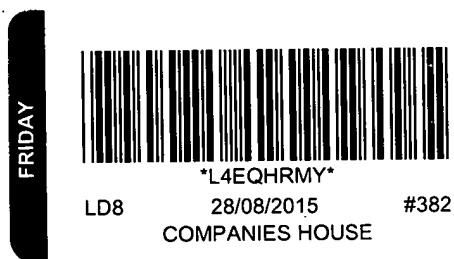


Financial Statements Octium Limited

For the period ended 30 November 2014



Registered number: 05201852

Octium Limited

Company Information

Directors	Wayne Churchill Michael Mulford Mark Thompson
Registered number	05201852
Registered office	St James House Oldbury Bracknell Berkshire RG12 8TH
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1020 Eskdale Road Winnersh Wokingham Berkshire RG41 5TS
Solicitors	Travers Smith LLP 10 Snow Hill London EC1A 2AL

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Directors' Report

For the period ended 30 November 2014

The directors present their report and the financial statements for the period ended 30 November 2014.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Principal activities

Octium Limited is a holding company.

It forms part of the Easynet Group, the UK's largest independent provider of managed network and hosting services. This independence facilitates its exceptional service and commitment to innovation which in turn enables it to provide the best possible range of services to customers.

Directors

The directors who served during the period were:

Wayne Churchill
Michael Mulford
Mark Thompson

Matters covered in the Strategic report

Information on financial risks, past developments and future developments has been included in the Strategic Report.

Octium Limited

Directors' Report

For the period ended 30 November 2014

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

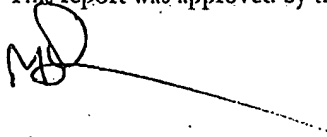
Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Directors' indemnities

The Group has made qualifying third party indemnity provisions for the benefit of its directors, which remain in force at the date of this report.

This report was approved by the board on 20 August 2015. and signed on its behalf.



Director

Strategic Report

For the period ended 30 November 2014

Introduction

The Easynet Group is the UK's largest independent provider of managed network and hosting services. This independence facilitates its exceptional service and commitment to innovation which in turn enables it to provide the best possible range of services to customers.

Octium Limited is an integrated part of the Easynet Group.

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks and uncertainties. Risks are formally reviewed by the board and appropriate processes are put in place to monitor and mitigate them.

The key business risks affecting the Group are set out below.

Competition

The Group operates in a competitive market, particularly with regard to price, product availability and service quality, and there is a risk that the Group may not meet its customers' expectations in these areas.

In order to mitigate this risk, market prices are monitored on an ongoing basis and regular discussions are held with customer to understand their expectations and whether the Group is successfully meeting these expectations. Service quality is monitored by the directors regularly to ensure the Group has plans in place to continue to provide differentiated value in this important area.

Employees

The Group's performance depends largely on the experience and commitment of its staff. The loss of key individuals and the inability to recruit people with the right experience and skills could adversely impact the Group's results.

To mitigate these risks the Group has implemented a number of schemes directly linked to the Group's results that are designed to retain and incentivise key individuals.

The Group adopts a strict recruitment process to ensure the correct people with the right expertise are recruited to increase competitive advantage.

Financial risk management

The directors have considered the disclosure requirements of FRS 25 "Financial Instruments: Disclosure and Presentation". The Group's operations expose it to a variety of financial risks that include the effects of credit risk, interest rate risk, foreign currency exchange risk and liquidity risk.

Credit risk

The Group has implemented policies that require appropriate credit checks on all potential customers and has set out credit limits for all major customers.

Strategic Report (continued)

For the period ended 30 November 2014

Interest rate risk

The Group is exposed to interest rate risk on its bank loans.

Foreign currency exchange risk

The Group's activities currently do not significantly expose it to the financial risks of changes in foreign currency exchange rates.

Liquidity risk

Liquidity risk reflects the risk that the Group will have insufficient resources to meet its financial liabilities as they fall due. The Group's strategy to managing liquidity risk is to ensure that the Group has sufficient funds to meet all its potential liabilities as they fall due. This is true not only of normal market conditions but also of negative projections against expected outcomes.

Liquidity forecasts are monitored on a daily basis, to ensure the utilisation of current facilities is optimised, on a monthly basis, to ensure that covenant compliance targets and medium-term liquidity is maintained, and on a long-term projection basis, for the purpose of identifying long-term strategic requirements. The directors also continually assess the balance of capital and debt funding of the Group.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, indicate that the Group will be able to operate within its finance facilities and maintain adequate headroom against all bank covenants.

In the directors' view, the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason the Group continues to adopt the going concern basis in preparing the financial statements.

This report was approved by the board on 20 August 2015 and signed on its behalf.



Mark Thompson
Director

Independent Auditor's Report to the Members of Octium Limited

We have audited the financial statements of Octium Limited for the period ended 30 November 2014, which comprise the Profit and loss account, the Balance sheet and the related notes. 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 Directors' responsibilities statement, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 30 November 2014 and of its results for the period 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

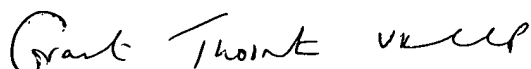
In our opinion the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to the Members of Octium Limited

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.



James Rogers (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Reading
Date:

20 Aug 2015

Profit and Loss Account

For the period ended 30 November 2014

The company did not trade during the period or during the preceding financial year. During these periods, the company received no income and incurred no expenditure and therefore made neither profit or loss.

Balance Sheet

As at 30 November 2014

		30 November 2014	31 March 2014
	Note	£000	£000
Fixed assets			
Investments	2	6,979	6,979
Creditors: amounts falling due within one year	3	(4,692)	(4,692)
Total assets less current liabilities		<u>2,287</u>	<u>2,287</u>
Capital and reserves			
Called up share capital	5	1,346	1,346
Share premium account		258	258
Capital redemption reserve		50	50
Profit and loss account		633	633
Shareholders' funds	6	<u>2,287</u>	<u>2,287</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

20 August 2015



Director

The notes on pages 8 to 11 form part of these financial statements.

Notes to the Financial Statements

For the period ended 30 November 2014

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Going concern

The Easynet Group, which contains Octium Limited, is the largest independent provider of managed network and hosting services in the UK. The Group's parent company has committed to supporting Octium Limited, which benefits from a number of long term service contracts with customers and the financing facilities made available by Easynet FinanceCo Limited.

After making enquiries, the Directors believe that the company, with the support of the Easynet Group, has adequate resources to continue in operational existence for the foreseeable future. The Group as a result will not recall the long-term debt in the immediate future. For this reason the company continues to adopt the going concern basis in preparing the financial statements.

1.3 Current taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted by the balance sheet date.

1.4 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.

1.5 Management of liquid resources

The directors define cash for the purposes of the cash flow statements as cash at bank and in hand.

1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Notes to the Financial Statements

For the period ended 30 November 2014

1. Accounting Policies (continued)

1.7 Cash flow statement

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.

2. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 April 2014 and 30 November 2014	6,979
Net book value	
At 30 November 2014	6,979
At 31 March 2014	6,979

Company name	Country	Percentage Shareholding	Description
Easynet Information Systems Limited	England and Wales	100%	Managed network services
Easynet Corporate Services Limited	England and Wales	100%	Managed network services
Allurian Limited	England and Wales	100%	Cost centre

3. Creditors: Amounts falling due within one year

	30 November 2014 £000	31 March 2014 £000
Amounts owed to group undertakings	4,690	4,670
Corporation tax	2	2
Other taxation and social security	-	20
	4,692	4,692

Notes to the Financial Statements

For the period ended 30 November 2014

4. Deferred taxation

There is a potential deferred tax asset of £33,803 (year ended March 2014: £33,803) arising from brought forward tax losses. This has not been recognised in the accounts because, as a non-trading company, it is not certain that Octium Limited will make sufficient profits in the future for this to be recovered.

5. Share capital

	30 November 2014 £	31 March 2014 £
Allotted, called up and fully paid		
313,316 Ordinary A shares of £0.50 each	156,658	156,658
283,884 Ordinary B shares of £0.50 each	141,942	141,942
94,000 Ordinary C shares of £0.50 each	47,000	47,000
1,000,000 Preference shares of £1 each	1,000,000	1,000,000
	<hr/>	<hr/>
	1,345,600	1,345,600
	<hr/>	<hr/>

6. Reconciliation of movement in shareholders' funds

	30 November 2014 £000	31 March 2014 £000
Shareholders' funds at 1 April 2014 and 30 November 2014	2,287	2,287
	<hr/>	<hr/>

7. Securities Given

Bank loans and facilities elsewhere in the group are secured by cross-guarantees, debentures and share pledges which include the net assets of Octium Limited. In particular, this includes the group integration facility of £14m and the secured bank loan of £140m held within the Easynet FinanceCo Limited.

8. Capital commitments

There were no capital commitments at 30 November 2014 or 31 March 2014.

9. Financial commitments

There were no financial commitments at 30 November 2014 or 31 March 2014.

Notes to the Financial Statements

For the period ended 30 November 2014

10. Related party transactions

The Company has taken advantage of the exemption available under Financial Reporting Standard (FRS) No. 8 'Related Party Disclosures' not to disclose transactions between entities whose voting rights are 100% controlled within the MDNX group of companies. The accounts for this company are publicly available at the address within Note 11.

11. Ultimate parent undertaking and controlling party

The ultimate parent undertaking is considered to be MDNX Group Holdings Limited, a Company registered in England and Wales, which indirectly owns 100% of the ordinary share capital of Octium Limited.

The ultimate controlling parties are the funds managed by Equistone Partners Europe Limited.

The smallest and largest group of undertakings for which group accounts have been drawn up for the period ended 30 November 2014 is the group headed by MDNX Group Holdings Limited, whose financial statements can be obtained from St James House, Oldbury, Bracknell, RG12 8TH.