

Company Registration No. 3878758

AES UK DATACENTER SERVICES LIMITED

**Report and Financial Statements
31 December 2009**

FRIDAY



A17

A4T3CNOX

24/09/2010

30

COMPANIES HOUSE

AES UK DATACENTER SERVICES LIMITED
REPORT AND FINANCIAL STATEMENTS 2009

CONTENTS

Officers and professional advisers	2
Directors' report	3
Statement of directors' responsibilities	4
Independent auditors' report	5
Profit and loss account	6
Balance sheet	7
Notes to the accounts	8

AES UK DATACENTER SERVICES LIMITED
REPORT AND FINANCIAL STATEMENTS 2009

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

The following directors were in office during the financial year ended 31 December 2009 and subsequently, except where noted

Pradeep Parmar	(appointed 9 February 2009)
Dion Alley	(appointed 9 February 2009)
Donald Lehman	(appointed 30 April 2009)
Willard Hoagland III	(resigned 25 June 2009)
Jay Kloosterboer	(resigned 5 February 2009)
George Coulter	(resigned 5 February 2009)
Dale Perry	(resigned 5 February 2009)

SECRETARY

Donald Lehman	(appointed 30 April 2009)
Neil Hopkins	(resigned 30 April 2009)

REGISTERED OFFICE

37- 39 Kew Foot Road
Richmond
Surrey
TW9 2SS

BANKERS

Citibank
Canada Wharf
London
E14 5LB

AUDITORS

Ernst & Young LLP
1, More London Place
London
SE1 2AF

AES UK DATACENTER SERVICES LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2009. The directors' report has been prepared in accordance with the special provisions relating to small companies under the Companies Act of 2006.

PRINCIPAL ACTIVITY

The principal activity of the company is the development and maintenance of the IT facilities which support all AES companies within the Europe, CIS and Africa regions.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The company is expected to continue in its role to develop and maintain IT facilities for the foreseeable future.

RESULTS FOR THE YEAR AND DIVIDENDS

The company's results for 2009 showed a loss of £3,562,000 (2008 £4,142,000). The directors do not recommend the payment of a dividend (2008 £nil).

FINANCIAL RISK MANAGEMENT

The company's activities expose it to a number of financial risks. The group to which the company belongs has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring the levels of debt finance and related finance costs. The company does not use derivative financial instruments for speculative purposes.

Currency risk

The company's activities expose it to the financial risks of changes in foreign currency exchange rates. The company manages this risk by forward purchase of foreign currencies and regular monitoring of the foreign currency exchange rates.

Liquidity risk

The company actively maintains and monitors its bank accounts to ensure that it always has sufficient funds available for its operations.

DIRECTORS

The directors of the company who served throughout the year and to the date of these financial statements (except as noted) are given on page 2.

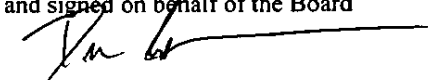
AUDITORS

In the absence of a notice proposing that the appointment be terminated, Ernst & Young LLP will be deemed to be re-appointed as the company's auditor for the next year.

INFORMATION TO AUDITORS

So far as each of the directors in office at the date of approval of these financial statements is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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



Donald Lehman
Director

14 September 2010

AES UK DATACENTER SERVICES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 the profit or loss for that period. In preparing these accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 proper 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.

The directors confirm that they have complied with these requirements and, having a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in preparing the accounts.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AES UK DATACENTER SERVICES LIMITED

We have audited the financial statements of AES UK Datacenter Services Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 11. 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 auditors

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 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 2009 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.

Ernst & Young LLP

David Coulon (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
15 September 2010

AES UK DATACENTER SERVICES LIMITED

PROFIT AND LOSS ACCOUNT For the year ended 31 December 2009

	Notes	2009 £'000	2008 £'000
Administrative expenses		<u>(3,562)</u>	<u>(4,142)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(3,562)	(4,142)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(3,562)</u>	<u>(4,142)</u>

All of the results relate to continuing operations in both the current and previous year

There are no recognised gains or losses or other movements in shareholder's funds for the current or preceding financial year other than as stated in the profit and loss account. Accordingly, no statement of total recognised gains and losses has been prepared.

AES UK DATACENTER SERVICES LIMITED

BALANCE SHEET

As at 31 December 2009

	Notes	2009 £'000	2008 £'000
FIXED ASSETS			
Tangible assets	5	<u>1,134</u>	<u>2,421</u>
CURRENT ASSETS			
Debtors due within one year	6	129	353
Cash at bank and in hand		6	7
CREDITORS: amounts falling due within one year	7	<u>(301)</u>	<u>(124)</u>
NET CURRENT (LIABILITIES) / ASSETS		(166)	236
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>968</u>	<u>2,657</u>
CREDITORS: amounts falling after more than one year	7	<u>(11,601)</u>	<u>(9,728)</u>
NET LIABILITIES		<u>(10,633)</u>	<u>(7,071)</u>
CAPITAL AND RESERVES			
Called up share capital	8	1,000	1,000
Profit and loss account	9	<u>(11,633)</u>	<u>(8,071)</u>
SHAREHOLDER'S DEFICIT	9	<u>(10,633)</u>	<u>(7,071)</u>

These financial statements were approved and authorised by the Board of Directors on 14 September 2010

Signed on behalf of the Board of Directors



Donald Lehman
Director

AES UK DATACENTER SERVICES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2009

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below and have all been applied consistently in both the current and preceding year.

Basis of accounting

The financial statements are prepared under the historical cost convention.

Statement of cash flows

The group accounts of the ultimate parent undertaking contain a consolidated cash flow statement. The company has taken advantage of the exemption granted by the Financial Reporting Standard No. 1 (Revised), whereby it is not required to publish its own cash flow statement.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The estimated useful lives are:

Computer equipment	3 years
Software	7 years

Foreign currency

Transactions expressed in foreign currencies are translated into sterling at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling at the period end.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pension costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Use of estimates

The preparation of accounts in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from those estimates.

AES UK DATACENTER SERVICES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2009

2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities before taxation is stated after charging

	2009 £'000	2008 £'000
Depreciation – owned assets (Note 5)	1,469	1,665

Auditors' remuneration for the audit of the company's annual accounts for the current year was £7,500. In 2008 the remuneration of £7,500 was borne by AES Electric Limited, a fellow subsidiary undertaking.

3. STAFF COSTS

The average monthly number of employees was three (2008: five). Their aggregate remuneration comprised of

	2009 £'000	2008 £'000
Wages and salaries	172	423
Employer taxes	38	50
Other pension costs	4	39
	<u>214</u>	<u>512</u>

No directors received remuneration in respect of qualifying services to the company.

4. TAX ON LOSS ON ORDINARY ACTIVITIES

	2009 £'000	2008 £'000
Current tax		
UK corporation tax	-	-

AES UK DATACENTER SERVICES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2009

4. TAX ON LOSS ON ORDINARY ACTIVITIES (CONTINUED)

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	2009 £'000	2008 £'000
Loss on ordinary activities before taxation	<u>(3,562)</u>	<u>(4,142)</u>
Tax on loss on ordinary activities at standard UK corporation tax rate of 28% (2008 28.5%)	998	1,180
Fixed asset timing differences	(254)	(173)
Other permanent differences	(1,047)	(1,239)
Group relief to be claimed for no consideration	<u>303</u>	<u>232</u>
Current tax	<u>-</u>	<u>-</u>

Deferred tax assets of £42,712,000 (2008 £42,712,000) in respect of capital losses and £447,000 (2008 £420,000) in respect of fixed asset timing differences have not been recognised as there is insufficient evidence that the assets will be recovered. The assets would be recovered if the company makes suitable taxable profits in the future.

In his budget of 22 June 2010, the Chancellor of the Exchequer proposed a decrease in the rate of UK corporation tax from 28% to 24% by 1% each year, from April 2011, which will be enacted annually. If the unrecognised deferred tax assets were realised at the 27% tax rate, which is currently passing through Parliament, its value would be £41,187,000 in respect of capital losses and £431,000 in respect of fixed asset timing differences.

5. TANGIBLE FIXED ASSETS

	Computer equipment £'000	Software £'000	Total £'000
Cost:			
At 1 January 2009	5,362	358	5,720
Additions	182	-	182
At 31 December 2009	<u>5,544</u>	<u>358</u>	<u>5,902</u>
Accumulated depreciation:			
At 1 January 2009	3,241	58	3,299
Charge for the year	1,418	51	1,469
At 31 December 2009	<u>4,659</u>	<u>109</u>	<u>4,768</u>
Net book value:			
At 31 December 2009	<u>885</u>	<u>249</u>	<u>1,134</u>
At 31 December 2008	<u>2,121</u>	<u>300</u>	<u>2,421</u>

AES UK DATACENTER SERVICES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2009

6 DEBTORS

	2009 £'000	2008 £'000
Amounts falling due within one year:		
Prepayments	129	353

7. CREDITORS

	2009 £'000	2008 £'000
Amounts falling due within one year:		
Accruals	301	124
Amounts falling due after more than one year:		
Amounts owed to group undertakings	11,601	9,728

The amounts owed to the immediate parent company have no fixed repayment date and are interest free

The amounts owed to group undertakings are unsecured, non-interest bearing and have no fixed repayment date but have been confirmed that it will not sought for repayment for a period less than 12 months from the date of the accounts

8. CALLED UP SHARE CAPITAL

	2009 £'000	2008 £'000
Authorised:		
1,000,000,000 ordinary shares of £1 each	1,000,000	1,000,000
Called up, allotted and fully paid		
1,000,002 ordinary shares of £1 each	1,000	1,000

9. CAPITAL AND RESERVES

	Called up share capital £'000	Profit and loss account £'000	Total £'000
At 1 January 2009	1,000	(8,071)	(7,071)
Loss for the year	-	(3,562)	(3,562)
At 31 December 2009	1,000	(11,633)	(10,633)

AES UK DATACENTER SERVICES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2009

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2009 £'000	2008 £'000
Profit for the financial year	(3,562)	(4,142)
Opening shareholder's funds	<u>(7,071)</u>	<u>(2,929)</u>
Closing shareholder's funds	<u><u>(10,633)</u></u>	<u><u>(7,071)</u></u>

11. ULTIMATE PARENT COMPANY

The immediate parent undertaking and controlling party is AES Drax Financing Inc , a company incorporated in the State of Delaware, USA

The ultimate parent company and controlling entity, and parent of the smallest and largest group for which consolidated accounts are prepared of which this company is a part, is the AES Corporation, a company incorporated in the State of Delaware, USA. Copies of the parent company's financial statements can be obtained from the Securities and Exchange Commission, 450 5th Street NW, Washington DC 20549, USA

The company has taken advantage of the exemption granted by Financial Reporting Standard (FRS) 8 "Related Party Disclosures" not to disclose transactions with other undertakings within, and related parties of, The AES Corporation group. The company is also exempt from preparing a cash flow statement under the terms of FRS 1 (Revised 1996) as it is a wholly owned subsidiary, for which the ultimate parent company prepares consolidated accounts which include the results of the company and are publicly available