

## **PDCG (Operations) Limited**

Directors' Report and Financial Statements

Year Ended

31 December 2022

Company Number 12886772



## **PDCG (Operations) Limited**

### **Company Information**

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**Directors**

S P Berrill  
D E Childs  
N P On  
I Whitfield

**Company secretary**

N J Grinham

**Registered number**

12886772

**Registered office**

5 Fleet Place  
London  
United Kingdom  
EC4M 7RD

**Independent auditor**

BDO LLP  
Bridgewater House  
Counterslip  
Bristol  
BS1 6BX

## **PDCG (Operations) Limited**

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## **PDCG (Operations) Limited**

### **Directors' Report For the Year Ended 31 December 2022**

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The Directors present their report and the audited financial statements for the year ended 31 December 2022.

Comparative figures presented in these financial statements are unaudited and represent the period from the Company's incorporation on 17 September 2020 to 31 December 2021.

#### **Principal activity**

The principal activity of the Company is the provision of business services to group companies.

#### **Directors**

The Directors who served during the year were:

C Atkinson (resigned 27 January 2023)  
S P Berrill  
D E Childs  
M J Lynch (resigned 24 April 2023)  
N P On  
I Whitfield

#### **Qualifying third party indemnity provisions**

The Company maintains a Directors and officers' liability insurance policy in respect of any legal costs that may be incurred against the Directors in dealing with any legal claims or investigations. The policy was in place throughout the year and up to the date of approval of the financial statements.

#### **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 the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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**

The auditor, BDO LLP, was appointed during the year and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

#### **Small companies note**

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

and signed on its behalf.

DocuSigned by:



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**S P Berrill**

Director

02-Oct-23

## **PDCG (Operations) Limited**

### **Directors' Responsibilities Statement For the Year Ended 31 December 2022**

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The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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; and
- 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.

## **PDCG (Operations) Limited**

### **Independent Auditor's Report to the Members of PDCG (Operations) Limited**

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#### **Opinion on the 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of PDCG (Operations) Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

#### **Other matter**

The corresponding figures are unaudited.

## **PDCG (Operations) Limited**

### **Independent Auditor's Report to the Members of PDCG (Operations) Limited (continued)**

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#### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Directors Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

## **PDCG (Operations) Limited**

### **Independent Auditor's Report to the Members of PDCG (Operations) Limited (continued)**

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#### **Responsibilities of Directors**

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

*Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:*

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the Companies Act 2006, and the Corporation Tax Act 2010. We identified these areas of laws and regulations as those that could reasonably be expected to have a material effect on the financial statements from sector experience and through discussion with the Directors and other management.

We assessed compliance with these laws and regulations through enquiry with management and the Audit Committee, review of reporting to Directors with respect to compliance with laws and regulations, review of board meeting minutes and review of legal correspondence and confirmations.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. In addressing the risk of fraud including management override of controls, we have considered the recoverability of amounts owed by group undertakings.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

<https://www.frc.org.uk/financial-reporting>. The description forms part of our annual report about a further description of our responsibilities is available on the Financial Reporting Council's website at:

financial statements, the less likely we are to become aware of it.

Further removed non-compliance with laws and regulations is from the events and transactions reflected in the misstatements or through collusion. There are inherent limitations in the audit procedures followed and the detection of one instance of error, as there may involve deliberate concealment by, for example, forged, recording that the risk of not detecting a material misstatement due to fraud is higher than the risk of not. Our audit procedures were designed to respond to risks of material misstatement in the financial statements.

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Committee' review of reporting to Directors with respect to compliance with laws and regulations, review of post- We assessed compliance with these laws and regulations through audit with management and the Audit management.

effect on the financial statements from sector experience and through discussion with the Directors and other identified these risks of laws and regulations as those that could reasonably be expected to have a material determined that the most significant are the Companies Act 2006 and the Companies Tax Act 2010. We We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and detailed below.

including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures extent to which the audit was capable of detecting irregularities, including fraud.

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#### Angkor's responsibilities for the audit of the financial statements

or have no realistic alternative but to do so.

concern parts of accounting unless the Directors either intend to influence the Company or to cause operations continue as a going concern, disclosed, as applicable, matters related to going concern and under the going in preparing the financial statements, the Directors are responsible for assessing the Company's ability to the flow material misstatement, whether due to fraud or error.

inherent control as the Directors determine is necessary to ensure the preparation of financial statements that are free from material misstatement and for being satisfied that they have a true and fair view and for fraud. As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the

#### Responsibilities of Directors

Independent Auditor's Report to the Members of BDO (Objections) Limited (continued)

BDO (Objections) Limited

## PDCG (Operations) Limited

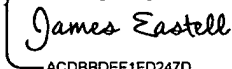
### Independent Auditor's Report to the Members of PDCG (Operations) Limited (continued)

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#### Use of our report

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.

DocuSigned by:

James Eastell

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**James Eastell** (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Bristol, UK

United Kingdom

02 October 2023

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

# PDCG (Operations) Limited

## Statement of Comprehensive Income For the Year Ended 31 December 2022

	Year ended 31 December 2022 £	Unaudited Period ended 31 December 2021 £
Turnover	3,420,580	-
<b>Gross profit</b>	<b>3,420,580</b>	<b>-</b>
Administrative expenses	(3,183,923)	(1,522,150)
<b>Operating profit/(loss)</b>	<b>236,657</b>	<b>(1,522,150)</b>
Interest receivable and similar income	2,648,111	-
Interest payable and similar expenses	(2,806,947)	-
<b>Profit/(loss) before tax</b>	<b>77,821</b>	<b>(1,522,150)</b>
Tax on profit/(loss)	-	-
<b>Profit/(loss) for the financial year</b>	<b>77,821</b>	<b>(1,522,150)</b>

There was no other comprehensive income for 2022 (2021 - £Nil).

The notes on pages 10 to 17 form part of these financial statements.

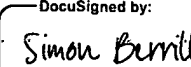
**PDCG (Operations) Limited**  
Registered number: 12886772

**Statement of Financial Position**  
**As at 31 December 2022**

	Note	2022 £	Unaudited 2021 £
<b>Fixed assets</b>			
Investments	5	25	20
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	65,639,943	150,914
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	7	(67,084,296)	(1,673,083)
<b>Net current liabilities</b>		(1,444,353)	(1,522,169)
<b>Total assets less current liabilities</b>		(1,444,328)	(1,522,149)
<b>Net liabilities</b>		(1,444,328)	(1,522,149)
<b>Capital and reserves</b>			
Called up share capital	8	1	1
Profit and loss account	9	(1,444,329)	(1,522,150)
<b>Total deficit</b>		(1,444,328)	(1,522,149)

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

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

DocuSigned by:  
  
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**S P Berrill**  
 Director  
 02-Oct-23

The notes on pages 10 to 17 form part of these financial statements.

## PDCG (Operations) Limited

### Statement of Changes in Equity For the Year Ended 31 December 2022

	Called up share capital	Profit and loss account	Total deficit
	£	£	£
At 1 January 2022 - unaudited	1	(1,522,150)	(1,522,149)
<b>Comprehensive expense for the year</b>			
Profit for the year	-	77,821	77,821
<b>Total comprehensive expense for the year</b>	-	77,821	77,821
<b>At 31 December 2022</b>	1	(1,444,329)	(1,444,328)

### Unaudited Statement of Changes in Equity For the Period Ended 31 December 2021

	Called up share capital	Profit and loss account	Total deficit
	£	£	£
<b>Comprehensive expense for the period</b>			
Loss for the period	-	(1,522,150)	(1,522,150)
<b>Total comprehensive expense for the period</b>	-	(1,522,150)	(1,522,150)
<b>Contributions by and distributions to owners</b>			
Shares issued on incorporation	1	-	1
<b>Total transactions with owners</b>	1	-	1
<b>At 31 December 2021</b>	1	(1,522,150)	(1,522,149)

The notes on pages 10 to 17 form part of these financial statements.

# PDCG (Operations) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 1. General information

PDCG (Operations) Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The Company is a wholly owned subsidiary of Pure Data Centres Group Limited, a company incorporated in the United Kingdom. Details of the ultimate holding company can be found in note 12 of these financial statements. The address of the registered office is given on the Company Information page and the nature of the company's operations and its principal activities are set out in the Directors' report. These financial statements represent the activity of PDCG (Operations) Limited, as a single entity, for the year ended 31 December 2022.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

All figures in the financial statements are in GBP and rounded to the nearest pound.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

~~The Company has taken advantage of the following disclosure exemptions under FRS 101:~~

- ~~• the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement~~
- ~~• the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements~~
- ~~• the requirements of IAS 7 Statement of Cash Flows~~
- ~~• the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures~~
- ~~• the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member~~
- ~~• the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.~~

In addition, and in accordance with FRS 101, further disclosure exemptions have been applied on the basis that equivalent disclosures are included in the consolidated financial statements of Pure Data Centres Group Limited. These financial statements do not include certain disclosures in respect of:

- Financial instrument disclosures as required by IFRS 7 Financial Instruments: Disclosures

The Company's ultimate parent undertaking, Pure Data Centres Group Limited, includes the Company in its consolidated financial statements. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards in conformity with the Companies Act 2006 ('IFRS') which are available to the public and may be obtained from its registered office at 5 Fleet Place, London, England, EC4M 7RD.

## **PDCG (Operations) Limited**

### **Notes to the Financial Statements For the Year Ended 31 December 2022**

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

##### **2.3 Exemption from preparing consolidated financial statements**

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

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

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company's ultimate parent company has indicated its willingness to provide such support as is necessary to the Company to ensure its financial stability for a period no shorter than 12 months from the date of these accounts. The directors have accordingly decided to prepare these accounts on a going concern basis.

##### **2.5 Foreign currency translation**

###### **Functional and presentation currency**

The Company's functional and presentational currency is GBP.

###### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

## **PDCG (Operations) Limited**

### **Notes to the Financial Statements For the Year Ended 31 December 2022**

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

### **2.6 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

#### **Rendering of services**

Turnover from providing services is recognised in the accounting period in which the services are rendered.

For fixed-price contracts, turnover is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

Where contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. For service contracts including a goods element, turnover for the separate good is recognised at a point in time when the good is delivered, the legal title has passed and the customer has accepted the good.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management. In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

### **2.7 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

### **2.8 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

### **2.9 Pensions**

#### **Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

### **2.10 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

held separately from the Company in independently administered funds

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accounts as a liability in the Statement of Financial Position. The assets of the plan are also shown in accounts as a liability in the Statement of Financial Position.

version plan under which the Company has fixed contributions into a separate entity. Once the Company observes a defined contribution plan for its employees. A defined contribution plan is a

**S.8 Belgium**

initially recognised as a reduction in the proceeds of the associated capital instrument.

method so that the amount owed is at a constant rate on the carrying amount. Issue costs are financed costs are charged to profit or loss over the term of the debt fixing the effective interest.

Interest income is recorded on a profit or loss using the effective interest method.

recorded if the balance exceeded the services rendered; a contract is implied is recorded

[illegible]

delivered' the legal title has passed and the customer has accepted the goods

Where contrast includes multiple behavioural options, the interaction time will be assigned to the best outcome of the available options. For example, if a bird is in a situation where it can choose to fly or to remain on the ground, and it chooses to fly, the interaction time will be assigned to the flying behaviour. If the bird chooses to remain on the ground, the interaction time will be assigned to the ground behaviour.

receives and uses the benefits simultaneously

the rebound being as a proportion of the total services to be brought because the customer. For fixed-price contracts, turnover is recognised passed on the actual service provided to the end of

Leung et al.

Turnover from providing services is recognised in the accounting period in which the services are

taxes. The following criteria must also be met before removal is recognised:

consideration received or receivable excluding discounts, reported as per added tax and other sales. Coubray and the turnover can be reliably measured. Turnover is measured as the full aspect of the turnover, is recorded to the extent that it is probable that the economic benefits will flow to the

Introduction 25

5. Accuracy of Police (continued)

For the Year Ended 31 December 2023  
Notes to the Financial Statements

**hDCE (Observations) Limited**

## **PDCG (Operations) Limited**

### **Notes to the Financial Statements For the Year Ended 31 December 2022**

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

##### **2.11 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **2.12 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

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

##### **2.13 Financial instruments**

###### **Financial assets**

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

###### *Fair value through profit or loss*

The Company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

###### *Amortised Cost*

These assets arise principally from the provision of goods and services to customers (e.g. trade debtors), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. 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 for receivables from related parties and loans to related parties are recognised ~~based on a forward-looking expected credit loss model. The methodology used to determine the~~ amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Company's financial assets measured at amortised cost comprise other debtors and amounts owed by group undertakings in the statement of financial position.

## **PDCG (Operations) Limited**

### **Notes to the Financial Statements For the Year Ended 31 December 2022**

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

##### **2.13 Financial instruments (continued)**

###### **Financial liabilities**

The Company's financial liabilities include trade creditors, other creditors, accruals and amounts due to group undertakings.

The Company only has financial liabilities which are held at amortised cost. Financial liabilities held at amortised cost are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

The effective interest rate method ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least 12 months after the statement of financial position date.

###### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

###### **Derecognition of financial liabilities**

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

Where financial liabilities are extinguished via the issue of equity instruments, the Company measures this at the fair value of the equity instruments being issued, unless this cannot be reliably measured, in which case the fair value is based upon the fair value of the financial liability being extinguished.

#### **3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, the directors have had to make the following judgements:

Determine whether there are indicators of impairment of the fixed asset investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the assets.

#### **4. Employees**

The total employee expense for the year was £3,093,828 (2021 - £1,400,894).

The average monthly number of employees, including directors, during the year was 21 (2021 - 11).

## PDCG (Operations) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2022

#### 5. Fixed asset investments

	<b>Investments in subsidiary companies £</b>
<b>Cost</b>	
At 1 January 2022 - unaudited	20
Additions	5
At 31 December 2022	<u>25</u>

During the year, the Company invested in PDCG (JKT02 Holdco) Limited for £1.

During the year, the Company invested in PDCG (Ireland Holdco) Limited for €1.

During the year, the Company invested in Pure DC Holdco 5 Limited for £1.

During the year, the Company invested in Pure DC Holdco 6 Limited for £1.

During the year, the Company invested in Pure DC Holdco 7 Limited for £1.

#### **Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Pure DC Holdco 4 Limited	5 Fleet Place, London, EC4M 7RD	Ordinary	100%
Pure DC Limited	5 Fleet Place, London, EC4M 7RD	Ordinary	100%
PDCG (JKT02 Holdco) Limited	5 Fleet Place, London, EC4M 7RD	Ordinary	100%
PDCG (Ireland HoldCo) Limited	3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin, D01 YE64, Ireland	Ordinary	100%
Pure DC Holdco 5 Ltd	5 Fleet Place, London, EC4M 7RD	Ordinary	100%
Pure DC Holdco 6 Ltd	5 Fleet Place, London, EC4M 7RD	Ordinary	100%
Pure DC Holdco 7 Ltd	5 Fleet Place, London, EC4M 7RD	Ordinary	100%
Pure DC (Poland) z o.o. *	Piłsudskiego 1, 14th floor, 00-078 Warsaw	Ordinary	100%
South Dublin Routing 4 Limited *	2nd Floor, 1-2 Victoria Buildings, Haddington Road, Dublin, D04 XN32, Ireland	Ordinary	100%
South Dublin Routing 4 No. 2 Limited *	2nd Floor, 1-2 Victoria Buildings, Haddington Road, Dublin, D04 XN32, Ireland	Ordinary	100%
PDCG AHE 1 (Projects) Limited *	5 Fleet Place, London, EC4M 7RD	Ordinary	100%
Pure DC (Madrid) S.L.U*	Príncipe de Vergara 112, 4th floor, 28002, Madrid, Spain	Ordinary	100%
PDCG MAD01 Services S.L.U*	Príncipe de Vergara 112, 4th floor, 28002, Madrid, Spain	Ordinary	100%

\* denotes indirect subsidiary

# PDCG (Operations) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 6. Debtors: amounts falling due within one year

	2022 £	Unaudited 2021 £
Amounts owed by group undertakings	65,611,734	150,914
Other debtors	24,718	-
VAT recoverable	3,491	-
	<u>65,639,943</u>	<u>150,914</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment, and are repayable on demand.

### 7. Creditors: amounts falling due within one year

	2022 £	Unaudited 2021 £
Trade creditors	9,868	-
Amounts owed to group undertakings	66,275,252	1,251,840
Other taxation and social security	51,580	52,421
Other creditors	87,348	11,727
Accruals	660,248	357,095
	<u>67,084,296</u>	<u>1,673,083</u>

Amounts owed to group undertakings are interest free and repayable on demand.

### 8. Share capital

	2022 £	Unaudited 2021 £
<b>Allotted, called up and fully paid</b>		
1 (2021 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

The share is entitled to one vote. It has full rights to dividends and any distribution arising from a winding up of the Company. The share is not redeemable.

## **PDCG (Operations) Limited**

### **Notes to the Financial Statements For the Year Ended 31 December 2022**

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#### **9. Capital and reserves**

The Company's capital and reserves are as follows:

##### **Share capital**

Nominal value of share capital subscribed for:

##### **Profit and loss account**

All other net gains and losses not recognised elsewhere.

#### **10. Pension commitments**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £73,914 (2021 - £46,999). Contributions totalling £24,404 (2021 - £10,174) were payable to the fund at the reporting date and are included in creditors.

#### **11. Related party transactions**

The Company has taken advantage of the exemption available under FRS 101 paragraph 8(k) whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

The smallest group in which the results of the Company are consolidated is that headed by Pure Data Centres Group Limited, a company incorporated in England and Wales with registered number 0813665. The address of Pure Data Centres Group Limited's registered office is 5 Fleet Place, London, England, ECM 7RD.

#### **12. Controlling party**

The ultimate controlling party is Watt EquityCo Sarl, an investment fund resident in Luxembourg and managed by Oaktree Capital Management LP.

The immediate parent company is Pure Data Centres Group Limited, a Company registered in England and Wales with company number 08413665.

Copies of Pure Data Centres Group Limited's consolidated financial statements can be obtained from the company secretary at 5 Fleet Place, London, England EC4M 7RD, the registered office.