

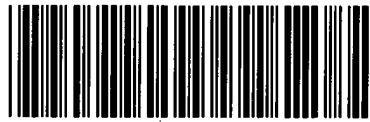
ISDC Developments (No4) Limited

Report and financial statements

31 March 2018

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

Witan Gate House

500– 600 Witan Gate West

Milton Keynes

Buckinghamshire

MK9 1SH

Solicitors

Taylor Wessing LLP

5 New Street Square

London

EC4A 3TW

Auditor

Deloitte LLP

Statutory Auditor

1 Station Square

Cambridge

CB1 2GA

ISDC Developments (No4) Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2018.

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 and formed a judgement when approving these financial statements that there is a reasonable expectation based on the Company's forecasts and projections, and taking into account the fact that the parent company has also agreed to provide continued support, that the Company will have available adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis in preparing the annual 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 (2017: £nil).

ISDC Developments (No4) Limited

Directors' report (continued)

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.

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 an uncertain Brexit process. 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



J A Thompson, Director

20 December 2018

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 have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation. The financial statements have been prepared, as required by law, to 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 those 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 Company'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 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; 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 17.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

Other information

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

ISDC Developments (No4) Limited

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

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

We have nothing to report in respect of these matters

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.

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 (Senior statutory auditor)
For and on behalf of Deloitte LLP, Statutory Auditor
Cambridge, United Kingdom
20 December 2018

ISDC Developments (No4) Limited

Statement of comprehensive income

	Notes	Year ended	
		31 March 2018 £'000	31 March 2017 £'000
Operating expenses			
Depreciation and amortisation	7	(25)	-
Other operating expenses		(4)	(3)
Operating loss		(29)	(3)
Income tax credit	6	-	5
(Loss)/profit for the year and total comprehensive (expense)/income		(29)	2

All activities derive from continuing operations.

The notes on pages 13 to 26 are an integral part of these financial statements.

ISDC Developments (No4) Limited

Balance sheet

	Notes	31 March 2018 £'000	31 March 2017 £'000
Non-current assets			
Property, plant and equipment	7	8,909	8,281
		8,909	8,281
Current assets			
Trade and other receivables	8	1	69
Cash and short-term deposits	9	1	1
		2	70
Total assets		8,911	8,351
Equity			
Issued share capital	10	1	1
Retained earnings		(93)	(64)
Shareholders' deficit		(92)	(63)
Non-current liabilities			
Deferred tax liability	6	57	57
		57	57
Current liabilities			
Trade and other payables	11	8,946	8,357
		8,946	8,357
Total liabilities		9,003	8,414
Total equity and liabilities		8,911	8,351

The notes on pages 13 to 26 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 20 December 2018 and were signed on its behalf.


J.A. Thompson
Director

ISDC Developments (No4) Limited

Statement of changes in equity

	Issued share capital £'000	Retained earnings £'000	Total equity £'000
At 1 April 2016	1	(66)	(65)
Profit and total comprehensive income for the year ended 31 March 2017	-	2	2
At 31 March 2017	1	(64)	(63)
At 1 April 2017	1	(64)	(63)
Loss and total comprehensive expense for the year ended 31 March 2018	-	(29)	(29)
At 31 March 2018	1	(93)	(92)

ISDC Developments (No4) Limited

Statement of cash flows

	Notes	Year ended	
		31 March 2018 £'000	31 March 2017 £'000
Cash outflow from operations	12	(5)	(2)
Cash used in operating activities		(5)	(2)
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,003)	(4)
Cash used in investing activities		(1,003)	(4)
Cash flows from financing activities			
Net proceeds from related parties	13	1,008	7
Net cash inflow from financing activities		1,008	7
Net increase in cash and cash equivalents		-	1
Cash and cash equivalents at beginning of year		1	-
Cash and cash equivalents at end of year		1	1

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 of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) adopted by the European Union and therefore the Company financial statements comply with Article 4 of EU IAS Regulation.

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 and formed a judgement when approving these financial statements that there is a reasonable expectation based on the Company's forecasts and projections, and taking into account the fact that the parent company has also agreed to provide continued support, that the Company will have available adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis in preparing the annual 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 properties 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 and intangible assets

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 financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets at 'fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Company's financial assets at 31 March 2018 and 31 March 2017 were all classified as loans and receivables.

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.

ISDC Developments (No4) Limited

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

1.6. Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

1.7. Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet 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 of the investment have been affected.

For listed and unlisted equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable notes classified as AFS and finance lease receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

ISDC Developments (No4) Limited

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

1.8. Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

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.

Financial liabilities

Financial liabilities are classified as either financial liabilities at 'FVTPL' or 'other financial liabilities'. The Company's financial liabilities at 31 March 2018 and 31 March 2017 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.

ISDC Developments (No4) Limited

Notes to the financial statements (continued)

1. Summary of significant accounting policies (continued)

1.9. 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)

1.10. Amendments to IFRSs that mandatorily effective for the current year

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRSs that have been issued but are not yet effective and had not yet been adopted by the EU:

- IFRS 9 "Financial Instruments"
- IFRS 15 "Revenue from Contracts with Customers"
- IFRS 16 "Leases"
- Amendments to IAS 7 "Statement of Cash Flows"
- Amendments to IAS 12 "Income Taxes"
- Amendments to IFRS 2 "Share Based Payments"

The directors are yet to fully assess the full impact of IFRS 16 "Leases" which requires lessees to recognise assets and liabilities unless the lease is 12 months or less or the underlying asset has a low value. A number of leases currently accounted for as operating leases are expected to be recognised as assets with a corresponding liability under IFRS 16.

The directors are yet to fully assess the full impact of IFRS 15 "Revenue from Contracts with Customers" which requires revenue to be recognised in line with performance obligations.

The directors do not expect that the adoption of the other Standards listed above will have a material impact on the financial statements of the Company in future periods.

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.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Going concern

The directors have considered the risks and uncertainties for the Company and formed a judgement when approving these financial statements that there is a reasonable expectation based on the Company's forecasts and projections, and taking into account the fact that the parent company has also agreed to provide continued support, that the Company will have available adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis in preparing the annual financial statements.

Estimates and assumptions

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 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.

3. Employee information

The Company had no employees during the year ended 31 March 2018 (2017: nil).

4. Directors' remuneration

The directors received no remuneration for their services to the Company and were remunerated by another company (2017: nil).

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

5. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual accounts were £5,000 (2017: £3,000).

6. Income tax expense

No taxation income arose during the year (2017: income £5,000). At 31 March 2018, there were approximately £133,000 (2017: £133,000) of tax losses available for set off against future profits, which may be carried forward indefinitely.

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

	Year ended	
	31 March 2018 £'000	31 March 2017 £'000
Loss before tax on continuing operations	(29)	(3)
Tax at the UK corporation tax rate of 19% (2017: 20%)	(6)	(1)
Expenses not deductible for tax purposes	5	-
Movement in deferred tax	-	(1)
Re-measurement of deferred tax - change in rate	-	(3)
Group relief given to other group companies	1	-
Tax credit for the year	-	(5)

A deferred tax liability of £57,000 (2017: £57,000) has been recognised at 31 March 2018 in respect of property, plant and equipment and intangible temporary differences, net of losses.

	31 March 2018 £'000	31 March 2017 £'000
Temporary differences in tangible and intangible assets	(80)	(80)
Tax losses	23	23
Total deferred tax liability	(57)	(57)

Reductions in the UK corporation tax rate were substantively enacted in the prior year. The main rate of corporation tax was reduced from 20 per cent to 19 per cent effective from 1 April 2017 and to 17 per cent effective from 1 April 2020. Deferred tax on temporary differences and tax losses 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.

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

7. Property, plant and equipment

	Assets under construction £'000	Freehold properties £'000	Plant and equipment £'000	Total £'000
Cost				
At 1 April 2016	3,726	4,202	-	7,928
Additions	353	-	-	353
At 31 March 2017	4,079	4,202	-	8,281
Additions	653	-	-	653
Transfers	(4,576)	546	4,030	-
At 31 March 2018	156	4,748	4,030	8,934
Accumulated depreciation				
At 1 April 2016	-	-	-	-
At 31 March 2017	-	-	-	-
Charge for the year	-	-	25	25
At 31 March 2018	-	-	25	25
Net book value				
At 31 March 2018	156	4,748	4,005	8,909
At 31 March 2017	4,079	4,202	-	8,281

8. Trade and other receivables

	31 March 2018 £'000	31 March 2017 £'000
Current		
Prepayments	1	-
Other debtors	-	69
	1	69

The carrying amount of the Company's trade and other receivables is denominated in sterling.

9. Cash and cash equivalents

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

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

10. Share capital

	31 March 2018 £'000	31 March 2017 £'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 (2017: £nil).

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

11. Trade and other payables

	31 March 2018 £'000	31 March 2017 £'000
Trade payables	1	420
Accruals and sundry creditors	3	3
Amounts owed to group companies	8,942	7,934
	8,946	8,357

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.

12. Cash generated from operations

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

	Notes	Year ended	
		31 March 2018 £'000	31 March 2017 £'000
Loss for the year before tax		(29)	(3)
Adjusted for:			
depreciation charge	7	25	-
Changes in working capital:			
Decrease/(increase) in trade and other receivables		68	(69)
(Decrease)/increase in trade and other payables		(69)	70
Net cash outflow from operations		(5)	(2)

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

13. Cash generated from financing activities

	Amounts owed to group companies
1 April 2016	7,927
Net proceeds from related parties	7
31 March 2017	7,934
Net proceeds from related parties	1,008
31 March 2018	8,942

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 2018 amounted to £nil (2017: £573,000).

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 2018 £'000	31 March 2017 £'000
Balances with related party companies		
Parent company	(8,942)	(7,886)
Parent company subsidiaries	-	(48)
Transactions with related party companies		
Parent company	(1,056)	(6)
Parent company subsidiaries	48	(1)

ISDC Developments (No4) Limited

Notes to the financial statements (continued)

16. Financial instruments

IFRS 7 requires certain disclosures in respect of financial instruments. The further disclosures required by IFRS 7 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.

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 2018			
Trade payables	1	-	-
Amounts owed to group companies	8,942	-	-
	8,943	-	-
	Less than one year £'000	Between one and five years £'000	Greater than five years £'000
At 31 March 2017			
Trade payables	420	-	-
Amounts owed to group companies	7,934	-	-
	8,354	-	-

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 from operations at the year-end is shown below:

	Note	31 March 2018 £'000	31 March 2017 £'000
Financial assets			
Loans and receivables			
other debtors	8	-	69
cash and cash equivalents	9	1	1
Total financial assets		1	70
		31 March 2018 £'000	31 March 2017 £'000
Financial liabilities			
At amortised cost:			
trade payables	11	1	420
Amounts owed to group companies	11	8,942	7,934
Total financial liabilities		8,943	8,354

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

17. Parent undertaking and ultimate controlling party

The Company's 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, Witan Gate House, 500 - 600 Witan Gate West, Milton Keynes, Buckinghamshire, MK9 1SH. Copies of the financial statements of that Group can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.