972</u>	<u>7,264,504</u>
Administrative expenses		(221,741)	(219,417)
<b>Operating profit</b>	<b>3</b>	<u>11,087,231</u>	<u>7,045,087</u>
Interest receivable and similar income		286	1,773
Interest payable and similar expenses	<b>5</b>	(22,496,884)	(13,473,005)
Change in fair value of investment property	<b>6,19</b>	8,875,420	(32,702,034)
<b>Loss before taxation</b>		<u>(2,533,947)</u>	<u>(39,128,179)</u>
Tax on loss		-	-
<b>Loss and total comprehensive income for the financial year</b>	<b>19</b>	<u><u>(2,533,947)</u></u>	<u><u>(39,128,179)</u></u>

The notes on pages 10 to 18 form part of these financial statements.

# ARK ESTATES SPRING PARK LIMITED

## BALANCE SHEET

AS AT 30 JUNE 2020

		2020		2019 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Investment property	7,19		391,126,229		305,068,674
<b>Current assets</b>					
Debtors	8	-		2,259,534	
Cash at bank		390		36	
		390		2,259,570	
<b>Creditors: amounts falling due within one year</b>	9,19	(421,148,076)		(189,513,700)	
<b>Net current liabilities</b>			(421,147,686)		(187,254,130)
<b>Total assets less current liabilities</b>			(30,021,457)		117,814,544
<b>Creditors: amounts falling due after more than one year</b>	10		-		(144,033,644)
<b>Net liabilities</b>	19		(30,021,457)		(26,219,100)
<b>Capital and reserves</b>					
Called up share capital	12		100		100
Equity reserve	13		26,277,314		27,545,724
Profit and loss account	19		(56,298,871)		(53,764,924)
<b>Total equity</b>	19		(30,021,457)		(26,219,100)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 1A - small entities. The notes on pages 10 to 18 form an integral part of these financial statements.

The financial statements on pages 7 to 18 were approved by the board of directors and authorised for issue on 12 April 2021 and are signed on its behalf by:

H T Owen  
Director

S C Burrage  
Director

Company Registration No. 10009711

**ARK ESTATES SPRING PARK LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020**

		Share capital	Equity reserve	Profit and loss account	Total equity
		£	£	£	£
<b>As restated for the period ended 30 June 2019:</b>					
<b>Balance at 1 July 2018</b>		100	28,331,410	(14,636,745)	13,694,765
<b>Year ended 30 June 2019:</b>					
Loss and total comprehensive expense for the year		-	-	(39,128,179)	(39,128,179)
Other	13	-	(785,686)	-	(785,686)
<b>Balance at 30 June 2019</b>		100	27,545,724	(53,764,924)	(26,219,100)
<b>Year ended 30 June 2020:</b>					
Loss and total comprehensive expense for the year		-	-	(2,533,947)	(2,533,947)
Other	13	-	(1,268,410)	-	(1,268,410)
<b>Balance at 30 June 2020</b>		100	26,277,314	(56,298,871)	(30,021,457)

The notes on pages 10 to 18 form part of these financial statements.

## **ARK ESTATES SPRING PARK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 30 JUNE 2020**

---

#### **1 Accounting policies**

##### **Company information**

Ark Estates Spring Park Limited is a private company limited by shares incorporated in England and Wales. The registered office is Spring Park, Westwells Road, Hawthorn, Corsham, Wiltshire, SN13 9GB.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment property and certain financial instruments at fair value. The principal accounting policies adopted have been applied consistently in the current and prior year. These are set out below.

##### **1.2 Prior year adjustment**

During the preparation of the financial statements for the year ended 30 June 2020 the directors identified a prior year adjustment which was deemed to be material and warrant a restatement of the prior year results. The adjustment, and the associated deferred tax impact, are disclosed in Note 19 to the financial statements.

##### **1.3 Going concern**

The directors are satisfied that the Company can call on sufficient group financial facilities and support from their shareholders to meet working capital requirements and enable them to meet debts as they fall due. At 30 June 2020 the Company had net liabilities of £30,021,457. This position included liabilities owed to group and related undertakings of £355,210,761 (see Note 9). The amounts owed to group undertakings (£217,314,765) will not be called within 12 months of the date of this report. The amounts owed to related undertakings (£137,895,996) relates to a long term working capital facility provided by the ultimate parent undertaking. Subsequent to the year end, the repayment date of this facility was extended to 30 September 2024. Included within accruals (Note 9) are accrued development costs of £61,114,001 whilst capital commitments not yet provided for in the financial statements of £31,261,514 are detailed in Note 14. These liabilities will be satisfied using the working capital facility described above. Under this facility, the Company has access to liquidity and sufficient undrawn capital to be able to continue to finance the company's liabilities as they fall due. It is therefore the directors' view that it is appropriate to prepare the financial statements on the going concern basis.

##### **1.4 Property income**

Property income is the total amount receivable by the company from the rental of its data centre buildings during the period, excluding VAT.

## ARK ESTATES SPRING PARK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

---

#### 1 Accounting policies

(Continued)

##### 1.5 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

##### 1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### *Impairment of financial assets*

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

## ARK ESTATES SPRING PARK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

---

#### 1 Accounting policies

(Continued)

##### *Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### *Classification of financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### *Basic financial liabilities*

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.9 Finance costs

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

Finance costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to prepare the asset for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to prepare the asset for use are complete.

## ARK ESTATES SPRING PARK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 30 JUNE 2020

#### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. Judgements, estimates and assumptions have been made in relation to the valuation of the company's investment property (see note 7) and in relation to interest rates when calculating the fair value of intercompany loans (see notes 9, 10 and 13). The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### 3 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditors for the audit of the company's financial statements	15,700	14,950

#### 4 Employees

There were no employees during the year (2019: none) apart from the directors.

No directors' remuneration was paid in either the current year or prior year. The directors are remunerated by other group undertakings for which no allocations are made to the company. Please refer to Note 18 for related party transactions.

#### 5 Interest payable and similar expenses

	2020	2019
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	-	8
Interest payable to related undertakings (see notes 9 and 10)	14,584,185	12,925,527
Interest payable to group undertakings (see note 9)	7,912,699	547,470
	22,496,884	13,473,005



**ARK ESTATES SPRING PARK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2020**

**6 Change in fair value of investment property**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>restated £</b>
<b>Fair value gains/(losses)</b>		
Changes in the fair value of investment property	8,875,420	(32,702,034)

**7 Investment property**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>restated £</b>
<b>Fair value</b>		
At 1 July	305,068,674	271,195,879
Additions	77,182,135	66,574,829
Revaluations	8,875,420	(32,702,034)
At 30 June	391,126,229	305,068,674

Investment properties represents data centres at Spring Park. The value reported includes both completed data centres, as well as new buildings under construction. The investment properties have been revalued as at 30 June 2020 at fair value by the directors with reference to market-based evidence and expected future cash flows derived from the assets. An independent professional valuation of the completed data centres was carried out by a RICS qualified valuer as at 30 June 2020 and this was taken into consideration in the directors' valuation. The assets under construction at 30 June 2020 were not included in the professional valuation, and have therefore been valued by the directors using a consistent methodology. The valuation methodology used to establish the value of the investment properties includes a number of assumptions. These include but are not limited to: occupancy rates, contracted and uncontracted income forecasts, operational costs, capital replacement costs, discount rates and exit yields.

During the year ended 30 June 2020 finance costs of £Nil (2019: £85,419) were capitalised as part of investment property. The total finance costs capitalised within investment property are £226,079 (2019: £226,079).

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>restated £</b>
Cost	417,616,054	340,433,919

# ARK ESTATES SPRING PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2020

#### 8 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Other debtors	-	2,259,534

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

	2020	2019
	£	£
Trade creditors	3,365,266	1,160
Amounts owed to group undertakings	217,314,765	162,788,435
Amounts owed to related undertakings	137,895,996	-
Taxation and social security	49,524	-
Other creditors	210,522	127,337
Accruals and deferred income	62,312,003	26,596,768
	421,148,076	189,513,700

Amounts due to group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. Interest is payable at 5% per annum (see Note 5).

Amounts owed to related undertakings are owed to subsidiaries of Ark Capital Partners I LP Inc., the ultimate parent of Ark Estates Spring Park Limited, and at the balance sheet date were repayable in full on 30 June 2021. Interest is payable at 5% per annum and the above balance represents the fair value of the future interest expense and principal repayment. On 31 July 2020, the repayment date was extended to 30 September 2024.

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

	2020	2019
	£	£
Amounts owed to related undertakings	-	144,033,644

Amounts owed to related undertakings are owed to subsidiaries of Ark Capital Partners I LP Inc., the ultimate parent of Ark Estates Spring Park Limited, and at the balance sheet date were repayable in full on 30 June 2021. Interest is payable at 5% per annum and the above balance represents the fair value of the future interest expense and principal repayment. On 31 July 2020, the repayment date was extended to 30 September 2024.

## ARK ESTATES SPRING PARK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 30 JUNE 2020

#### 11 Deferred taxation

No deferred tax has been recognised at either 30 June 2020 or 30 June 2019 in relation to carried forward losses or capital allowances. This is due to the uncertainty and judgement associated with both the estimation of the financial value, as well as uncertainty around the timing of when such assets would be utilised.

#### 12 Called up share capital

	2020	2019
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 (2019: 100) Ordinary shares of £1 each	100	100

#### 13 Equity reserve

The Company has recognised intercompany loan arrangements of £137,895,996 (2019: £144,033,644) which are not repayable on demand. These arrangements are presented in Notes 9 and 10, which illustrate the fair value of the interest and principal payments over the term of the loan.

The equity reserve of £26,277,314 (2019: £27,545,724) represents the legal value of the intercompany loan arrangements that is not reflected within the value presented in Notes 9 and 10. Upon final repayment of the loan a reserve transfer will take place between the equity reserve and the profit and loss reserve.

#### 14 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2020	2019
	£	£
Investment property development expenditure	31,261,514	94,763,184

#### 15 Events after the reporting date

There have been no post balance sheet events requiring disclosure in the notes to the financial statements.

## ARK ESTATES SPRING PARK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 30 JUNE 2020

#### 16 Financial commitments and guarantees

The assets of the Company have been pledged as security against a bank loan held by Ark Estates Holdings Limited, which is the Company's immediate parent company, also controlled by Ark Capital Partners I LP Inc. For full details of the bank loan, please refer to the financial statements of Ark Estates Holdings Limited.

#### 17 Related party transactions

During the year property management fees of £200,000 (2019: £200,000) were charged by Revcap Advisors Limited. The director A J Pettit is also a director of Revcap Advisors Limited.

#### 18 Control

The immediate parent company is Ark Estates Holdings Limited, a company registered in England and Wales, and the ultimate parent undertaking is Ark Capital Partners I LP Inc., a limited partnership registered in the Isle of Man. The limited partnership is controlled by its partners.

Ark Estates Holdings Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 30 June 2020. The consolidated financial statements of Ark Estates Holdings Limited are available from Companies House.

Ark Capital Partners I LP Inc. is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 June 2020. The consolidated financial statements of Ark Capital Partners I LP Inc. are available from its general partner Goshawk GP Limited, First Names House, Victoria Road, Douglas, Isle of Man, IM2 4DF.

#### 19 Prior period adjustment

##### Changes to the balance sheet

	As previously reported	Adjustment	As restated at 30 June 2019
	£	£	£
Investment property	307,089,970	(2,021,296)	305,068,674
Creditors due within one year	(162,937,632)	(26,576,068)	(189,513,700)
Net assets/(liabilities)	2,378,264	(28,597,364)	(26,219,100)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Capital and reserves</b>			
Profit and loss	(25,167,560)	(28,597,364)	(53,764,924)
	<u>          </u>	<u>          </u>	<u>          </u>

# ARK ESTATES SPRING PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2020

#### 19 Prior period adjustment (Continued)

##### Changes to the profit and loss account

	As previously reported	Adjustment	As restated
	£	£	£
<b>Period ended 30 June 2019</b>			
Change in fair value of investment property	(4,104,670)	(28,597,364)	(32,702,034)
Loss for the financial period	(10,530,815)	(28,597,364)	(39,128,179)

##### Reconciliation of changes in equity

	Notes	1 July 2018	30 June 2019
		£	£
<b>Adjustments to prior year</b>			
Revaluation of investment property	A	-	(28,597,364)
Equity as previously reported		13,694,765	2,378,264
Equity as adjusted		13,694,765	(26,219,100)

##### Reconciliation of changes in loss for the previous financial period

	Notes	2019 £
<b>Adjustments to prior year</b>		
Revaluation of investment property	A	(28,597,364)
Loss as previously reported		(10,530,815)
Loss as adjusted		(39,128,179)

##### Notes to reconciliation

##### A Revaluation of investment property

The company's investment property has been revalued as at 30 June 2019. After a prior year adjustment of £26,576,068 to accrue costs payable by the company as at 30 June 2019 which had not previously been recognised, the revaluation has resulted in a net fair value loss on investment property for the year ended 30 June 2019 of £32,702,034 instead of a loss of £4,104,670 as previously reported. A prior year adjustment of £28,597,364 has therefore been made to restate the investment property to its fair value of £305,068,675 as at 30 June 2019.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.