

**AES UK DATACENTER SERVICES LIMITED**

**Annual Report and Financial Statements  
31 December 2012**

WEDNESDAY



\*A2BSPVJN\*

A19

03/07/2013

#279

COMPANIES HOUSE

**AES UK DATACENTER SERVICES LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS 2012**

**CONTENTS**

COMPANY INFORMATION	1
DIRECTORS' REPORT	2
STATEMENT OF DIRECTORS' RESPONSIBILITIES	4
INDEPENDENT AUDITOR'S REPORT	5
PROFIT AND LOSS ACCOUNT	6
BALANCE SHEET	7
NOTES TO THE FINANCIAL STATEMENTS	8

## **AES UK DATACENTER SERVICES LIMITED**

### **COMPANY INFORMATION**

#### **DIRECTORS**

The following directors were in office during the financial year ended 31 December 2012 and subsequently, except where noted

	<b>Appointed</b>	<b>Resigned</b>
Pradeep Parmar		26 April 2012
Donald Lehman		
Paul McCusker	30 April 2012	

#### **SECRETARY**

Donald Lehman

#### **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 2012

### **RESULTS FOR THE YEAR AND DIVIDENDS**

The company's results for 2012 showed a loss after taxation of £780,000 (2011 £1,756,000)

The company has not declared any dividends during the year (2011 £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 develop and maintain IT facilities for the foreseeable future

### **FINANCIAL RISK MANAGEMENT**

The company's activities expose it 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 bank financial statements 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 be 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.

### **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.

**DIRECTORS' REPORT (CONTINUED)**

**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

A handwritten signature in black ink, appearing to read 'Paul McCusker', written in a cursive style.

Paul McCusker  
Director  
27 June 2013

## **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 financial statements, 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, 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 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 financial statements.

## AES UK DATACENTER SERVICES LIMITED

### 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 2012 which comprise 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 auditor

As explained more fully in the Statement of Directors' Responsibilities 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 Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements. 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 2012 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 take advantage of the small entities' exemption in preparing the Directors' report.



David Hales (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
28 June 2013

## AES UK DATACENTER SERVICES LIMITED

### PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2012

	Notes	2012 £'000	2011 £'000
Administrative expenses		(802)	(2,397)
Foreign exchange gain / (loss)		135	(32)
Other operating (loss) / income , net	2	(24)	744
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	<b>(691)</b>	<b>(1,685)</b>
Tax on ordinary activities	6	(89)	(71)
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>(780)</b>	<b>(1,756)</b>

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 2012**

	Notes	2012 £'000	2011 £'000
<b>FIXED ASSETS</b>			
Tangible assets	7	118	219
<b>CURRENT ASSETS</b>			
Debtors amounts falling due within one year	8	301	390
Cash at bank and in hand		73	673
<b>CREDITORS: amounts falling due within one year</b>	9	(51)	(410)
<b>NET CURRENT ASSETS</b>		323	653
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		441	872
<b>CREDITORS: amounts falling after more than one year</b>	10	(13,843)	(13,494)
<b>NET LIABILITIES</b>		(13,402)	(12,622)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	1,000	1,000
Share premium	12	2,287	2,287
Profit and loss account	12	(16,689)	(15,909)
<b>SHAREHOLDER'S DEFICIT</b>	13	(13,402)	(12,622)

These financial statements were approved and authorised by the Board of Directors on 27 June 2013

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 2012**

#### **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 preparation**

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 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

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**

Other 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 financial statements 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 financial statements 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 2012**

**2. OTHER OPERATING (LOSS) / INCOME, NET**

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Service fee (expense) / income in respect of prior periods	(24)	490
Service fee income in respect of current period	-	254
	<u>(24)</u>	<u>744</u>

**3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

The loss on ordinary activities before taxation is stated after charging

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Depreciation – owned assets (note 7)	101	292
Foreign exchange gains / (losses)	133	(32)
	<u>134</u>	<u>260</u>

**4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

The directors received total remuneration for the year of £648,000 (2011 £743,000), 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 (2011 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 (2011 £11,000)

**AES UK DATACENTER SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2012**

**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 follows

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current tax</b>		
UK corporation tax	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	(62)	(37)
Change in tax rate to 23% (2011 25%)	(27)	(34)
Total deferred tax	<u>(89)</u>	<u>(71)</u>
Tax on ordinary activities	<u>(89)</u>	<u>(71)</u>

**(a) Factors affecting the current tax charge**

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

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
<b>Loss on ordinary activities before taxation</b>	<u>(691)</u>	<u>(1,685)</u>
Tax charge on ordinary activities at standard UK corporation tax rate of 24.5% (2011 26.5%)	169	447
Effect of		
Fixed asset timing differences	62	40
Other permanent differences	(206)	(444)
Group relief to be claimed for no consideration	(25)	(43)
Current tax	<u>-</u>	<u>-</u>

**AES UK DATACENTER SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2012**

**6. TAX ON ORDINARY ACTIVITIES (CONTINUED)**

**(b) Provision for deferred tax**

The deferred tax included in the balance sheet is as follows

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Accelerated capital allowances	297	386
Provision for deferred tax	297	386
	<u>297</u>	<u>386</u>
		<b>2012</b>
		<b>£'000</b>
At 1 January		386
Deferred tax credit in the profit and loss account		(89)
		<u>297</u>
At 31 December		<u>297</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 £34,983,000 (2011 £38,025,000). The assets would only be recovered to the extent that the company makes suitable taxable profits in the future.

A reduction to the main rate of UK corporation tax to 24% with effect from 1 April 2012 was enacted in March 2012 and to 23% from 1 April 2013 was enacted in July 2012. In addition, effective from 1 April 2014 the main rate of UK corporation tax is expected to be 21% and 20% effective from 1 April 2015. These rates have not yet been substantively enacted and accordingly their impact is not reflected in these financial statements.

The phased reduction to the main rate of UK corporation tax is expected to have an impact on the future income statement tax charge of the company as a lower tax rate is applied to taxable profits, and deferred tax assets and liabilities are adjusted to reflect their reversal at a lower rate of corporation tax.

**7. TANGIBLE FIXED ASSETS**

	<b>Computer equipment £'000</b>	<b>Software £'000</b>	<b>Total £'000</b>
<b>Cost:</b>			
At 1 January 2012			
and 31 December 2012	1,866	358	2,224
	<u>1,866</u>	<u>358</u>	<u>2,224</u>
<b>Accumulated depreciation.</b>			
At 1 January 2012	1,798	207	2,005
Charge for the year	52	49	101
At 31 December 2012	1,850	256	2,106
	<u>1,850</u>	<u>256</u>	<u>2,106</u>
<b>Net book value:</b>			
At 31 December 2012	16	102	118
	<u>16</u>	<u>102</u>	<u>118</u>
At 31 December 2011	68	151	219
	<u>68</u>	<u>151</u>	<u>219</u>

**AES UK DATACENTER SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2012**

**8. DEBTORS** amounts falling due within one year

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Prepayments	4	4
Deferred tax asset	297	386
	<u>301</u>	<u>390</u>

**9. CREDITORS** amounts falling due within one year

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	-	273
Accruals	51	137
	<u>51</u>	<u>410</u>

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

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed to group undertakings	13,843	13,494

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**

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
<b>Called up, allotted and fully paid</b>		
1,000,006 ordinary shares of £1 each	1,000	1,000

**12. CAPITAL AND RESERVES**

	<b>Called up share capital £'000</b>	<b>Share premium £'000</b>	<b>Profit and loss account £'000</b>	<b>Total £'000</b>
At 1 January 2012	1,000	2,287	(15,909)	(12,622)
Loss for the year	-	-	(780)	(780)
At 31 December 2012	<u>1,000</u>	<u>2,287</u>	<u>(16,689)</u>	<u>(13,402)</u>

**AES UK DATACENTER SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2012**

**13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S DEFICIT**

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Loss for the financial year	(780)	(1,756)
Issue of share	-	1,787
	<hr/>	<hr/>
(Decrease) / increase in shareholder's interest	(780)	31
Shareholder's interest at 1 January	(12,622)	(12,653)
	<hr/>	<hr/>
Shareholder's interest at 31 December	<u>(13,402)</u>	<u>(12,622)</u>

**14. 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 financial statements 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 FRS 8 "Related Party Disclosures" not to disclose transactions with other undertakings that are wholly-owned of The AES Corporation Group. There are no other related party transactions during the current and preceding year.