

Company Registration No. 3878758

AES UK DATACENTER SERVICES LIMITED

**Report and Financial Statements
31 December 2008**

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AES UK DATACENTER SERVICES LIMITED
REPORT AND FINANCIAL STATEMENTS 2008

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AES UK DATACENTER SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS 2008

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

The following directors were in office during the financial year ended 31 December 2008 and subsequently, except where noted.

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

SECRETARY

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

REGISTERED OFFICE

37- 39 Kew Foot Road
Richmond
Surrey
TW9 2SS

BANKERS

Citibank London N.A

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 2008. The directors' report has been prepared in accordance with the special provisions relating to small companies under Section 246(4) of the Companies Act of 1985.

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 2008 showed a loss of £4,142,000 (2007: £2,282,000). The directors do not recommend the payment of a dividend (2007: £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

Deloitte & Touche LLP resigned as the company's auditors on 22 June 2009. Ernst & Young LLP were appointed auditors to the company on 2 September 2009 and have expressed their willingness to continue in office.

AES UK DATACENTER SERVICES LIMITED


INFORMATION TO AUDITORS

Each of the directors at the date of approval of this report confirms that:

- (1) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/ herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

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


Donald Lehman
Director
23 September 2009

AES UK DATACENTER SERVICES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are 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 these 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; 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 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 1985. 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.

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 2008, which comprise the profit and loss account, the balance sheet and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant law legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implication for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

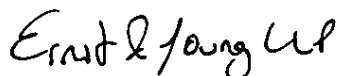
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Ernst & Young LLP
Registered Auditor
London

25 September 2009

AES UK DATACENTER SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2008

	Notes	2008 £'000	2007 £'000
Administrative expenses		<u>(4,142)</u>	<u>(2,282)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(4,142)	(2,282)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(4,142)</u>	<u>(2,282)</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 presented.

AES UK DATACENTER SERVICES LIMITED

BALANCE SHEET

As at 31 December 2008

	Notes	2008 £'000	2007 £'000
FIXED ASSETS			
Tangible assets	5	<u>2,421</u>	<u>3,249</u>
CURRENT ASSETS			
Debtors: due within one year	6	353	267
Cash at bank and in hand		7	7
CREDITORS: amounts falling due within one year	7	<u>(124)</u>	<u>(93)</u>
NET CURRENT ASSETS		236	181
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,657</u>	<u>3,430</u>
CREDITORS: amounts falling after more than one year	7	<u>(9,728)</u>	<u>(6,359)</u>
NET LIABILITIES		<u>(7,071)</u>	<u>(2,929)</u>
CAPITAL AND RESERVES			
Called up share capital	8	1,000	1,000
Profit and loss account	9	<u>(8,071)</u>	<u>(3,929)</u>
SHAREHOLDER'S DEFICIT	9	<u>(7,071)</u>	<u>(2,929)</u>

These financial statements were approved and authorised by the Board of Directors on 23 September 2009.

Signed on behalf of the Board of Directors



Donald Lehman
Director

AES UK DATACENTER SERVICES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2008

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.

Basis of consolidation

In accordance with Section 228A of the Companies Act 1985, consolidated financial statements have not been presented as the company is a wholly owned subsidiary of the AES Corporation, a company incorporated in the state of Delaware, USA and incorporates the financial statements of this company. These financial statements present information about the company as an individual undertaking and not about its group.

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.

AES UK DATACENTER SERVICES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2008

2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities before taxation is stated after charging:

	2008 £'000	2007 £'000
Depreciation – owned assets (Note 5)	1,665	1,240

Auditors' remuneration for the audit of the company's annual accounts for the current year of £7,500 (2007: £7,240) was borne by AES Electric Limited, a fellow subsidiary undertaking.

3. STAFF COSTS

The average monthly number of employees was five (2007: four). Their aggregate remuneration comprised of:

	2008 £'000	2007 £'000
Wages and salaries	423	299
Employer Taxes	50	36
Other pension costs	39	51
	<u>512</u>	<u>386</u>

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

4. TAX ON LOSS ON ORDINARY ACTIVITIES

	2008 £'000	2007 £'000
Current tax		
UK corporation tax	-	-

AES UK DATACENTER SERVICES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2008

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:

	2008 £'000	2007 £'000
Loss on ordinary activities before taxation	<u>(4,142)</u>	<u>(2,282)</u>
Tax on loss on ordinary activities at standard UK corporation tax rate of 28.5% (2007 – 30%)	1,180	685
Fixed asset timing differences	(173)	(46)
Other permanent differences	(1,239)	(719)
Group relief to be claimed for no consideration	232	80
Capital gain	-	(9,993)
Capital losses brought forward	-	9,993
Current tax	<u>-</u>	<u>-</u>

Deferred tax assets of £42,712,000 (2007: £43,593,000) in respect of capital losses and £420,000 (2007: £4,000) 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.

5. TANGIBLE FIXED ASSETS

	Computer equipment £'000	Software £'000	Total £'000
Cost:			
At 1 January 2008	4,564	319	4,883
Additions	798	39	837
At 31 December 2008	<u>5,362</u>	<u>358</u>	<u>5,720</u>
Accumulated depreciation:			
At 1 January 2008	1,626	8	1,634
Charge for the year	1,615	50	1,665
At 31 December 2008	<u>3,241</u>	<u>58</u>	<u>3,299</u>
Net book value:			
At 31 December 2008	<u>2,121</u>	<u>300</u>	<u>2,421</u>
At 31 December 2007	<u>2,938</u>	<u>311</u>	<u>3,249</u>

AES UK DATACENTER SERVICES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2008

6. DEBTORS

	2008 £'000	2007 £'000
Amounts falling due within one year:		
Prepayments and accrued income	353	264
Refundable rent deposits	-	3
	<u>353</u>	<u>267</u>

7. CREDITORS

	2008 £'000	2007 £'000
Amounts falling due within one year:		
Accruals	<u>124</u>	<u>93</u>
Amounts falling due after more than one year:		
Amounts owed to group undertakings	9,728	5,967
Accruals	-	392
	<u>9,728</u>	<u>6,359</u>

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

	2008 £'000	2007 £'000
Authorised:		
1,000,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Called up, allotted and fully paid		
1,000,002 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Called up share capital £'000	Profit and loss account £'000	Total £'000
At 1 January 2008	1,000	(3,929)	(2,929)
Loss for the year	-	(4,142)	(4,142)
At 31 December 2008	<u>1,000</u>	<u>(8,071)</u>	<u>(7,071)</u>

AES UK DATACENTER SERVICES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2008

10. 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.