

Registered number:
5321837

XAFINITY HOLDINGS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011



Xafinity Holdings Limited
Directors' report and financial statements for the year ended 31 December 2011
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Xafinity Holdings Limited
Directors' report
for the year ended 31 December 2011

The directors present their report and audited financial statements of the company for the year ended 31 December 2011

Xafinity Holdings Limited (the "Company") is a wholly owned subsidiary of Advent X2 Holdings Limited which is part of the Xafinity Investments Limited Group (the "Group") which is ultimately owned through funds managed by Advent International Corporation. The Xafinity Investments Limited Group is comprised of Xafinity Investments Limited and its subsidiary companies as listed in note 12 of the Xafinity Investments Limited Consolidated financial statements for the year ended 31 December 2011.

Xafinity Holdings Limited is part of the Equinix Group. The ultimate parent company incorporated in the UK is Equinix Group Limited.

Principal activities and business review

The principal activities of the company are the holding of investments in subsidiary undertakings.

The directors are satisfied with the results of the company for the period and its financial position at 31 December 2011 and expect the level of activity sustained during the year to increase in the foreseeable future. The directors consider that the financial information on pages 4 to 16 is sufficient to allow a full understanding of the business.

The Company has made a profit before income tax of £384,000 (9 months ended 31 December 2010: profit £267,000).

As the company is small, it is entitled to the small companies exemption in relation to the directors' report under section 417(1) of the Companies Act 2006. The directors' report does not contain a full enhanced business review.

Proposed dividend

The directors do not recommend the payment of a dividend (9 months ended 2010: £nil).

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

A Marnoch

W Story

The Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors and Officers' liability insurance in respect of itself and its Directors and Officers.

Political and charitable donations

The Company did not make any political or charitable donations or incur any political expenditure during the year (9 months ended 2010: £nil).

Disclosure of information to auditors

The directors who held office as at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

Pursuant to a shareholders' resolution, the Company is not obliged to reappoint its auditors annually and PricewaterhouseCoopers LLP will therefore continue in office.

Xafinity Holdings Limited
Directors' report
for the year ended 31 December 2011 (continued)

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 prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed and 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board



A Mamoch

Director

23 April 2012

Registered number

5321837

Registered office

Sutherland House

Russell Way

Crawley

West Sussex

RH10 1UH

Xafinity Holdings Limited
Independent auditors' report to the members of Xafinity Holdings Limited

We have audited the financial statements of Xafinity Holdings Limited for the year ended 31 December 2011 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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 2011 and of its results and cash flows for the period then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

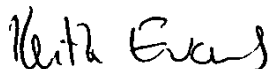
Opinion on other matter prescribed by the Companies Act 2006

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.



Keith Evans (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

25 April 2012

Xafinity Holdings Limited
Statement of comprehensive income
for the year ended 31 December 2011

		Year ended	<i>9 months ended</i>
		2011	<i>2010</i>
	Note	£'000	<i>£'000</i>
Finance income	4	896	<i>645</i>
Finance costs	4	(512)	<i>(378)</i>
Net finance income		384	<i>267</i>
Profit before income tax		384	<i>267</i>
Income tax expense	5	(102)	<i>(106)</i>
Profit and total comprehensive income for the period		282	<i>161</i>

The notes on pages 8 to 16 form part of these financial statements

Xafinity Holdings Limited
Statement of financial position
as at 31 December 2011

		31 December 2011	<i>31 December 2010</i>
Assets	Note	£'000	£'000
Non-current assets			
Investments in subsidiaries	6	2,717	2,717
Other financial assets	7	13,633	12,812
		16,350	15,529
Current assets			
Cash and cash equivalents	8	27	27
		27	27
Total assets		16,377	15,556
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	10	5,031	5,031
Share premium	10	3,047	3,047
Retained earnings		330	48
Total equity		8,408	8,126
Liabilities			
Non-current liabilities			
Other interest-bearing loans and borrowings	9	7,867	7,324
Current income tax payable	5	102	106
		7,969	7,430
Total liabilities		7,969	7,430
Total equity and liabilities		16,377	15,556

The notes on pages 8 to 16 form part of these financial statements

These financial statements were approved by the Board of directors on 23 April 2012 and were signed on its behalf by


A Marnoch
Director

Xafinity Holdings Limited
Statement of changes in equity
for the year ended 31 December 2011

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2010 as previously stated	5,031	3,047	(113)	7,965
Profit for the period and total comprehensive income	-	-	161	161
Balance at 31 December 2010	<u>5,031</u>	<u>3,047</u>	<u>48</u>	<u>8,126</u>
Balance at 1 January 2011	5,031	3,047	48	8,126
Profit for the year and total comprehensive income	-	-	282	282
Balance at 31 December 2011	<u>5,031</u>	<u>3,047</u>	<u>330</u>	<u>8,408</u>

Xafinity Holdings Limited
Statement of cash flows
for the year ended 31 December 2011

		Year ended	<i>9 months</i>
		2011	<i>ended</i>
		£'000	<i>2010</i>
	Note		<i>£'000</i>
Cash flows from operating activities			
Profit for the period		282	161
<i>Adjustments for</i>			
Finance income	4	(896)	(645)
Finance costs	4	512	378
Income tax expense	5	102	106
		<hr/>	<hr/>
		-	-
Decrease in trade and other receivables		-	29
		<hr/>	<hr/>
		-	29
Group relief paid		-	-
		<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities		-	29
Cash flows from investing activities			
Interest received		-	645
		<hr/>	<hr/>
Net cash inflow from investing activities		-	645
Cash flows from financing activities			
Repayment of loans from related parties		-	378
Interest paid		-	(378)
Proceeds from loans to related parties		-	(647)
		<hr/>	<hr/>
Net cash outflow from financing activities		-	(647)
Net increase in cash and cash equivalents		-	27
Cash and cash equivalents at beginning of period		27	-
		<hr/>	<hr/>
Cash and cash equivalents at end of period	8	27	27

Xafinity Holdings Limited
Notes to the financial statements
for the year ended 31 December 2011

1 Accounting policies

Xafinity Holdings Limited (the "Company") is a company incorporated and domiciled in the UK

These separate financial statements contain information about Xafinity Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiaries are included by full consolidation in the consolidated financial statements of its parent, Xafinity Investments Ltd

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 16.

These financial statements have been prepared on a going concern basis as the Company generates sufficient cash flow, has sufficient cash balances and is trading profitably.

These financial statements were authorised for use by the Board on 23 April 2012.

Functional and presentation currency

These financial statements are presented in British pounds which is the Company's functional currency.

Measurement convention

The financial statements are prepared on the historical cost basis.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less any provisions for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit and loss in the statement of comprehensive income over the period of the borrowings on an effective interest basis.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Xafinity Holdings Limited
Notes to the financial statements
for the year ended 31 December 2011

1 Accounting policies (continued)

Net finance costs

Net financing costs comprise interest payable, interest receivable on own funds, dividend income, foreign exchange gains and losses that are recognised in the statement of comprehensive income and the interest cost of defined pension scheme liabilities net of the expected return on plan assets

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the statement of comprehensive income on the date the entity's right to receive payments is established.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised in other comprehensive income, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

New standards and interpretations not yet adopted

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2011 that would be expected to have a material impact on the Company.

The following standards / interpretations that have been issued and are effective for periods starting on or after 1 January 2011: IAS 32, 'Financial instruments: Presentation - Classification of rights issues', IFRIC 19, 'Extinguishing financial liabilities with equity instruments', IFRS 1, 'First-time adoption of IFRS', IAS 24 (revised), 'Related party disclosures', IFRIC 14, 'IAS 19 - The limit on a defined benefit assets, minimum funding requirements and their interaction', and 'Improvements to IFRSs'. None of these had a material impact on the financial statements of the Company.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

Not yet endorsed by the EU: IFRS 7, 'Financial instruments: Disclosures on derecognition', IFRS 1, 'First time adoption', IAS 12, 'Income taxes', IAS 1, 'Financial statement presentation', IAS 19, 'Employee benefits', IFRS 9, 'Financial instruments', IFRS 10, 'Consolidated financial statements', IFRS 11, 'Joint arrangements', IFRS 12, 'Disclosure of interests in other entities', IFRS 13, 'Fair value measurement', IAS 27 (revised), 'Separate financial statements', and IAS 28 (revised), 'Associates and joint ventures'.

The Company does not expect, at this stage, that the adoption of these Standards and Interpretations in future periods will have a material impact on the financial statements of the Company.

Xafinity Holdings Limited
Notes to the financial statements
for the year ended 31 December 2011

2 Financial risk management

The Company has exposure to the following risks from its use of financial instruments

- credit risk
- liquidity risk
- market risk

Risk management policies are established for the Xafinity Investments Limited group of companies including Xafinity Holdings Limited and the Group Audit Committee oversees how management monitors compliance with these policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty, including brokers, to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, and from cash and deposits held with banks and financial institutions.

The Company has been trading for over forty years and has longstanding trading relationships with a significant number of its customers. Losses have resulted infrequently in previous years.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that the Company will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

Market risk

Market risk is the risk that changes in market prices such as interest rates, foreign exchange rates and equity prices will effect the Company's income or the value of its financial instruments.

The Company does not engage in holding speculative financial instruments or their derivatives. Further details in relation to financial risk management are contained in note 11 to the financial statements.

Capital management

The Company is part of the Xafinity Group, the Group is focused on delivering value for its shareholders whilst ensuring the Group is able to continue effectively as a going concern.

The policies for managing capital are to increase shareholder value by maximising profits and cash. The policy is to set budgets and forecasts in the short and medium term that the Company ensures are achievable. The process for managing capital are regular reviews of financial data to ensure that the Company is tracking the targets set and to reforecast as necessary based on the most up to date information. This then contributes to the Xafinity Group's forecast which ensures future covenant test points are met. The Xafinity Group continue to meet these test points and they have been achieved over the last 12 months. Further information can be found within financial statements of Xafinity Investments Limited.

Xafinity Holdings Limited
Notes to the financial statements
for the year ended 31 December 2011

3 Expenses and auditors' remuneration

Directors

The directors received no remuneration in respect of their services to the company (9 months ended 2010 £nil)

Staff cost and numbers

The company has no employees other than directors in the period to 31 December 2011 (9 months ended 2010 none)

Audit Fees

Auditors' remuneration was borne by a subsidiary company

4 Finance income and costs

	Year ended	<i>9 months ended</i>
	2011	<i>2010</i>
	£'000	<i>£'000</i>
Interest income on loans to related parties	896	<i>645</i>
Finance income	896	<i>645</i>
Interest costs on loans from related parties	512	<i>378</i>
Finance costs	512	<i>378</i>

5 Income tax expense

Recognised in the statement of comprehensive income

	Year ended	<i>9 months ended</i>
	2011	<i>2010</i>
	£'000	<i>£'000</i>
Current tax expense		
Group relief payable	102	<i>106</i>
Total income tax expense	102	<i>106</i>

Reconciliation of effective tax rate

The tax on the company's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the company as follows

	Year ended	<i>9 months ended</i>
	2011	<i>2010</i>
	£'000	<i>£'000</i>
Profit for the period	282	<i>161</i>
Total tax expense	102	<i>106</i>
Profit excluding taxation	384	<i>267</i>

Xafinity Holdings Limited
Notes to the financial statements
for the year ended 31 December 2011

5 Income tax expense (continued)

Tax calculated at the UK corporation tax rate of 26.5% (2010: 28%)	102	<i>75</i>
Adjustment in respect of prior periods	-	<i>31</i>
Total tax expense	102	<i>106</i>

The standard rate of Corporation tax in the UK changed from 28% to 26% with effect from 1 April 2011. Accordingly the company's profits for this accounting period are taxed at an effective rate of 26.5%.

Future tax changes

On 22 June 2010, the UK Government announced a phased reduction in the main UK corporation tax rate from 28% to 24%, with the first 1% reduction taking effect from 1 April 2011 (having been substantively enacted on 20 July 2010). The March 2011 UK Budget Statement announced an additional 1% reduction in the main UK corporation tax rate to 26% taking effect from 1 April 2011. At the balance sheet date, the second 1% reduction has been substantively enacted confirming that the main UK corporation tax rate will be 25% from 1 April 2012. Therefore, at 31 December 2011, deferred tax assets and liabilities have been calculated based on a rate of 25% where the timing difference is expected to reverse after 1 April 2012. The remaining proposed reductions of the main rate of corporation tax were expected to be 1% per year to 23% by 1 April 2014. The UK Government in the 2012 budget announced an additional 1% reduction from 1 April 2012 to 24% (rather than 25%) this was substantively enacted in March 2012 post the balance sheet and therefore has not been included in these financial statements. The further reductions of 1% are expected to be enacted separately each year, ultimately reducing the rate to 22% from 1 April 2014 and as they have not been substantively enacted at the balance sheet date they too, are not included in these financial statements.

Deferred tax assets and liabilities

The Company has no deferred tax assets or liabilities.

6 Investments in subsidiaries

	31 December	<i>31 December</i>
	2011	<i>2010</i>
	£'000	<i>£'000</i>
At 1 January and 31 December	2,717	<i>2,717</i>

The Company holds 100% of the ordinary share capital of Xafinity Group Limited.

	Country of Incorporation	Principal activity	Class of shares held
Xafinity Group Limited	England and Wales	Holding Company	Ordinary
		Ownership	
		2011	<i>2010</i>
Xafinity Group Limited		100%	100%

Xafinity Holdings Limited
Notes to the financial statements
for the year ended 31 December 2011

7 Other financial assets	31 December	31 December
	2011	2010
	£'000	£'000
Non-current		
Intercompany loan due from related parties	13,633	12,812
	13,633	12,812

8 Cash and cash equivalents	31 December	31 December
	2011	2010
	£'000	£'000
Cash and cash equivalents per statement of financial position	27	27
Cash and cash equivalents per statement of cash flows	27	27

9 Other interest-bearing loans and borrowings	31 December	31 December
	2011	2010
	£'000	£'000
Non-current liabilities		
Amounts due to parent and group undertakings	7,867	7,324
	7,867	7,324

Interest on amounts owed to related group undertakings is charged at a rate equivalent to the average rate charged on the underlying loans in Advent X2 Holdings Limited that were created following the acquisition of the Xafinity Group by that company. This rate is currently 7.0% (2010: 7.5%). Amounts owed to group undertakings are unsecured and have no fixed date of repayment but will not be called upon in the next twelve months.

10 Share capital and other reserves

Share capital

	Ordinary shares	Ordinary shares
	31 December	31 December
	2011	2010
In issue at the beginning of the period / year	503,891,508	503,891,508
In issue at the end of the period / year	503,891,508	503,891,508

Share premium

	31 December	31 December
	2011	2010
	£'000	£'000
In thousands of shares		
At beginning and end of the period/year	3,047	3,047

Xafinity Holdings Limited
Notes to the financial statements
for the year ended 31 December 2011

10 Share capital and other reserves

Share Capital	31 December 2011 £'000	31 December 2010 £'000
<i>Authorised</i>		
546,123 (March 2010 546,123) ordinary A shares of 1p each	5	5
2,577,626 (March 2010 2,577,626) ordinary B shares of 1p each	26	26
720,872 (March 2010 720,872) deferred shares of 1p each	7	7
46,857 (March 2010 46,857) warrants over ordinary B shares of 1p	1	1
500,000,000 (March 2010 500,000,000) ordinary C shares of 1p each	5,000	5,000
	5,039	5,039
<i>Allotted, called up to be paid</i>		
540,101 (March 2010 540,101) ordinary A shares of 1p each	5	5
2,530,769 (March 2010 2,530,769) ordinary B shares of 1p each	26	26
500,000,000 (March 2010 500,000,000) ordinary C shares of 1p each	5,000	5,000
	5,031	5,031

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company

11 Financial instruments

The fair values and the carrying values of financial assets and liabilities are the same

Third party valuations are used to fair value the Group derivatives. The valuation techniques use inputs such as interest rate yield curves and currency prices/yields, volatilities of underlying instruments and correlations between inputs.

Credit risk

The maximum exposure to credit risk at the reporting date was

		Carrying amount 31 December 2011 £'000	Carrying amount 31 December 2010 £'000
Loans and receivables due from related parties	Note 7	13,633	12,812
Cash and equivalents	8	27	27
		13,660	12,839

Liquidity risk

The maximum exposure to liquidity risk at the reporting date was

		Carrying Amount 31 December 2011 £'000	Carrying Amount 31 December 2010 £'000
Amounts due to parent and group undertakings	Note 9	7,867	7,324
		7,867	7,324

Loans from related parties are repayable on demand

Xafinity Holdings Limited
Notes to the financial statements
for the year ended 31 December 2011

12 Contingencies

The company has provided security over its assets and a guarantee in relation to the repayment of syndicated banking facilities available to its intermediate holding companies, Xafinity Investments Limited and Advent X2 Holdings Limited. The facilities guaranteed comprise a term loan of £110.0 million and a revolving credit facility of £10 million which was undrawn at 31 December 2011. The bank borrowings are repayable between one and eight years and bear interest at LIBOR plus a margin determined by the loan agreements. The LIBOR element of the interest has been fixed by a contract to 31 March 2013 which covers a minimum of two thirds of the bank borrowings outstanding.

13 Related party transactions

Interest receivable from related parties during the period

	Year ended 2011	9 months ended 2010
Subsidiaries	<u>896</u>	<u>645</u>
	<u>896</u>	<u>645</u>

Interest payable to related parties during the period

	Year ended 2011 £'000	9 months ended 2010 £'000
Payable to parent company	<u>512</u>	<u>378</u>
	<u>512</u>	<u>378</u>

Amounts receivable from related parties at the balance sheet date

	31 December 2011 £'000	31 December 2010 £'000
Receivable from subsidiary	<u>13,633</u>	<u>12,812</u>
	<u>13,633</u>	<u>12,812</u>

Amounts payable to related parties at the balance sheet date

	31 December 2011 £'000	31 December 2010 £'000
Payable to subsidiary	<u>53</u>	<u>21</u>
Payable to parent company	<u>7,814</u>	<u>7,303</u>
	<u>7,867</u>	<u>7,324</u>

All transactions with related parties are made in the ordinary course of business and balances outstanding at the reporting date are unsecured.

Xafinity Holdings Limited
Notes to the financial statements
for the year ended 31 December 2011

14 Ultimate parent company and controlling party

The Company is a wholly owned subsidiary of Advent X2 Holdings Limited, a company incorporated in the UK. Equiniti Group Limited is the ultimate parent company incorporated in the UK. The ultimate controlling party relationship lies with the Funds managed by Advent International Corporation.

The smallest group in which the results of the Company are consolidated is that of Xafinity Investments Limited. The consolidated financial statements of Xafinity Investments Limited are available to the public and may be obtained from Sutherland House, Russell Way, Crawley, West Sussex.

The largest group in which the results of the Company are consolidated is that of Equiniti Group Limited. The consolidated financial statements of Equiniti Group Limited are available to the public and may be obtained from Aspect House, Spencer Road, Laning, West Sussex BN99 6DA.

15 Subsequent events

There have been no events subsequent to the balance sheet date which require disclosure in or adjustment to the financial statements.

16 Accounting estimates and judgements

Fair values

Fair values of intangibles have been calculated by estimating the net present value of future revenues generated by the assets over their estimated useful lives.

Third party valuations are used to fair value the Company derivatives. The valuation techniques use inputs such as interest rate yield curves and currency prices/yields, volatilities of underlying instruments and correlations between inputs.

Useful lives

Useful lives have been estimated as the expected period to replacement for software development, or the period over which the asset is expected to generate future revenues.

Deferred tax

Under IAS 12 "Income taxes" deferred tax assets are recognised to the extent that taxable profits will be available against which the deductible temporary differences can be utilised.