



Abbreviated Financial Statements

PacketExchange (Metro) Limited

For the year ended 31 December 2013



Registered number: 04063075

Abbreviated accounts

PacketExchange (Metro) Limited

Company Information

| | |
|-----------------------------|---|
| Directors | Christopher McKee Richard Calder |
| Company secretary | Christopher McKee |
| Registered number | 04063075 |
| Registered office | Riverbank House 2 Swan Lane London United Kingdom EC3N 3TT |
| Independent auditors | Grant Thornton Chartered Accountants & Registered Auditors 24 - 26 City Quay Dublin 2 Ireland |
| Solicitors | Field Fisher Waterhouse LLP Riverbank House 2 Swan Lane London United Kingdom EC4R 3TT |

PacketExchange (Metro) Limited

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Directors' responsibilities statement

For the year ended 31 December 2013

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 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 accounting estimates that are reasonable and prudent;
- 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.

Independent auditors' report to PacketExchange (Metro) Limited

Under section 449 of the Companies Act 2006

We have examined the abbreviated accounts, which comprise the Balance sheet and the related notes, together with the financial statements of PacketExchange (Metro) Limited for the year ended 31 December 2013 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion on financial statements

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts which comprise the Balance sheet and the related notes have been properly prepared in accordance with the regulations made under that section.

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 profit 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.



Independent auditors' report to PacketExchange (Metro) Limited

Under section 449 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 companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.

A handwritten signature in black ink, appearing to read 'Sinead Donovan'.

Sinead Donovan F.C.A., Senior Statutory Auditor
For and on behalf of
Grant Thornton
Chartered Accountants
& Registered Auditors

24 - 26 City Quay
Dublin 2
Ireland

20 February 2015

Abbreviated balance sheet

As at 31 December 2013

| | Note | £ | 2013 £ | £ | 2012 £ |
|---|------|-----------|-------------|----------|-------------|
| Fixed assets | | | | | |
| Tangible assets | 2 | | - | | 27,010 |
| Current assets | | | | | |
| Debtors | | - | | 41,139 | |
| Creditors: amounts falling due within one year | | (444,782) | | (26,158) | |
| Net current (liabilities)/assets | | | (444,782) | | 14,981 |
| Total assets less current liabilities | | | (444,782) | | 41,991 |
| Creditors: Amounts falling due after more than one year | | | - | | (532,041) |
| Net liabilities | | | (444,782) | | (490,050) |
| Capital and reserves | | | | | |
| Called up share capital | 4 | | 325,584 | | 325,584 |
| Share premium account | | | 9,056,527 | | 9,056,527 |
| Profit and loss account | | | (9,826,893) | | (9,872,161) |
| Shareholders' deficit | | | (444,782) | | (490,050) |

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf on 20/2/2015



Christopher McKee
Director

The notes on pages 5 to 8 form part of these financial statements.

Notes to the abbreviated accounts

For the year ended 31 December 2013

1. Accounting policies

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|-----------------------|--------------------------------|
| Plant and machinery | - 33.33% (optic) straight line |
| Fixtures and fittings | - 20% - 33.33% straight line |
| Equipment | - 33.33% - 50% straight line |

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if 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 differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

Notes to the abbreviated accounts

For the year ended 31 December 2013

1. Accounting policies (continued)

1.7 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. Tangible fixed assets

| | £ |
|-----------------------|-------------|
| Cost | |
| At 1 January 2013 | 3,154,641 |
| Disposals | (3,154,641) |
| At 31 December 2013 | - |
| Depreciation | |
| At 1 January 2013 | 3,127,631 |
| Charge for the year | 27,010 |
| On disposals | (3,154,641) |
| At 31 December 2013 | - |
| Net book value | |
| At 31 December 2013 | - |
| At 31 December 2012 | 27,010 |

3. Related party transactions

The company has availed of the exemption in FRS 8 paragraph 3 which allows non-disclosure of transactions with other group companies.

PacketExchange (Metro) Limited

Notes to the abbreviated accounts

For the year ended 31 December 2013

4. Share capital

| | 2013 £ | 2012 £ |
|---|------------------|------------------|
| Authorised | | |
| 500,000 Ordinary shares of £1 each | 500,000 | 500,000 |
| 50,000,000 Ordinary "A" shares of £0.01 each | 500,000 | 500,000 |
| 7,790,000 "A" Preference shares of £0.01 each | 77,900 | 77,900 |
| 10,000 "B" Preference shares of £0.01 each | 100 | 100 |
| 200,000 "C" Preference shares of £0.01 each | 2,000 | 2,000 |
| | <hr/> | <hr/> |
| | 1,080,000 | 1,080,000 |
| | <hr/> | <hr/> |
| Allotted, called up and fully paid | | |
| 240,882 Ordinary shares of £1 each | 240,882 | 240,882 |
| 3,193,037 Ordinary "A" shares of £0.01 each | 31,930 | 31,930 |
| 3,531,800 "A" Preference shares of £0.01 each | 35,318 | 35,318 |
| 2,952 "B" Preference shares of £0.01 each | 30 | 30 |
| 191,000 "C" Preference shares of £0.01 each | 1,910 | 1,910 |
| 15,514 Ordinary shares part paid shares of £0.25 each | 3,879 | 3,879 |
| | <hr/> | <hr/> |
| | 313,949 | 313,949 |
| | <hr/> | <hr/> |
| Allotted, called up and partly paid | | |
| 15,514 Ordinary shares of £0.75 each called up but not paid | 11,635 | 11,635 |
| | <hr/> | <hr/> |

Notes to the abbreviated accounts

For the year ended 31 December 2013

4. Share capital (continued)

The main share class rights are as follows:

The "A" Ordinary shares have the same voting and dividend rights as the Ordinary shares.

None of the Preference shares carry any voting or dividend rights.

In the event of the company being wound up, the "A" Preference shares and then the "B" Preference shares rank in priority to the Ordinary, "A" Ordinary and "C" Preference shares in terms of capital rights. Full details of the rights as regards return of capital are set out in the company's Articles of Association.

Immediately prior to a flotation, subject to the necessary shareholder approval, all of the company's shares are convertible into "A" Ordinary shares, with the conversion rights being as set out in the company's Articles of Association.

Holders of partly paid shares are entitled to exercise voting rights and participate in dividends declared by the Company in respect of these shares as if they were fully paid.

5. Ultimate parent undertaking and controlling party

The immediate parent undertaking is PacketExchange (Europe) Limited, a company incorporated in the United Kingdom which has its registered office at Riverbank House, Swan Lane, London, United Kingdom, EC4R 3TT. The ultimate parent company is Global Telecom & Technology Inc., a company incorporated in the United States of America which has its registered office at 7900 Tysons One Tower, Suite 1450, McLean, VA 22102.

The smallest and largest company into which the results of PacketExchange (Metro) Limited are consolidated is that headed up by Global Telecom & Technology Inc which has its registered office at 7900 Tysons One Tower, Suite 1450, McLean, VA 22102.