

## **Virtus (Data Centres) Limited**

Report and financial statements

Year Ended

31 December 2015

Registered number: 06762600



# **Virtus (Data Centres) Limited**

**Report and financial statements  
for the year ended 31 December 2015**

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## **Contents**

### **Page:**

1	Report of the directors
3	Independent auditor's report
5	Statement of comprehensive income
6	Statement of financial position
7	Statement of changes in equity
8	Notes forming part of the financial statements

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## **Country of incorporation of parent company**

United Kingdom

## **Legal form**

Limited Company

## **Principal place of business of Company**

United Kingdom

## **Principal activities**

The nature of the Company's operations and its principal activities are set out in the Directors' Report

## **Directors**

H M A Kinsman  
D R L Seaton

# **Virtus (Data Centres) Limited**

**Report and financial statements  
for the year ended 31 December 2015**

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**Registered office**

Kent House, 14-17 Market Place, London W1W 8AJ

**Company number**

06762600

**Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# **Virtus (Data Centres) Limited**

## **Report of the directors for the year ended 31 December 2015**

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The directors present their report together with the audited financial statements of Virtus (Data Centres) Limited (the "Company") for the year ended 31 December 2015.

### **Directors**

The directors of the company throughout the year were:

D R L Seaton  
H M A Kinsman

### **Going Concern**

The directors have considered the financial resources available along with the future plans for the Company and the support provided by the company's shareholders when considering the going concern of the Company.

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.

Further details regarding the adoption of the going concern basis can be found in Note 1 to the financial statements.

### **Future developments of the business**

VIRTUS continues to participate in the growth of the London colocation market being stimulated by the supportive and well documented macro-economic, data and cloud drivers propelling the industry.

In 2015, VIRTUS increased our market share in the London Data Centre market, and this strong sales performance has continued in the first part of 2016. During this period the build out of further sales inventory in LONDON2 has continued accordingly, and following a major agreement closing at the end of 2015 and further sales in 2016, both LONDON1 and LONDON2 are now approximately 70% full.

Integration of the LONDON4 purchase into the VIRTUS business has progressed well, and significant further fit-out activity is also anticipated there during 2016 to accommodate the growing pipeline and anticipated conversion of a few late-stage sales in LONDON4.

As a result of the above performance and activity, VIRTUS are now actively looking at ways to enhance the portfolio to deliver the growth set out in our business plans.

# Virtus (Data Centres) Limited

## Report of the directors for the year ended 31 December 2015 (*continued*)

### 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS 101 "Reduced Disclosure Framework" ("FRS 101") 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 judgements 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.

### Provision of information to auditors

All of the directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the company's auditor is unaware.

### Auditors

BDO LLP have expressed their willingness to continue. Under the Companies Act 2006 section 487(2) they will be automatically re-appointed as auditors 28 days after these financial statements are sent to the members unless the members exercise their rights under the Companies Act 2006 to prevent their re-appointment.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

### Approval

This directors' report was approved by order of the Board on 12-9-16



Director  
D R L Seaton

# **Virtus (Data Centres) Limited**

## **Independent auditor's report**

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### **TO THE MEMBERS OF VIRTUS (DATA CENTRES) LIMITED**

We have audited the financial statements of Virtus (Data Centres) Limited for the year ended 31 December 2015 which comprise the statement of comprehensive income, the statement of financial position, the changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS 101 "Reduced Disclosure Framework" ("FRS 101).

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 company's members as a body, for our audit work, for this report, or for the opinion we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### **Scope of the audit of financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://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 31 December 2015 and of the company's result for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

# Virtus (Data Centres) Limited

## Independent auditor's report (*continued*)

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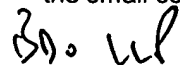
### Opinion on other matters prescribed by the Companies Act 2006

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 by the Company or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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 required for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime or to the exemption from the requirement to prepare a strategic report.



Richard Levy (senior statutory auditor)  
*For and on behalf of BDO LLP, statutory auditor*  
London  
United Kingdom

12 September 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## **Virtus (Data Centres) Limited**

### **Statement of comprehensive income for the year ended 31 December 2015**

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	<b>Note</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
<b>Result before tax</b>		-	-
Tax expense	5	-	(4)
<b>Total comprehensive income</b>		<u>-</u>	<u>(4)</u>

All items dealt with in arriving at the total income for the year relate to continuing operations.

The notes on pages 8 to 13 form part of these financial statements.



# Virtus (Data Centres) Limited

## Statement of financial position at 31 December 2015

Company number 06762600

	Note	31 December 2015 £'000	31 December 2014 £'000	1 January 2014 £'000
<b>Current assets</b>				
Other receivables	7	-	9	13
Amounts due from related parties		2,400	2,400	2,414
Cash and cash equivalents	6	-	21	7
		<u>2,400</u>	<u>2,430</u>	<u>2,434</u>
<b>Total assets</b>		<u>2,400</u>	<u>2,430</u>	<u>2,434</u>
<b>Current liabilities</b>				
Amounts due to related parties		925	955	955
		<u>925</u>	<u>955</u>	<u>955</u>
<b>Net assets</b>		<u>1,475</u>	<u>1,475</u>	<u>1,479</u>
<b>Issued capital and reserves attributable to owners of the company</b>				
Share capital	8	-	-	-
Retained earnings	9	1,475	1,475	1,479
		<u>1,475</u>	<u>1,475</u>	<u>1,479</u>
<b>Total equity</b>		<u>1,475</u>	<u>1,475</u>	<u>1,479</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 5 to 13 were approved and authorised for issue by the Board of directors on 12/1/16 and were signed on its behalf by:

D R L Seaton  
Director



The notes on pages 8 to 13 form part of these financial statements.

## Virtus (Data Centres) Limited

### Statement of changes in equity for the year ended 31 December 2015

	Share Capital £'000	Retained earnings £'000	Total Equity £'000
1 January 2014	-	1,479	1,479
Loss for the year	-	(4)	(4)
31 December 2014	-	1,475	1,475
1 January 2015	-	1,475	1,475
31 December 2015	-	1,475	1,475

The notes on pages 8 to 13 form part of these financial statements.

# **Virtus (Data Centres) Limited**

## **Notes forming part of the financial statements for the year ended 31 December 2015**

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### **1. Accounting policies**

#### ***Company background***

VIRTUS is a fast growing pure-play colocation UK-based data centre company with three facilities in the London market. The company's vision is:

- To lead the data centre industry in Europe through provision of a new generation of high quality, efficient, connected Intelligent data centres and
- To bring to our clients fresh, flexible, transparent and value-enhancing propositions that will enable our customers to grow and enhance their own businesses through Virtus.

#### ***Basis of preparation of financial statements***

The financial statements have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements and Financial Reporting Standard 101 Reduced Disclosure Framework. The principal accounting policies adopted in the preparation of the financial statements are set out below. In previous years the financial statements were prepared in accordance with applicable accounting standards.

The presentation currency used is sterling and amounts have been presented in round thousands ("£000s").

The company transitioned from previously extant UK GAAP to FRS 101 for all periods presented. There are no adjustments arising out of the conversion.

#### ***Disclosure exemptions adopted***

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by Virtus Holdco Limited.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Virtus Holdco Limited. These financial statements do not include certain disclosures in respect of:

- Financial Instruments (other than certain disclosures required as a result of recording financial instruments at fair value); and
- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value);

# **Virtus (Data Centres) Limited**

## **Notes forming part of the financial statements for the year ended 31 December 2015 (*continued*)**

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### **1. Accounting policies (*continued*)**

#### ***Going concern***

At 31 December 2015 the company is in a net asset position and net current asset of £1.5 million.

The directors have prepared a cash flow forecast for the Virtus Group covering a period of 12 months from signing the accounts and based on the projections, in order to meet the operational and expansion plan of the Group, it is reliant for financial support from its main shareholder group. The main shareholder of the Group has provided a letter of support to finance the Group in order to meet its obligations and liabilities as they fall due for the next twelve months.

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.

#### ***Basis of measurement***

The financial statements have been prepared on a historical cost basis.

#### ***Trade and other receivables***

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

#### ***Cash and cash equivalents***

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and - for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

# **Virtus (Data Centres) Limited**

**Notes forming part of the financial statements  
for the year ended 31 December 2015 (continued)**

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## **1. Accounting policies (continued)**

### *Financial liabilities*

The company classifies its financial liabilities into one category based on the purpose for which the liability was acquired.

### *Other financial liabilities*

Other financial liabilities include the following item:

- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

### *Share capital*

Financial instruments issued by the company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's ordinary shares are classified as equity instruments.

## **2. Critical accounting estimates, judgements and assumption**

There are no critical accounting estimates, judgement and assumptions identified.

## **3. Auditor's remuneration**

The auditor's remuneration and tax fees payable are borne by the parent entity.

## **4. Employee benefit expenses**

The Company has no employees other than the directors, who did not receive any remuneration (2014 - £nil).

## Virtus (Data Centres) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2015 (*continued*)

### 5. Tax expense

	2015 £ '000	2014 £ '000
Current tax on results for the year	-	4
	<u>          </u>	<u>          </u>

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	2015 £ '000	2014 £ '000
Loss on ordinary activities before tax	-	-
Result on ordinary activities at the standard rate of corporation tax in the UK of 20.25% (2014 – 21.5%)	-	-
Effects of:		
Under provision in previous years	-	4
	<u>          </u>	<u>          </u>
	-	4
	<u>          </u>	<u>          </u>

### 6. Cash and cash equivalents

	2015 £ '000	2014 £ '000
Cash in bank	-	21
	<u>          </u>	<u>          </u>

### 7. Other receivables

#### Current

	2015 £ '000	2014 £ '000
Other receivables	-	9
	<u>          </u>	<u>          </u>

The carrying value of other receivables classified as loans and receivables approximates fair value.

# Virtus (Data Centres) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2015 (*continued*)

## 8. Share capital

	2015 Number	Authorised 2015 £	2014 Number	2014 £
Ordinary shares of 100p each	Unlimited	Unlimited	Unlimited	Unlimited

	2015 Number	Share Capital £'000	Issued and fully paid 2014 Number	Share capital £000
Ordinary shares of 100p each At 1 January and 31 December	1	-	1	-

## 9. Retained earnings

	£ '000
As at 1 January 2014	1,479
Loss for the year	(4)
As at 31 December 2014	1,475
As at 1 January 2015 and 31 December 2015	1,475

# **Virtus (Data Centres) Limited**

**Notes forming part of the financial statements  
for the year ended 31 December 2015 (continued)**

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## **14. Related party transactions**

### *Transactions with Group companies*

The company has taken advantage of the exemption allowed by FRS101 not to disclose any transactions with entities that are included in the consolidated financial statements of Virtus Holdco Limited on the grounds that 100% of the voting rights in the company are controlled within the group and the company is included within those financial statements.

## **15. Immediate parent company and control**

The immediate parent company is Virtus Holdco Limited incorporated in England. The largest group of undertakings for which group accounts are drawn up and of which the company is included in the group headed by Brockton Virtus Holdco Limited.

Brockton Virtus Holdco Limited is a joint venture company between Brockton Virtus Ltd ("BVL"), incorporated in Guernsey and STT UK DC Pte. Ltd. ("STT UK DC"), incorporated in Singapore. BVL owns 58.5% and STT UK DC owns 41.5% of the shares of the Company.