

Company Registration No. 03878758

AES UK DATACENTER SERVICES LIMITED

Annual Report and Financial Statements

31 December 2013

MONDAY



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AES UK DATACENTER SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

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AES UK DATACENTER SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS

The following directors were in office during the financial year ended 31 December 2013 and subsequently, except where noted:

Name	Appointed	Resigned
Donald Lehman		30 September 2013
Paul McCusker		
Tihomir Mladenov	30 September 2013	

COMPANY SECRETARY

Donald Lehman		30 September 2013
Tihomir Mladenov	30 September 2013	

REGISTERED OFFICE

21 St Thomas Street
Bristol
United Kingdom
BS1 6JS

BANKERS

Citibank
Canada Wharf
London
E14 5LB

AUDITORS

Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast
BT2 7DT

AES UK DATACENTER SERVICES LIMITED

DIRECTORS' REPORT

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

RESULTS AND DIVIDENDS

The company's results for 2013 showed a loss after taxation of £660,000 (2012 loss after taxation: £780,000).

The company has not declared any dividends during the year (2012: £nil).

PRINCIPAL ACTIVITY, REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

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.

No key financial and other performance indicators have been identified for this company.

The company is expected to continue in its role to provide IT services for the foreseeable future.

FINANCIAL RISK MANAGEMENT

The company's activities are exposed to a number of financial risks which the directors considered to be the company's principal 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 regular monitoring of the foreign currency exchange rates.

Liquidity risk

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

GOING CONCERN

The company continues to receive funds for costs incurred from its parent company. The directors confirm that the existing long-term intercompany payable between the company and the fellow group subsidiary will not be called in the foreseeable future and accordingly the accounts are prepared on a going concern basis.

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 1.

DIRECTORS' INDEMNITY

The company indemnifies the directors in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006. The company has made qualifying third party indemnity provisions for the benefit of its directors which remained in force at the date of this report.

STRATEGIC REPORT

The directors have not prepared a strategic report as the company is entitled to the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

DIRECTORS' REPORT (CONTINUED)

STATEMENT OF DISCLOSURE OF 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.

AUDITORS

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue on office.

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



Paul McCusker

Director

26 September 2014

DIRECTORS' RESPONSIBILITIES STATEMENT

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 of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S 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 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. 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 set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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.



Keith Jess (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

29 September 2014

AES UK DATACENTER SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2013

	Notes	2013 £'000	2012 £'000
Administrative expenses		(668)	(802)
Foreign exchange gain		81	135
Other operating expenses	2	-	(24)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(587)	(691)
Tax on ordinary activities	6	(73)	(89)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(660)	(780)

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 and 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 2013

	Notes	2013 £'000	2012 £'000
FIXED ASSETS			
Tangible assets	7	58	118
CURRENT ASSETS			
Debtors: amounts falling due within one year	8	256	301
Cash at bank and in hand		-	73
CREDITORS: amounts falling due within one year	9	(19)	(51)
NET CURRENT ASSETS		237	323
TOTAL ASSETS LESS CURRENT LIABILITIES		295	441
CREDITORS: amounts falling due after more than one year	10	(14,003)	(13,843)
NET LIABILITIES		(13,708)	(13,402)
CAPITAL AND RESERVES			
Called up share capital	11	1,000	1,000
Share premium	12	2,641	2,287
Profit and loss account	12	(17,349)	(16,689)
SHAREHOLDER'S DEFICIT	13	(13,708)	(13,402)

These financial statements were approved by the Board of Directors on 26 September 2014.

Signed on behalf of the Board of Directors



Paul McCusker

Director

AES UK DATACENTER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2013

1. ACCOUNTING POLICIES

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

Basis of accounting

The directors consider it appropriate to prepare the accounts on a going concern basis, since a group undertaking, AES Electric Limited, agreed to provide sufficient finance, whether directly or through one of its subsidiaries to enable the company to meet its liabilities as they fall due for the foreseeable future.

Statement of cash flows

The company is exempt from preparing a cash flow statement under the terms of Financial Reporting Standard (FRS) 1 (1996) as it is a wholly-owned subsidiary, for which the ultimate parent company prepares consolidated financial statements which include the results of the company and are publicly available.

Tangible fixed assets

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

Computer equipment	3 years
Software	7 years

When assets are sold or retired, their costs and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit and loss account.

Debtors

Debtors are carried at the original invoice amount, less allowances made for doubtful receivables. Provision is made when there is objective evidence that the company will be unable to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

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 recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

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

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 FINANCIAL STATEMENTS

Year ended 31 December 2013

2. OTHER OPERATING EXPENSES

	2013 £'000	2012 £'000
Service fee expense in respect of prior periods	-	(24)
	<u>-</u>	<u>(24)</u>

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2013 £'000	2012 £'000
Loss on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation – owned assets (note 7)	60	101
Foreign exchange gain	<u>(81)</u>	<u>(135)</u>

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors received total remuneration for the year of £569,612 (2012: £648,000), all of which was paid by various subsidiaries of the AES Corporation. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as employees of other companies within AES Corporation.

The company has no employees (2012: nil).

5. AUDITOR'S REMUNERATION

Auditor's remuneration for the audit of the company's annual financial statements for the current year was £11,000 (2012: £11,000).

AES UK DATACENTER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2013

6. TAX ON ORDINARY ACTIVITIES

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

	2013	2012
	£'000	£'000
Current tax		
UK corporation tax	-	-
Deferred tax		
Origination and reversal of timing differences	(40)	(62)
Change in tax rate to 23% (2012: 23%)	(40)	(27)
Adjustments in respect of previous years	7	-
	<u>(73)</u>	<u>(89)</u>
Total deferred tax	(73)	(89)
Tax on ordinary activities	<u>(73)</u>	<u>(89)</u>

(a) Factors affecting the current tax charge

The difference between the total current tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax can be reconciled as follows:

	2013	2012
	£'000	£'000
Loss on ordinary activities before taxation	<u>(587)</u>	<u>(691)</u>
Tax credit on ordinary activities at standard		
UK corporation tax rate of 23.25% (2012: 24.5%)	136	169
Effect of:		
Fixed asset timing differences	46	62
Other permanent differences	(163)	(206)
Group relief to be claimed for no consideration	(19)	(25)
	<u>-</u>	<u>-</u>
Current tax	<u>-</u>	<u>-</u>

AES UK DATACENTER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2013

6. TAX ON ORDINARY ACTIVITIES (CONTINUED)

(b) Provision for deferred tax

The deferred tax included in the balance sheet is as follows:

	2013	2012
	£'000	£'000
Accelerated capital allowances	<u>224</u>	<u>297</u>
Provision for deferred tax	<u>224</u>	<u>297</u>
		2013
		£'000
At 1 January		<u>297</u>
Deferred tax credit in the profit and loss account		<u>(73)</u>
At 31 December		<u><u>224</u></u>

A deferred tax asset has not been recognised in respect of capital losses due to uncertainty regarding its recovery. The amount of the deferred tax asset not recognised is £30,420,000 (2012: £34,983,000). The assets would only be recovered to the extent that the company makes suitable taxable profits in the future.

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and 23% (effective 1 April 2013) were substantially enacted on 26 March 2012 and 3 July 2012 respectively.

Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantially enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. Any deferred tax asset at 31 December 2013 has been calculated at 20%.

7. TANGIBLE FIXED ASSETS

	Computer equipment £'000	Software £'000	Total £'000
Cost:			
At 1 January 2013 and 31 December 2013	<u>1,866</u>	<u>358</u>	<u>2,224</u>
Accumulated depreciation:			
At 1 January 2013	1,850	256	2,106
Charge for the year	11	49	60
At 31 December 2013	<u>1,861</u>	<u>305</u>	<u>2,166</u>
Net book value:			
At 31 December 2013	<u>5</u>	<u>53</u>	<u>58</u>
At 31 December 2012	<u>16</u>	<u>102</u>	<u>118</u>

AES UK DATACENTER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

8. DEBTORS: amounts falling due within one year

	2013	2012
	£'000	£'000
Prepayments	-	4
Other debtors	32	-
Deferred tax asset	224	297
	<u>256</u>	<u>301</u>

9. CREDITORS: amounts falling due within one year

	2013	2012
	£'000	£'000
Accruals	19	51
	<u>19</u>	<u>51</u>

10. CREDITORS: amounts falling due after more than one year

	2013	2012
	£'000	£'000
Amounts owed to group undertakings	14,003	13,843
	<u>14,003</u>	<u>13,843</u>

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 financial statements.

11. CALLED UP SHARE CAPITAL

	2013	2012
	£'000	£'000
Called up, allotted and fully paid:		
1,000,006 Ordinary shares of £1 each	-	1,000
1,000,007 Ordinary shares of £1 each	1,000	-
	<u>1,000</u>	<u>-</u>

AES UK DATACENTER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2013

11. CALLED UP SHARE CAPITAL (CONTINUED)

During the year one share had been allotted to the immediate parent undertaking as below.

Date	Ordinary share issued	Premium paid £'000
23 April 2013	No. 1	354
	1	354

12. CAPITAL AND RESERVES

	Called up share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
At 1 January 2013	1,000	2,287	(16,689)	(13,402)
Issue of shares	-	354	-	354
Loss for the year	-	-	(660)	(660)
At 31 December 2013	<u>1,000</u>	<u>2,641</u>	<u>(17,349)</u>	<u>(13,708)</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S DEFICIT

	2013 £'000	2012 £'000
Loss for the financial year	(660)	(780)
Issue of share	354	-
Decrease in shareholder's interest	(306)	(780)
Shareholder's interest at 1 January	<u>(13,402)</u>	<u>(12,622)</u>
Shareholder's interest at 31 December	<u>(13,708)</u>	<u>(13,402)</u>

AES UK DATACENTER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

14. ULTIMATE PARENT COMPANY

The company is controlled by its immediate parent undertaking, AES Drax Financing Inc, a company incorporated in the State of Delaware, USA.

The ultimate parent is AES Corporation, a company incorporated in the State of Delaware, USA. The company is a subsidiary undertaking of AES Corporation which is the ultimate parent undertaking.

The largest and smallest group in which the results of the company are consolidated is that headed by AES Corporation.

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 8 "Related Party Disclosures" not to disclose transactions with other undertakings within, and related parties of, The AES Corporation Group. There are no other related party transactions during the current and preceding year.