

Company Registration No. 05702761

SENTRUM LIMITED

Annual Report and Financial Statements

31 December 2006

WEDNESDAY



LWQ4UU98

L23

31/10/2007

340

COMPANIES HOUSE

SENTRUM LIMITED

CONTENTS	Page
Directors' report	1
Independent auditor's report	3
Profit and loss account	4
Balance sheet	5
Cashflow statement	6
Notes to the accounts	7

Directors

A J Ruhan
F Sodzawiczny

Secretary and registered office

BridgeHouse Secretaries Limited, Chan Corporate Services Limited, Bridge House, Bridge Street,
Castletown, Isle of Man IM9 1AX

Company number

05702761

Auditors

BDO Stoy Hayward LLP, Prospect Place, 85 Great North Road, Hatfield, Herts AL9 5BS

Report of the directors for the period ended 31 December 2006

The directors presents their report together with the audited financial statements for the period ended 31 December 2006

INCORPORATION

The company was incorporated on 8 February 2006 and started to trade on 1 March 2006

RESULTS AND DIVIDENDS

The profit and loss account is set out on page 4 and shows the loss for the period

The directors do not recommend the payment of a dividend

PRINCIPAL ACTIVITY

The principal activity of the Company is the development of and renting of technical data centre and office space and the provision of facilities management services to tenants

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

In February 2006, the Company entered into an agreement to manage the operations of a data centre building in Camberley, Surrey, on behalf of an international bank

In May 2006, the Company entered into a 25 year leasehold interest on a vacant warehouse building in Beddington Lane, Croydon. During the remainder of 2006, negotiations progressed to pre-let 55,575 sq ft of data centre space to three tenants with strong covenants and it is anticipated that the building will be handed over to the tenants during October 2007. This will provide the Company with a positive cash flow to service pre-arranged funding facilities

In 2006, the company reports a financial operating loss of £952,316. Contributory factors to this loss include acquisition costs of £433k in respect of the Beddington Lane lease, which due to its short-term nature, has been expensed to the profit and loss account as required by accounting interpretation. There was also a £359k notional rent charge under UITF 28 in respect of the rent free period at Beddington Lane, Croydon. The directors consider these to be one-off charges in establishing the Croydon project. On completion of the Croydon build in autumn 2007, the company will become income generating with rental income streams guaranteed over a minimum ten year period

In early 2007, the Sentrum Group acquired an additional property in Watford for conversion to a further 80,000 sq ft of technical data centre space. This property is now pre-let and the Sentrum Group continue to search for further property targets for prospective tenants

FIXED ASSETS

The leasehold interest in Beddington Lane, Croydon has been recorded in the accounts at cost as it fails to meet the criteria required for an investment property under SSAP 19 or FRS 15. The directors have obtained an independent valuation of Beddington Lane from CBRE for the purposes of raising project finance. This valuation provides that the short leasehold interest at the end of December 2006 would have a value of £24.4million reflecting the value created by agreeing lease terms for data centre space, and commencing the build out of the unit as a data centre. This compares to the nil premium paid for signing the 25 year lease term. The directors consider that disclosure of this valuation is necessary for the reader of the accounts to understand the net worth of the Company and to comply with the Companies Act requirement to disclose any substantial difference between market value and balance sheet value

FINANCIAL INSTRUMENTS

The main financial risks arising from the Company's activities are credit risk, interest rate risk and liquidity risk. These are monitored by the directors and were not considered to be significant at the balance sheet date

The Company's policy in respect of credit risk, is to require appropriate credit checks on potential customers before sales are made

The Company's policy in respect of interest rate risk and liquidity risk is to maintain a mixture of long term and short term debt finance and readily accessible bank deposit accounts to ensure the company has sufficient funds for operations. The cash deposits are held in a mixture of short term deposits and current accounts which earn interest at a floating rate. Debt is maintained at fixed interest rates

Report of the directors for the period ended 31 December 2006

DIRECTORS AND DIRECTORS' INTERESTS

The directors who served during the period were

S J McNally (Appointed 8 February 2006, resigned 7 June 2006)

S Dixon (Appointed 8 February 2006, resigned 10 February 2006)

A J Ruhan (Appointed 10 February 2006)

F Sodzawiczny was appointed a director of the Company on 15 March 2007, and S J McNally was reappointed on 27 April 2007

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that year. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business

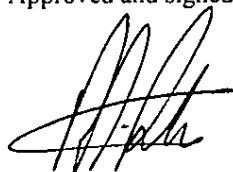
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

AUDITORS

The current directors have taken all the steps they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP were appointed as auditors in the period, and have expressed their willingness to continue in office. A resolution to reappoint them will be proposed at the annual general meeting.

Approved and signed on behalf of the Board



AJ Ruhan

Director

30 October 2007

SENTRUM LIMITED

Independent auditor's report

To the shareholders of Sentrum Limited

We have audited the financial statements of Sentrum Limited for the period ended 31 December 2006 which comprise the profit and loss account, the balance sheet, the cash flow statement, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with those financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

Our report has been prepared in accordance with the terms of our engagement letter and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

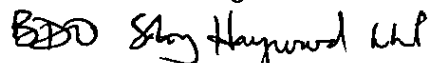
Basis of audit opinion

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

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

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its loss for the period 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.



BDO Stoy Hayward LLP
Chartered Accountants and Registered Auditors
Hatfield

Date 31 October 2007

SENTRUM LIMITED

Profit and loss account for the period from 8 February 2006 to 31 December 2006

	Note	For the period from 8 February 2006 to 31 December 2006 £
Turnover	2	1,929,265
Cost of sales		(2,247,375)
Gross loss		(318,110)
Administrative expenses		(634,206)
Operating loss	3	(952,316)
Other interest receivable and similar income	6	20,279
Interest payable and similar charges	7	(49,520)
Loss on ordinary activities before taxation		(981,557)
Taxation on loss on ordinary activities	8	-
Retained loss for the financial period after taxation	13	(981,557)

All amounts relate to continuing activities

There are no recognised gains or losses other than the loss for the period

The notes on pages 7 to 12 form part of these financial statements

SENTRUM LIMITED

Balance sheet at 31 December 2006

	Note	2006 £	2006 £
FIXED ASSETS			
Property, plant and equipment	9		1,951,956
CURRENT ASSETS			
Debtors	10	1,325,628	
Cash at bank and in hand		811,950	
		<u>2,137,578</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	<u>(5,071,089)</u>	
NET CURRENT LIABILITIES			<u>(2,933,511)</u>
NET LIABILITIES			<u>(981,555)</u>
CAPITAL AND RESERVES			
Called up share capital	12		2
Profit and loss account	13		(981,557)
EQUITY SHAREHOLDERS' FUNDS	14		<u>(981,555)</u>

These financial statements were approved on behalf of the Board on 30 OCTOBER 2007

A J Ruhan
Director



The notes on pages 7 to 12 form part of these financial statements

SENTRUM LIMITED**Cashflow statement for period ending 31 December 2006**

	Note	2006 £	2006 £
Net cash inflow from operating activities	15		1,885,807
Returns on investments and servicing of finance			
Interest received		20,279	
Interest paid		<u>(49,520)</u>	
Net cash outflow from returns on investments and servicing of finance			(29,241)
Capital expenditure and financial investment			
Capital expenditure			<u>(1,952,618)</u>
Net cash outflow before financing			(96,052)
Financing			
Unsecured loan		908,000	
Share issue		<u>2</u>	
			908,002
Increase in cash in the period			<u><u>811,950</u></u>

The notes on pages 7 to 12 form part of these financial statements

SENTRUM LIMITED

Notes to the accounts for the period from 8 February 2006 to 31 December 2006

1. Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards and a summary of the accounting policies, which have been applied consistently throughout the period, is set out below

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention

Going concern

The financial statements have been prepared on a going concern basis as the Company has finalised and agreed a development funding facility with a financial institution for circa £59.75m for shell and core, and fit out works. In addition, the repayment terms of the Unicorn Worldwide Holdings Limited £2m funding facility disclosed in note 18 has been extended to 31 December 2008 with the facility increasing to £3m. These funding arrangements provide the directors with satisfactory assurance as to the Company's ability to meet its liabilities as they fall due within the next 12 months. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that could result if these assumptions were not met.

Property, plant and equipment

Land and buildings are stated in the balance sheet at cost, less any subsequent accumulated depreciation.

Assets in the course of construction are carried at construction cost, less any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying value. Depreciation of these assets, on the same basis as other property assets, commences when the construction of the asset is complete. Leasehold improvements will be written off over the remaining term of the lease or the useful life of the assets if shorter.

Other items of property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation is charged so as to write off the cost of assets less estimated residual values, other than land and assets under construction, evenly over their expected useful lives, using the straight-line method, on the following basis:

Leasehold improvements	-	Over the term of the lease
Plant	-	5 years
Computer equipment	-	2-3 years

Rental income turnover

Rentals received under operating leases are credited to the profit and loss account on a straight-line basis over the lease term, even if the payments are not received on such a basis. Benefits provided as an incentive for the tenant to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Leases

Where leases are accounted for as operating leases, the rentals are charged to the profit and loss account on a straight-line basis over the life of the lease.

Taxation

The charge for taxation is based on the profit for the period.

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

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the period in which they become payable. The assets of the scheme are held separately in an independently administered fund.

SENTRUM LIMITED

Notes to the accounts for the period from 8 February 2006 to 31 December 2006 (Continued)

2. Turnover

Turnover is wholly attributable to the principal activities of the company and arises solely within the United Kingdom

3. Operating loss

	2006 £
Operating loss is stated after charging	
Audit fee	15,000
Depreciation of tangible fixed assets	662
Land and buildings – operating leases	359,273
	<u>374,935</u>

4. Directors' remuneration

The directors received no remuneration for services to the Company during the period

5. Employees

The average number of persons employed by the Company (including directors) during the period

	No. of employees 2006
Executive	2
Facilities management	4
	<u>6</u>

Staff costs (including directors) consist of

	2006 £
Wages and salaries	226,048
Social security costs	31,258
Pension costs	2,223
	<u>259,529</u>

No pension payments in respect of directors were made by the company during the period

6 Interest receivable and similar income

	2006 £
Bank interest	19,251
Other interest	1,028
	<u>20,279</u>

SENTRUM LIMITED

Notes to the accounts for the period from 8 February 2006 to 31 December 2006 (Continued)

7. Interest payable and similar charges

	2006 £
Bank interest	49,520

8. Tax on loss on ordinary activities

a) Analysis of tax in the year

	2006 £
Current tax	
UK corporation tax at 30%	-
Tax on loss on ordinary activities	-

b) Factors affecting the tax charge for the current year

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below

	2006 £
Current tax reconciliation	
Loss on ordinary activities before tax	(981,557)
Current tax at 30%	(294,467)
<i>Effects of</i>	
Expenses not deductible for tax purposes	147,005
Capital allowances in excess of depreciation	(55)
Unrelieved tax losses and other deductions arising in the period	147,517
Current tax charge for the period	-

c) Factors that may affect future tax charges

No deferred tax asset has been recognised in respect of the tax losses amounting to £147,535 as in the opinion of the directors, these losses are unlikely to be realised in the foreseeable future

Future tax charges of the Company may be affected by the availability of tax losses from other UK group companies

SENTRUM LIMITED

Notes to the accounts for the period from 8 February 2006 to 31 December 2006 (Continued)

9. Property, plant and equipment

	Office equipment £	Leasehold improvements £	Total £
<i>Cost</i>			
Additions and at 31 December 2006	<u>4,028</u>	<u>1,948,590</u>	<u>1,952,618</u>
<i>Depreciation</i>			
Charge for the period and at 31 December 2006	<u>662</u>	<u>-</u>	<u>662</u>
<i>Net book value</i>			
At 31 December 2006	<u>3,366</u>	<u>1,948,590</u>	<u>1,951,956</u>

10 Debtors

	2006 £
Trade debtors	6,518
Amounts due from group undertakings	10,000
Other debtors	1,136,662
Prepayments and accrued income	172,448
	<u>1,325,628</u>

All amounts shown under debtors fall due for payment within one year

11. Creditors : amounts falling due within one year

	2006 £
Unsecured loan	908,000
Trade creditors	2,820,994
Other creditors	406,486
Accruals and deferred income	935,609
	<u>5,071,089</u>

The unsecured loan bears interest at 3% over LIBOR and is repayable on 31 December 2008

12. Share capital

	2006 £
Authorised:	
1,000 ordinary shares of £1 each	<u>1,000</u>
Allotted, called up and fully paid:	
2 ordinary shares of £1 each	<u>2</u>

During the period, two Ordinary shares were allotted at par

SENTRUM LIMITED

Notes to the accounts for the period from 8 February 2006 to 31 December 2006 (Continued)

13. Reserves

	Profit and loss account £
At 8 February 2006	-
Loss for the period	(981,557)
At 31 December 2006	<u>(981,557)</u>

14. Reconciliation of movements in shareholders' funds

	2006 £
Share capital issued in period	2
Loss in the period	(981,557)
Closing equity shareholders' funds	<u>(981,555)</u>

15. Reconciliation of operating profit to net cash inflow from operating activities

	2006 £
Operating loss for the period	(952,316)
Depreciation	662
Increase in debtors	(1,325,628)
Increase in creditors	4,163,089
Net cash inflow from operating activities	<u>1,885,807</u>

16. Operating lease commitments

The company had annual non-cancellable operating leases as set out below

	2006 Land and buildings £
Operating leases which expire	
After five years	<u>608,000</u>

The operating lease provided for one year rent free, and is due to be cash payable from 19 May 2007

SENTRUM LIMITED

Notes to the accounts for the period from 8 February 2006 to 31 December 2006 (Continued)

17. Capital commitments

At the balance sheet date, the Company had no capital commitments. Since the year end, the Company has entered into contracts with a total value of £54.2m to develop the Croydon Data Centre project.

18. Related party disclosures

Bridgehouse Partners LLP

S McNally was a director of Sentrum Limited and is a partner in Bridgehouse Partners LLP, a firm of solicitors. In the period ended 31 December 2006, Bridgehouse Partners LLP provided legal services totalling £325,000, and this amount was accrued at 31 December 2006.

Unicorn Worldwide Holdings Limited

S McNally and S McKee were directors of Sentrum Limited and are directors of Unicorn Worldwide Holdings Limited ("Unicorn"). On 2 May 2006, Unicorn entered into a funding facility of £2 million for the specific purpose of the development of the Croydon data centre. At 31 December 2006, the loan amount was £908,000, with accrued interest of £49,520. At 23 October 2007 the Unicorn facility was increased to £3 million.

19. Ultimate parent company and controlling party

At the 31 December 2006, the directors regard Sentrum Holdings Limited, a company registered in the British Virgin Islands, as the Company's ultimate parent company. This company is controlled by the Trustees of the Arena Settlement.