

**DIMENSION DATA ADVANCED
INFRASTRUCTURE LIMITED**

**Report and Financial Statements
30 September 2008**

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DIMENSION DATA ADVANCED INFRASTRUCTURE LIMITED

REPORT AND FINANCIAL STATEMENTS 2008

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DIMENSION DATA ADVANCED INFRASTRUCTURE LIMITED

REPORT AND FINANCIAL STATEMENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A D Coulsen (Australian)
R E Bolan
U Baden

SECRETARY

J M Duck

REGISTERED OFFICE

Dimension Data House
Building 2
Waterfront Business Park
Fleet
Hampshire
GU51 3QT

BANKERS

HSBC Bank plc
Walton on Thames
34 High Street
Surrey
KT12 1DD

AUDITORS

Deloitte LLP
Chartered Accountants and Registered Auditors
Liverpool
United Kingdom

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 September 2008.

PRINCIPAL ACTIVITIES

The company's principal activities are as electrical and instrumentation engineers and contractors including high technology instrumentation and design, installation, testing and commissioning. There have not been any significant changes in the company's activities in the year under review. The directors are not aware, at the date of this report, of any likely changes to the company's activities in the next year.

BUSINESS REVIEW AND FUTURE PROSPECTS

As shown in the company's profit and loss on page 6, the company's sales have increased from £17,516,206 in 2007 to £23,003,180 in 2008 improving the operating result for the year from a loss of £655,304 in 2007 to a £891,987 profit in 2008. This is due to improved contract margins and controlling fixed overheads.

The profit for the year of £397,200 (2007 – loss of £1,149,189) has been added to (deducted from) reserves leaving a shareholders' deficit of £274,099 (2007 - £671,299) at 30 September 2008 as shown on page 7.

The directors' believe that the introduction and improvement of internal controls has assisted in improving profitability during the year.

The company has also set itself KPI's to achieve its goals. These KPI's encompass:

- profitable growth;
- continued improvement in client experience; and
- investment internally including personal development.

POST BALANCE SHEET EVENTS

Since the year end the ultimate parent company has injected £7.916 million of capital in to the business improving its net worth and cash balances significantly.

On 30 April 2009, 17% of the share capital of the company was issued to Infraserve Limited, a company incorporated in the UK.

Details of post balance sheet events are given in note 20 of the accounts.

PRINCIPAL RISKS AND UNCERTAINTIES

Credit risks

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. Where a loss on an individual contract is identified the loss is fully provided for. The company manages its credit risk through the use of credit insurance and careful management of credit limits.

Interest rate risk

The company's bank borrowings, which are variable rate, are subject to interest rate changes. The company does not enter into interest rate hedging instruments.

Going concern

The company meets its day to day working capital requirements through its share of a group overdraft facility. The company's allocation of the group facility is determined by the parent company.

The current economic environment creates uncertainty particularly over the ability of customers to pay debts as they fall due. As noted above, the company mitigates this risk by continually reviewing the current customer base and credit limits, and putting in place such credit insurance as is available.

The company's latest cash flow forecasts, which the directors consider have been prepared on a reasonable basis, indicate that the company should be able to operate within the level of its current facility. Since the year end, the company received £7.9 million from the parent company which improved the cash position significantly. Further, the directors have received confirmation from the ultimate parent company that it will provide support for a period of not less than 12 months from the date of signature of these accounts, to the value of the current allocation of the group's overdraft facility of £1 million.

DIMENSION DATA ADVANCED INFRASTRUCTURE LIMITED

DIRECTORS' REPORT (continued)

Going concern (continued)

Therefore, after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

AUDITORS

In the case of each of the persons who are directors of the company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves 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.

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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

Director



U. BADEN

30TH. JULY. 2009

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 and loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable policies and then apply them consistently;
- make judgements 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 DIMENSION DATA ADVANCED INFRASTRUCTURE LIMITED

We have audited the financial statements of Dimension Data Advanced Infrastructure Limited for the year ended 30 September 2008 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 20. 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 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 if 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 other information contained in the Annual Report as described in the contents section and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

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 misstatements, 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 30 September 2008 and of its profit 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.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
Liverpool
United Kingdom

4 August 2009

DIMENSION DATA ADVANCED INFRASTRUCTURE LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 September 2008

	Note	2008 £	2007 £
TURNOVER	1	23,003,180	17,516,206
Cost of sales		<u>(17,726,779)</u>	<u>(13,602,466)</u>
GROSS PROFIT		5,276,401	3,913,740
Administration expenses		<u>(4,384,414)</u>	<u>(4,569,044)</u>
OPERATING PROFIT/(LOSS)	2	891,987	(655,304)
Interest payable and similar charges	4	<u>(494,787)</u>	<u>(493,885)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		397,200	(1,149,189)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
RETAINED PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	15,16	<u><u>397,200</u></u>	<u><u>(1,149,189)</u></u>

The profit for the current and the loss for the prior year derive from continuing operations.

All recognised gains and losses, in the current year and preceding year, are included in the profit and loss account. Accordingly, a separate statement of total recognised gains and losses has not been presented.

DIMENSION DATA ADVANCED INFRASTRUCTURE LIMITED

BALANCE SHEET 30 September 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Tangible assets	6	658,447	718,383
Investments	7	100	100
		<u>658,547</u>	<u>718,483</u>
CURRENT ASSETS			
Stock	8	1,436,274	1,306,861
Debtors	9	11,824,862	10,013,773
Cash at bank and in hand		23,976	171,562
		<u>13,285,112</u>	<u>11,492,196</u>
CREDITORS: amounts falling due within one year	11	<u>(14,130,602)</u>	<u>(12,664,684)</u>
NET CURRENT LIABILITIES		<u>(845,490)</u>	<u>(1,172,488)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(186,943)</u>	<u>(454,005)</u>
CREDITORS: amounts due after one year	12	(27,156)	(157,294)
PROVISIONS FOR LIABILITIES	17	<u>(60,000)</u>	<u>(60,000)</u>
NET LIABILITIES		<u>(274,099)</u>	<u>(671,299)</u>
CAPITAL AND RESERVES			
Called up share capital	14	100,000	100,000
Profit and loss account	15	<u>(374,099)</u>	<u>(771,299)</u>
SHAREHOLDERS' DEFICIT	16	<u>(274,099)</u>	<u>(671,299)</u>

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors

Director



U. BADEN

30th JULY 2009

NOTES TO THE ACCOUNTS

Year ended 30 September 2008

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 been applied consistently throughout the current and prior year.

Basis of preparation

The company meets its day to day working capital requirements through its share, being £1 million, of a group overdraft facility. The company's allocation of the group facility is determined by the parent company.

The current economic environment creates uncertainty particularly over the ability of customers to pay debts as they fall due. The company mitigates this risk by continually reviewing the current customer base and credit limits, and putting in place such credit insurance as is available.

The company's latest cash flow forecasts, which the directors consider have been prepared on a reasonable basis, indicate that the company should be able to operate within the level of its current facility. Since the year end, the company received £7.9 million from the parent company which improved the cash position significantly. Further, the directors have received confirmation from the ultimate parent company that it will provide support for a period of not less than 12 months from the date of signature of these accounts, to the value of the current allocation of the group's overdraft facility of £1 million.

Therefore, after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption from preparing a cash flow statement afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of Dimension Data Holdings Plc which prepares consolidated financial statements which are publicly available.

Turnover

Turnover, all arising in the United Kingdom, represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of the total contract value which costs incurred to date bear to total expected costs for that contract.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation on assets is provided on cost at the following annual rates in order to write off each asset over its estimated useful life or, if held under finance lease, over the lease term whichever is the shorter.

Leasehold property and improvements	-	5% - 10% straight line
Plant, machinery, fixtures and equipment	-	10% - 20% straight line

Stock and work in progress

Stocks are stated at the lower of cost and net realisable value. Cost, where appropriate, includes all overheads, based on normal levels of activity, incurred in bringing the stocks to their present condition and location. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete or defective items where appropriate.

NOTES TO THE ACCOUNTS

Year ended 30 September 2008

1. ACCOUNTING POLICIES (continued)

Long-term contracts

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Any excess progress payments are included in creditors as payments on account. Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts, are included as long-term contract balances in stock.

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 at 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 in the foreseeable future.

Leases

Assets held under finance leases are included in tangible assets at cost and are depreciated over the shorter of the lease term or their useful life. Obligations relating to finance leases, net of finance charges in respect of future periods, are included as appropriate under creditors due within or after one year.

Finance charges are allocated to accounting periods over the lease term to reflect a constant rate of interest on the remaining balance of the obligation. Rentals under operating leases are charged against profits as incurred.

Pensions

The pension cost charge represents the contributions payable by the company into a defined contribution scheme during the year. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Consolidation

Consolidated financial statements for the purposes of Companies Act 1985 have not been prepared as the company is a wholly owned subsidiary of Dimension Data Holdings plc, a company incorporated in England and Wales, and is therefore exempt from the obligations to prepare and deliver group accounts. The accounts include solely the results and financial position of the company. The company is included in the financial statements of Dimension Data Holdings plc drawn up to 30 September 2008.

2. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	2008 £	2007 £
Depreciation	89,163	83,828
Rentals under operating lease		
Land and buildings	122,930	122,930
Auditors' remuneration for audit of company's accounts	42,000	44,000
Write off of amounts recoverable on contracts	-	333,312
	<hr/>	<hr/>

Total non-audit fees payable to the auditors for the year were £nil (2007: £nil).

DIMENSION DATA ADVANCED INFRASTRUCTURE LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 September 2008

3. EMPLOYEES AND DIRECTORS

Staff costs (including directors' emoluments):

	2008 £	2007 £
Salaries and wages	5,588,597	4,171,314
Social security costs	588,625	424,024
Pension contributions	72,683	35,086
	<u>6,249,905</u>	<u>4,630,424</u>
	No.	No.
Average number employed:		
Production	112	88
Sales and Administration	36	28
	<u>148</u>	<u>116</u>
	2008 £	2007 £
Director's emoluments & highest paid director		
Pension contributions	6,125	5,500
Other emoluments	338,723	327,818
	<u>344,848</u>	<u>333,318</u>

During the year the director (2007: same) was accruing benefits under the defined contribution pension scheme.

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2008 £	2007 £
Bank loans and overdrafts	486,096	451,167
Interest payable on finance lease	8,691	13,186
Interest on loans from group undertakings (see note 11)	-	29,532
	<u>494,787</u>	<u>493,885</u>

DIMENSION DATA ADVANCED INFRASTRUCTURE LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 September 2008

5. TAXATION

	2008 £	2007 £
Current taxation:		
United Kingdom corporation tax at 29% (2007: 30%) based on the profit for the year	-	-
Adjustment in respect of prior years	-	-
	<hr/>	<hr/>
Total current taxation	-	-
Deferred taxation		
Adjustment in respect of prior years	-	-
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	<hr/>	<hr/>

Factors affecting tax charge for the current year:

The tax charge for the year is lower (2007 – lower) than that resulting from applying the standard rate of corporation tax in the UK of 29% (2007 – 30%).

	2008 £	2007 £
Profit/(loss) on ordinary activities before tax	397,200	(1,149,189)
	<hr/>	<hr/>
Tax at 29% (2007: 30%) thereon	(115,188)	344,757
Effects of:		
Expenses not deductible for tax purposes	(5,566)	(8,397)
Depreciation in excess of capital allowances	(18,368)	(8,693)
Movement in short term timing differences	334,367	226,877
Tax losses not recognised	(195,245)	(554,544)
	<hr/>	<hr/>
Current tax credit	-	-
	<hr/>	<hr/>

DIMENSION DATA ADVANCED INFRASTRUCTURE LIMITED

NOTES TO THE ACCOUNTS Year ended 30 September 2008

6. TANGIBLE FIXED ASSETS

	Leasehold property and improvements £	Plant, machinery, fixtures and equipment £	Total £
Cost			
As at 1 October 2007	822,004	311,913	1,133,917
Additions	-	29,227	29,227
At 30 September 2008	822,004	341,140	1,163,144
Depreciation			
As at 1 October 2007	150,288	265,246	415,534
Charge for year	53,804	35,359	89,163
At 30 September 2008	204,092	300,605	504,697
Net book value			
As at 30 September 2008	617,912	40,535	658,447
As at 30 September 2007	671,716	46,667	718,383
Leased assets included above:			
As at 30 September 2008	297,443	-	297,443
As at 30 September 2007	323,308	-	323,308

7. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
Cost and net book value	
At 1 October 2007 and 30 September 2008	100

The company's investments at the balance sheet date in the share capital of companies relates to the following:

Direct subsidiary undertaking	Country of registration	Principal country	Class and percentage shares held
GK Instrumentation Ltd	United Kingdom	Dormant company	100% ordinary

8. STOCK

	2008 £	2007 £
Raw materials and consumables	83,129	61,985
Long-term contract balances	1,353,145	1,244,876
	1,436,274	1,306,861

In the directors opinion there is no material difference between the carrying value of stocks and their replacement cost.

NOTES TO THE ACCOUNTS

Year ended 30 September 2008

9. DEBTORS

	2008 £	2007 £
Due within one year:		
Trade debtors	3,289,902	3,765,042
Amounts owed by group undertakings	1,661,894	1,719,324
Prepayments and accrued income	269,369	261,932
Amounts recoverable on contracts	6,603,697	4,249,831
UK corporation tax	-	17,644
	<u>11,824,862</u>	<u>10,013,773</u>

10. DEFERRED TAX

A deferred tax asset has not been recognised in respect of timing differences relating to capital allowances, general provisions and tax losses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £1,961,189 (2007: £1,736,287). The asset would be recoverable if there was greater certainty about the future profitability of the company in the foreseeable future.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Bank overdraft	7,508,089	6,899,356
Trade creditors	2,710,214	1,444,237
Loans due to group undertakings	-	1,604,225
Other creditors including taxation and social security	324,445	488,412
Accruals and deferred income	3,499,807	2,186,993
Obligations under finance lease	88,047	41,461
	<u>14,130,602</u>	<u>12,664,684</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2008 £	2007 £
Obligations under finance lease	<u>27,156</u>	<u>157,294</u>

The finance lease is due for repayment in 2010.

13. FUTURE COMMITMENTS

Annual commitments in relation to non-cancellable leases:

	Land & Buildings 2008 £	2007 £
Expiring in the second to fifth years inclusive	<u>122,930</u>	<u>122,930</u>

There are no future capital commitments at the balance sheet date(2007: same).

NOTES TO THE ACCOUNTS

Year ended 30 September 2008

14. SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	No. of shares	£	No. of shares	£
30 September 2007 and 30 September 2008				
Ordinary shares of £1 each	250,000	250,000	100,000	100,000

15. RESERVES

	Profit and loss account £
At 1 October 2007	(771,299)
Retained profit for the year	397,200
At 30 September 2008	(374,099)

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2008 £	2007 £
Profit/(loss) for the financial year	397,200	(1,149,189)
Inter-company loan waiver	-	3,900,000
Net movement in shareholders' deficit	397,200	2,750,811
Opening shareholders' deficit	(671,299)	(3,422,110)
Closing shareholders' deficit	(274,099)	(671,299)

During the prior year the ultimate parent company waived an intercompany loan of £3,900,000 which has been treated as a capital contribution.

17. PROVISIONS FOR LIABILITIES

	£
At 1 October 2007 and 30 September 2008	60,000

The provision relates to dilapidations which are to be paid when the current lease expires.

18. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption included in Financial Reporting Standard No.8 "Related Party Disclosures" not to disclose transactions with entities that are part of the group or investees of the group qualify as related parties.

19. ULTIMATE HOLDING COMPANY AND ULTIMATE CONTROLLING PARTY

The company's ultimate holding company and ultimate controlling party is Dimension Data Holdings Plc, a company registered in the UK.

Dimension Data Holdings Plc is the parent undertaking of the largest and smallest group which includes the company and for which group financial statements are prepared. The immediate parent undertaking is GK Communications Group Limited, a company registered in England and Wales.

NOTES TO THE ACCOUNTS

Year ended 30 September 2008

20. POST BALANCE SHEET EVENTS

On 24 October 2008, a principal customer, David McLean went into administration. As there were no concerns regarding the financial viability of David McLean as at 30 September 2008, no related adjustments are proposed to the 2008 financial statements. A bad debt write off of £381,000 was incurred and will be recognised in the 2009 financial statements.

On 20 January 2009, 1 ordinary share was issued at par to GK Communications Group Ltd for £7,916,016. The cash received was used to repay the external bank overdraft that existed at this date.

On 30 April 2009, 17% of the ordinary share capital of the company was issued to Infraser Limited, reducing GK Communications Group Limited's shareholding to 83%.