

OS AA01

Statement of details of parent law and other information for an overseas company



☒ **What this form is for**
You may use this form to
accompany your accounts
disclosed under parent law

☒ **What this form is for**
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with accounting req

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#297

COMPANIES HOUSE

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v uk

Part 1 Corporate company name

Corporate name of
overseas company ①

AT&T Global Network Services (UK) B V

FC 021840

UK establishment
number

B R 4 9 9 3

→ Filling in this form

Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

① This is the name of the company in
its home state

Part 2 Statement of details of parent law and other information for an overseas company

A1

Legislation

Please give the legislation under which the accounts have been prepared and,
if applicable, the legislation under which the accounts have been audited

Legislation ②

Dutch law, including the Dutch Standards on Auditing

② This means the relevant rules or
legislation which regulates the
preparation and, if applicable, the
audit of accounts

A2

Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box

☐ No. Go to **Section A3**

☒ Yes. Please enter the name of the organisation or other
body which issued those principles below, and then go to **Section A3**

③ Please insert the name of the
appropriate accounting organisation
or body

Name of organisation
or body ③

A3

Accounts

Accounts

Have the accounts been audited? Please tick the appropriate box

☐ No Go to **Section A5**

☒ Yes Go to **Section A4**

OS AA01

Statement of details of parent law and other information for an overseas company

A4**Audited accounts**

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box

☐ **No** Go to Part 3 'Signature'☒ **Yes.** Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'

❶ Please insert the name of the appropriate accounting organisation or body

Name of organisation or body ❶

Dutch Standards on Auditing

A5**Unaudited accounts**

Unaudited accounts

Is the company required to have its accounts audited?

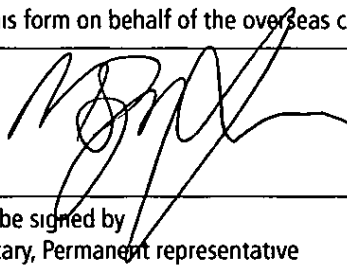
Please tick the appropriate box

☐ **No.**☐ **Yes.****Part 3****Signature**

Signature

I am signing this form on behalf of the overseas company

Signature

X**X**This form may be signed by
Director, Secretary, Permanent representative

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Michael Springham									
Company name	AT&T Global Network Services (UK)									
B V										
Address	Highfield House									
	Headless Cross Drive									
Post town	Redditch									
County/Region	Worcestershire									
Postcode	B	9	7	5	E	Q				
Country	UK									
DX										
Telephone										

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register
- ☐ You have completed all sections of the form, if appropriate
- ☐ You have signed the form

**Important information**

Please note that all this information will appear on the public record.

**Where to send**

You may return this form to any Companies House address:

England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

Scotland

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1

**Further information**

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

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Financial report for the year ended 31 December 2011

AT&T Global Network Services (UK) B.V.

Amsterdam

TUESDAY

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Annual report of the directors

The directors submit their report and audited financial statements of AT&T Global Network Services (UK) B.V. ('the Company') for the year ended 31 December 2011. The Company was incorporated in the Netherlands on 30 March 1999. The registered office of the Company is Oude Middenweg 31-53, 2491 AC Den Haag (the Hague), the Netherlands.

Principal activities

The principal activity of the Company is the supply of telecommunication and related services. The Company has established a branch in the United Kingdom to serve its principal market, which is within the UK.

Review of business and future developments

The Company supplies management and support of data, voice and e-business solutions to local and global customers as well as to business partners on a country and regional basis.

During 2011, the Company employed an average of 667 employees (2010: 687).

During the year, the Company continued to operate under the AT&T Global Intercompany Trading Agreement ('AGITA'). Under this agreement the Company provides network, sales and marketing and general administrative support to AT&T's global enterprise business, which is operated by the AT&T Inc group. As a result, the Company bears limited risk in relation to its local business and receives income from another group undertaking as specified in the agreement.

Turnover increased by GBP 14.8 million from GBP 222.4 million to GBP 237.2 million, all turnover is now derived from related parties in accordance with the AGITA.

The net result after tax for the year is a loss of GBP 0.9 million (2010: profit GBP 2.2 million).

Environmental impact

The Company does not carry out any activities that would have a negative impact on the environment.

Tangible fixed assets

The estimated useful lives of assets are between 1-7 years.

The Company periodically reassesses the expected useful lives of its tangible fixed assets in the light of experience.

Expenditure on fixed assets during 2012 is expected to be in line with 2011.

Results and appropriation of reserves

The profit and loss account for the year is shown on page 8. The directors do not propose a dividend.

Financing

As at 31 December 2011, the Company has a loan from group undertakings totalling GBP 24.3 million (2010: GBP 24.3 million). The loan is non-interest bearing and is due for repayment on 31 December 2015.

Risks associated with the business

As noted above, during the year the Company continued to operate under the AGITA, under which the Company bears limited risk in relation to its local business and receives income from another group undertaking as specified in the agreement. The agreement includes a 3-month termination period, however, the directors do not have any intention to terminate this agreement within the next year from the date of these financial statements and to the best of their knowledge, are not aware of any intention of the ultimate parent company to terminate the agreement either. Also taking into account the long-term nature of the group loans, the financial statements have been prepared on a going-concern basis.

Financial instruments

Financial instruments recognised in the balance sheet consist of loans from group undertakings, receivables, cash at bank and in hand and current liabilities. The Company does not enter into transactions regarding financial instruments other than from its normal business operations. Except for the loans, the financial instruments are of a short-term nature (less than one year) and therefore the risks associated with these instruments are recognised in the profit and loss of the reporting year. Furthermore, the Company does enter into short-term forward contracts with respect to material foreign currency exposures.

As at 31 December 2011 there were no outstanding forward contracts. In addition to the aforementioned risks resulting from the business operations, internal measures have been implemented to effectively manage market risk, credit risk and liquidity risk.

Directors

The directors who held office during the year ended 31 December 2011 are set out below, together with any changes subsequent to the year-end.

- Michael Springham
- Bertrand Buclin
- Pascale Frossard

Amsterdam, 5 October 2012

Board of Directors,



Michael Springham



Pascale Frossard

Bertrand Buclin*

* Mr Bertrand Buclin is travelling abroad and therefore is unable to sign these accounts

Financial statements

Balance sheet as at 31 December 2011
(before appropriation of result)

		31 December 2011	31 December 2010
	Note	GBP (000)	GBP (000)
<i>Assets</i>			
Fixed assets			
Tangible fixed assets	4 1	71,740	74,021
Financial fixed assets	4 2	14,095	12,713
Current receivables			
Receivables	4 3	80,501	86,163
Cash at bank		15	11,926
		166,351	184,823

Balance sheet as at 31 December 2011 (continued)

(before appropriation of result)

		31 December 2011	31 December 2010
	Note	GBP (000)	GBP (000)
<i>Shareholders' equity and liabilities</i>			
Shareholders' equity			
Share capital	4 4	16	16
Share premium	4 4	104,965	104,965
Other reserves	4 4	(2,490)	(4,665)
Legal reserve	4 4	(3)	(3)
Result for the year		(916)	2,175
		101,572	102,488
Provisions	4 5	939	9,272
Long-term liabilities	4 6	19,152	18,054
Current liabilities	4 7	44,688	55,009
		166,351	184,823

Profit and loss account for the year ended 31 December 2011

		2011	2010
	Note	GBP (000)	GBP (000)
Net turnover	5 1	237,204	222,428
Cost of sales		(181,745)	(165,398)
Gross operating result		55,459	57,030
Selling expenses		(22,904)	(20,005)
General and administrative expenses		(29,519)	(34,560)
Costs		(52,423)	(54,565)
Net sales margin		3,036	2,465
Other operating expense		(488)	61
Financial income and expenses	5 5	(1,059)	(1,360)
Profit on ordinary activities before taxation		1,489	1,166
Taxation on result on ordinary activities	5 6	(2,405)	1,009
Net (loss) /profit		(916)	2,175

Cash flow statement for the year ended 31 December 2011

		2011	2010
	Note	GBP (000)	GBP (000)
Cash flow from operating activities			
Operating result		2,548	2,526
Adjustments in respect of:			
Depreciation of tangible fixed assets	5 4	22,187	18,565
Loss on disposal of fixed assets		152	194
Net periodic pension credit	5 3	(9,843)	(8,482)
Increase in other provisions	4 5	6	91
		15,050	12,894
Changes in working capital			
Decrease in receivables	4 2,4 3	7,656	21,741
(Decrease) / increase in liabilities	4 7	(18,790)	4,293
		(11,134)	26,034
Cash inflow from operating activities		3,916	38,928
Pension contributions	5 3	(4,278)	(4,444)
Interest received /(paid)		40	(324)
		(4,238)	(4,768)
Cash (outflow)/ inflow from ordinary activities		(322)	34,160
Cash flow from investment activities			
Proceeds from sale of fixed assets		5,639	5,764
Net investments in fixed assets		(25,696)	(37,542)
Decrease / (increase) in intercompany loans receivable		-	433
		(20,057)	(31,345)

Cash flow statement for the year ended 31 December 2011 (continued)

		2011	2010
	Note	GBP (000)	GBP (000)
Cash flow from financing activities			
Increase in shareholders' equity	4 4	-	94,700
		-	94,700
(Decrease)/ increase in cash and cash equivalents		(20,379)	97,515
Movements in cash and cash equivalents			
Cash and cash equivalents as at 1 January		11,926	(85,589)
(Decrease)/increase in cash and cash equivalents		(20,379)	97,515
Cash and cash equivalents as at 31 December		(8,453)	11,926

Reconciliation of cash and cash equivalents

		2011	2010
		GBP (000)	GBP (000)
Cash and cash equivalents		15	11,926
Overdraft	4 7	(8,468)	-
Cash and cash equivalents as at 31 December		(8,453)	11,926

Notes to the balance sheet and profit and loss account

1 General

1.1 Activities

The principal activity of AT&T Global Network Services (UK) B V ('the Company') during the year ended 31 December 2011 was the supply of telecommunication and related services through its branch in the United Kingdom.

1.2 Group structure

The Company's ultimate parent company and controlling party is AT&T Inc, which is registered in the United States of America. The parent company consolidates these financial statements. Copies of the ultimate parent company's consolidated financial statements are available from the United States Securities and Exchange Commission (www.sec.gov) or may be obtained by contacting AT&T's investor relations department on the Internet at www.att.com or at the following address: AT&T Inc, Investor Relations, 208 S Akard St, Dallas, Texas 75202, USA.

The immediate parent company is AT&T Global Network Holdings LLC, which is registered in the United States of America.

1.3 Going concern

During the year, the Company has continued to operate under the AT&T Global Intercompany Trading Agreement ('AGITA'). Under this agreement the Company provides network, sales and marketing and general administrative support to AT&T's global enterprise business, which is operated by the AT&T Inc group. As a result, the Company bears limited risk in relation to its local business and receives income from another group undertaking as specified in the agreement. The agreement includes a 3-month termination period, however, the directors do not have any intention to terminate this agreement within the next year from the date of these financial statements and to the best of their knowledge, are not aware of any intention of the ultimate parent company to terminate the agreement either.

As at 31 December 2011, the Company had loans from group undertakings totalling GBP 24.3 million (2010: GBP 24.3 million), which are due for repayment on 31 December 2015.

Based upon the above, it is the directors' opinion that the Company remains a going concern for the foreseeable future, and that it is appropriate to prepare the financial statements on a going-concern basis.

If the Company was unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their

recoverable amounts, to provide for further liabilities that might arise and to reclassify fixed assets as current assets

1.4 International cost recharges

Under the AGITA, AT&T Global Network Services (UK) B V provides network, sales and marketing and general administrative support to AT&T's global enterprise business, which is operated by the AT&T Inc group. In respect of this agreement an amount of GBP 15,221,193 (2010 GBP 14,222,347) is recognised under current assets and GBP nil (2010 GBP 15,986,423) is recognised under current liabilities at the year-end

1.5 Notes to the cash flow statement

The cash flow statement has been prepared applying the indirect method. The cash and cash equivalents in the cash flow statement comprise the balance sheet item cash at bank and in hand and the overdraft which is included within current liabilities. Cash flows in foreign currencies have been translated at estimated average exchange rates, exchange differences affecting cash items are shown separately in the cash flow statement. Income and expenditure in respect of interest and taxation on profits are included in the cash flow from operating activities. Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognised in the cash flow statement. Payments of finance lease instalments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.

1.6 Related party transactions

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the Company are considered a related party. In addition, statutory directors, other key management and close relatives are regarded as related parties.

Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is required to provide a true and fair view.

In addition to the related party transactions mentioned in note 1.4, the following transactions occurred during 2011.

- In relation to fixed rate intercompany loans, the Company has been charged interest expenses of GBP nil (2010 GBP nil) and has received interest income of GBP nil (2010 GBP 21,162). The terms and details of the loans existing at the year-end are set out in note 4.6
- The Company has been charged costs of GBP 410,013 (2010 GBP 1,796,241) in relation to the supply and procurement of various services from other AT&T entities in Europe, Asia and the USA. An amount GBP 1,511,992 (2010 GBP 729,698) is recognised under current liabilities at the year-end.

17 Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Netherlands Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

2 Principles of valuation of assets and liabilities

2.1 General

The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code and the firm pronouncements in the DASs for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards. The financial statements are prepared in GBP.

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or current value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred. The balance sheet, income statement and cash flow statement include references to the notes.

Comparison with prior year

The principles of valuation and determination of result remain unchanged compared to the prior year.

2.3 Foreign currencies

The Company's functional currency is GBP.

Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognised in the income statement.

Translation differences on non-monetary assets held at cost are recognised using the exchange rates prevailing at the dates of the transactions.

2.4 Tangible fixed assets

Network and computer equipment are valued at the lower of cost and recoverable value less accumulated depreciation. Depreciation is charged on a straight-line basis over the assets' estimated useful economic life. The recoverable amount is defined as the higher of value in use to the business and net selling price.

At each balance sheet date, the Company tests whether there are any indications of assets being subject to impairment. If any such indications exist, the recoverable amount of the asset is determined. If this proves to be impossible, the recoverable amount of the cash-generating unit to which the asset belongs is identified. An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

2.5 Financial fixed assets

Deferred tax asset and Pension asset

Further information on the deferred tax asset and pension asset can be found in note 2.8

Other receivables

These receivables are initially measured at fair value, and subsequently carried at amortised cost

2.6 Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value. The cash is at the free disposal of the Company.

2.8 Provisions

General information

Provisions are recognised for legally enforceable or constructive obligations existing at the balance sheet date, the settlement of which is probable to require an outflow of resources whose extent can be reliably estimated. Provisions are measured on the basis of the best estimate of the amounts required to settle the obligations at the balance sheet date. Unless indicated otherwise, provisions are stated at the present value of the expenditure expected to be required to settle the obligations.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset.

Pension benefits

The Company operates two pension schemes – a defined benefit pension scheme and a defined contribution pension scheme.

The defined benefit pension scheme is valued in accordance with the United States accounting standard FASB ASC Topic 715 Compensation — Retirement Benefits. The obligation includes the present value of the expenditures that are probably required to settle. The present value factor is the market rate of interest of high-quality corporate bonds. If the obligation is due within a year, the obligation is not discounted.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are included in respect of the temporary differences in valuation of assets and liabilities for financial statement purposes and tax purposes. The deferred tax assets and liabilities are calculated based on tax rates prevailing at the year-end or applicable future tax rates, insofar as already decreed by law. Deferred tax assets, including those resulting from losses carried forward, are recognised if it can be reasonably assumed that they will be realised. Deferred tax assets and liabilities are included at face value.

2.9 Fair value of financial instruments

Financial instruments recognised in the balance sheet consist of loans from group undertakings, receivables, cash at bank and in hand, provisions and current liabilities. These are valued at amortised cost, unless otherwise indicated.

The face values of the receivables, cash at banks and in hand, provisions and current liabilities do not differ significantly from the net realisable value due to their short-term nature (shorter than one year).

2.10 Non-current liabilities

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, being the amount received taking account of any premium or discount, less transaction costs.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest in the income statement over the period of the borrowings using the effective interest method.

2.11 Leases

Finance lease

The Company leases certain network assets, of which it has substantially all the risks and rewards incidental to the ownership. These assets are capitalised and recognised in the balance sheet at the commencement of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments, each determined at the inception of the lease. The network assets acquired under finance leases are depreciated over the shorter of the useful life of the asset and the contractual term.

Operating lease

Leases in which a significant portion of the risks and rewards incidental to the ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

3 Principles of determination of the result

3.1 General

The result represents the difference between the value of the goods delivered and services rendered and the costs and other charges incurred during the year. The results on transactions are recognised in the year they are realised, losses are taken as soon as they are foreseeable

3.2 Net turnover

Turnover represents the income received from another group undertaking in accordance with the AGITA. Amounts invoiced to third-party customers are accounted for as due to this group undertaking under the terms of the AGITA because the Company does not bear the risks and may have a limited reward associated with these invoices.

Turnover is stated net of VAT and similar sales-based taxes.

3.3 Cost of sales

Cost of sales represents the direct and indirect expenses attributable to turnover

3.4 Costs

Costs are recognised under the historical cost convention and are allocated to the reporting period to which they relate

Depreciation of fixed assets is based on purchase price and is provided on a straight-line basis over the estimated economic useful life of the asset.

3.5 Selling expenses

Selling expenses represent the direct expenses of the sales activities

3.6 Exchange differences

Exchange differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they arise

3.7 Depreciation

Property, plant and equipment depreciated over their estimated useful lives as from the inception of their use. Future depreciation and amortisation is adjusted if there is a change in estimated future useful life

3 8 *Employee benefits*

Short term employee benefits

Salaries, wages and social security contributions are taken to the income statement based on the terms of employment, where they are due to employees.

Pension and other post retirement benefits

The charge against profits for the benefits of the defined contribution pension scheme is the amount of contributions payable to the pension scheme in respect of the accounting period

The ongoing cost of providing pensions for current and former employees through the defined benefit scheme is charged to the profit and loss account over the period during which the benefit is derived from the employees' services, based on the calculations carried out by independent qualified actuaries applying United States accounting standard FASB ASC Topic 715 Compensation — *'Retirement Benefits'*

The over- or under-funded status of post retirement plans, measured as the difference between the fair value of the plan assets and the benefit obligation is recognised in accordance with the United States accounting standard FASB ASC Topic 715 Compensation — Retirement Benefits which is the renewed accounting standard of FAS 158, *'Employers' Accounting for Defined Benefit Pension and Other Post Retirement Plans'*, which was adopted in 2006. Actuarial gains and losses are recognised immediately in the income statement.

3 9 *Finance income and costs*

Interest paid and received

Interest paid and received is recognised on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognising interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

3 9 *Taxation*

Tax on the result for the year is calculated by applying the current tax rate to the result reported in the profit and loss account, taking into account tax losses carried forward, tax exempt profit elements and after inclusion of non-deductible costs.

The Company is a UK tax resident, whose profits are subject to UK corporation tax.

4 Notes to the balance sheet

4.1 Tangible fixed assets

	Network and computer equipment
	GBP (000)
Cost	
As at 1 January 2011	149,074
Additions	25,697
Disposals	(8,860)
Balance as at 31 December 2011	165,911
Accumulated depreciation	
As at 1 January 2011	75,053
Charge for the year	22,187
Disposals	(3,069)
Balance as at 31 December 2011	94,171
Net book value	
As at 31 December 2011	71,740
As at 31 December 2010	74,021
Depreciation rates	1-7 years

The carrying amount of network assets under finance lease is GBP 716,103 (2010: GBP 774,696)

4.2 Financial fixed assets

		31 December 2011	31 December 2010
		GBP (000)	GBP (000)
Deferred tax		7,740	10,159
Pension benefit	5.3	5,782	-
Long term receivables		573	2,554
		14,095	12,713

Movements in financial fixed assets are as follows

	Deferred tax assets	Pension benefit	Long term receivable	Total
	GBP (000)	GBP (000)	GBP (000)	GBP (000)
Balance as at 1 January 2011	10,159	-	2,554	12,713
Amount shown as liability in 2010	-	(8,339)	-	(8,339)
Reclassified as current	-	-	(1,981)	(1,981)
Credited/(charged) to profit and loss account	(2,419)	14,121	-	11,702
Balance as at 31 December 2011	7,740	5,782	573	14,095

Deferred tax assets refer to, amongst others, the difference between the tax base of fixed assets and the carrying amount as recognised in the financial statements

The composition of deductible temporary differences (recognised as well as unrecognised) and unutilised tax losses carried forward is as follows:

	31 December 2011		31 December 2010	
	Recognised	Not recognised	Recognised	Not recognised
	GBP (000)	GBP (000)	GBP (000)	GBP (000)
Deductible temporary differences	7,740	10,327	10,159	10,143
Tax losses carried forward	-	10,397	-	11,229
	7,740	20,724	10,159	21,372

In respect of the items disclosed in the column 'recognised' a deferred tax asset is included in financial fixed assets. An amount of GBP 659,000 is expected to be realised within one year, GBP 3,005,000 is expected to be realised in one to five years and GBP 4,076,000 is expected to be realised in more than five years.

For the unrecognised deductible temporary differences and tax losses carried forward it is not yet probable that these may be utilised against future taxable profits or set off against other tax liabilities

4.3 *Current receivables*

	31 December 2011	31 December 2010
	GBP (000)	GBP (000)
Trade debtors	38,317	30,298
Amounts due from group companies	16,760	15,050
Other receivables	57	612
Deferred charges	2,543	1,684
Prepayments and accrued income	22,824	38,519
	80,501	86,163

Amounts shown within current receivables are due within one year

Trade debtors include debtors denominated in EUR for EUR 965,801 (2010 EUR 1,227,994) and USD for USD 2,618,504 (2010 USD 5,719,710)

Amounts due from group companies include debtors denominated in USD for USD 214 (2010 USD 54,011)

Prepayments and accrued income include debtors denominated in EUR for EUR 1,071,520 (2010 EUR 1,393,946) and USD for USD 446,783 (2010 USD 1,915,425)

4.4 Shareholders' equity

	Issued share capital GBP (000)	Share premium GBP (000)	Legal reserve GBP (000)	Other reserves GBP (000)	Total reserves GBP (000)
Balance as at 31 December 2010	16	104,965	(3)	(4,665)	100,313
Net profit for the year-ended 31 December 2010	-	-	-	2,175	2,175
Balance as at 31 December 2011	16	104,965	(3)	(2,490)	102,488

Share capital

The authorised share capital of the Company as at 31 December 2011 amounts to EUR 90,000 and consists of 900 ordinary shares of EUR 100 each

Issued share capital amounts to EUR 18,700 (2010: EUR 18,700) and consists of 187 (2010: 187) ordinary shares with a nominal value of EUR 100 each. The share capital was translated to GBP at 31 December 2011 using a closing rate of 1.1933.

Disclosure of result for the year

	2011 GBP (000)	2010 GBP (000)
Opening balance	2,175	(2,671)
To other reserves	(2,175)	2,671
Result for the year	(916)	2,175
Closing balance	(916)	2,175

4 5 Provisions

	Pension	Other	Total
	GBP (000)	GBP (000)	GBP (000)
Balance as at 1 January 2011	8,339	933	9,272
Addition	-	6	6
Release	(14,121)	-	(14,121)
Amount shown in financial fixed assets	5,782	-	5,782
Balance as at 31 December 2011	-	939	939

As part of the pension recovery plan, the Company has committed to pay GBP 4,056,000 within one year. The pension asset is shown within financial fixed assets.

Other provisions represent the Company's estimate of amounts that may be payable in respect of a long-term incentive plan.

Within other provisions, GBP 461,614 (2010: GBP 617,878) is expected to be of a long-term nature (over one year).

4 6 Long-term liabilities

Long-term liabilities comprise the following fixed rate intercompany loans:

	Rate (%)	Repayment date	31 December 2011	31 December 2010
			GBP (000)	GBP (000)
GBP 24,256,170 (2010: 24,256,170)	0.00	December 2015	19,152	18,054
Total loan liability			19,152	18,054

The intercompany loan is a non-interest bearing loan, payable to AT&T Global Network Holdings LLC ('AGNS LLC'), and is due for repayment on 31 December 2015.

4.7 Current liabilities

	31 December 2011	31 December 2010
	GBP (000)	GBP (000)
Overdraft	8,468	-
Trade creditors	5,146	4,678
Amounts due to group undertakings	1,512	16,976
Social security liabilities	695	655
Other liabilities	8,696	9,171
VAT payable	4,101	2,531
Accruals	14,056	19,394
Deferred income	2,014	1,604
	44,688	55,009

Trade creditors include creditors denominated in AUD* for AUD 15,304 (2010 AUD nil), in USD for USD 982,229 (2010 USD 2,096,584), in EUR for EUR 3,280 (2010 EUR 449,214), in HUF* for HUF 613,774 (2010 HUF nil), in KWD for KWD 38,263 (2010 KWD nil) in QAR* for QAR nil (2010 QAR 1,837,016) and in SAR* for SAR 7,189,635 (2010 SAR 8,577,513).

Amounts due to group undertakings include creditors denominated in USD for USD 511,612 (2010 USD nil), in EUR for EUR 1,328,131 (2010 EUR 343,655), in DKK* for DKK 13 (2010 nil) and in SEK* for SEK 661,918 (2010 SEK nil)

Accruals include creditors denominated in USD for USD 2,080,404 (2010 USD 3,396,037), in EUR for EUR 327,692 (2010 EUR 412,012), in QAR* for QAR 492,890 (2010 QAR 1,178,845), in AED* for AED 27,479,742 (2010 AED 13,197,140), in KWD for KWD 12,914 (2010 KWD nil) and in SAR* for SAR 14,177,359 (2010 SAR 3,407,386)

*AUD – Australian Dollar, QAR – Qatari Riyal, ZAR – South African Rand, SAR – Saudi Riyal, HUF – Hungarian Forint, KWD – Kuwaiti Dinar, DKK – Danish Krone, SEK – Swedish Krona

4.8 Contingencies and commitments

Funding arrangements

The Company is party to a cross-guarantee in respect of a cash pooling arrangement with certain fellow subsidiaries of the AT&T Inc. group. The aggregate balance of the cash pool arising from the other participating subsidiaries was an in credit balance of GBP 8,741,316 as at 31 December 2011 (2010. in credit balance of GBP 14,122,703)

Financial obligations

The obligations from operating leases at the end of the reporting period can be specified as follows

	2011		2010	
	Land and buildings	Vehicles, plant & equipment	Land and buildings	Vehicles, plant & equipment
Obligations to pay	GBP (000)	GBP (000)	GBP (000)	GBP (000)
Within one year	10,083	1,215	9,183	818
Within two to five years	38,309	891	28,546	429
Over five years	26,332	392	21,884	109

The Company is committed to make payments under telecommunication service contracts. The directors estimate that the minimum expenditure that the Company is committed to under these telecommunication service contracts is GBP 15,038,109 (2010 GBP 18,187,169). The actual amount to be paid depends on how many of the circuits the Company uses during the contract, subject to a minimum and maximum usage capacity. The agreements relating to this balance terminate no later than December 2012.

5 Notes to the profit and loss account

5.1 Net turnover

All turnover originates in the United Kingdom and arises from the provision of services

All turnover is classified as being from related parties in accordance with the AGITA.

	<u>2011</u>	<u>2010</u>
	GBP (000)	GBP (000)
Amounts derived from other group undertakings	<u>237,204</u>	<u>222,428</u>

As outlined in note 3.2, amounts billed and accrued in respect of third-party customers are not included in turnover. The aggregate amount involved is GBP 173,704,406 (2010 GBP 150,261,211).

5.2 Wages, salaries and social security costs

	<u>2011</u>	<u>2010</u>
	GBP (000)	GBP (000)
Wages and salaries	52,034	53,166
Pension costs	3,092	2,886
Pension credits relating to defined benefit scheme	(9,843)	(8,482)
Other social security costs	6,174	5,622
	<u>51,457</u>	<u>53,192</u>

The above pension costs are in relation to both the defined benefit and the defined contribution pension schemes, further details in respect of the defined benefit schemes are given in note 5.3 below

5.3 Pensions

As detailed in Section 3.8 the United States accounting standard FASB ASC Topic 715 Compensation — Retirement Benefits, which has resulted in the full recognition of accumulated actuarial gains and losses.

The AT&T Pension Scheme closed to future accrual with effect from 31 January 2010

Employer contributions include an additional contribution of GBP 338,000 a month. It has been agreed that additional contributions of GBP 338,000 per month will be paid to the scheme over the period to 31 December 2012 to eliminate the funding shortfall.

Benefit obligation and asset reconciliations

Change in projected benefit obligation	2011	2010
	GBP (000)	GBP (000)
Projected benefit obligation at the beginning of the year	107,917	108,741
Service cost	241	327
Interest cost	5,761	6,118
Actuarial loss/(gain)	817	(4,720)
Benefits paid	(3,301)	(2,559)
Plan participant contributions	2	10
Projected benefit obligation at the end of the year	111,437	107,917
Change in plan assets	2011	2010
	GBP (000)	GBP (000)
Fair value of plan assets at the beginning of the year	99,578	87,476
Actual return on plan assets	16,662	10,207
Benefits paid	(3,301)	(2,559)
Employer contributions	4,278	4,444
Plan participant contributions	2	10
Fair value of assets at the end of the year	117,219	99,578

Development of the accrued benefit liability	2011	2010
	GBP (000)	GBP (000)
Accrued benefit liability at the beginning of the year	(8,339)	(21,265)
Net periodic pension benefit	9,843	8,482
Employer contributions	4,278	4,444
Accrued benefit asset /(liability) at the end of the year	5,782	(8,339)
Funded status – net amount recognised	2011	2010
	GBP (000)	GBP (000)
Funded status	5,782	(8,339)
Net amount recognised	5,782	(8,339)
Weighted average assumptions at the end of the year	2011	2010
Discount rate	4.8%	5.40%
Rate of compensation increase	4.4%	4.80%
Measurement date used	31 December 2011	31 December 2010

Net periodic pension benefit	2011	2010
	GBP (000)	GBP (000)
Net periodic pension benefit		
Service cost	241	327
Interest cost	5,761	6,118
Expected return on plan assets	(6,935)	(6,582)
Prior service cost	-	-
Actuarial gains	(8,910)	(8,345)
Total net periodic pension benefit	(9,843)	(8,482)
Weighted average assumptions at the beginning of the year	2011	2010
Discount rate	5.70%	5.70%
Expected return on plan assets	7.50%	7.50%
Rate of compensation increase	4.90%	4.90%
Measurement date used	1 January 2011	1 January 2010

In previous years AT&T Global Network Services (UK) BV has employed a building block approach in determining the long-term rate of return on pension plan assets. Historical markets were studied and assets with higher volatility were assumed to generate higher returns consistent with widely accepted capital market principles. The overall expected rate of return on assets was then derived by aggregating the expected return for each asset class over the actual allocation for the Scheme at the year end. However, the investment strategy for the AT&T Pension Scheme changed significantly during the accounting period. In particular the strategy is no longer based on a target asset allocation but instead targets a set rate of return, with the actual allocation of the assets between different asset classes being relatively fluid in order to achieve this. The target rate of return is equal to the return on a liability benchmark measure plus 3.0% p.a. At the year end the future return on the liability benchmark was estimated to be 3.0% p.a. The long-term rate of return on pension plan assets has therefore been set at 6.0% p.a.

There are no employer-related investments.

All plan assets are categorised as level 2 assets with significant observable inputs, with the exception of the cash balances of £795,000 (2010: £1,150,000) which are level 1.

Cash flows	GBP (000)
(1) Expected contributions for fiscal year ending 31/12/2012	
(a) Expected employer contributions	4,391
(2) Estimated future benefit payments reflecting expected future service for the fiscal year(s) ending	
(a) 31/12/2012	3,386
(b) 31/12/2013	3,473
(c) 31/12/2014	3,562
(d) 31/12/2015	3,653
(e) 31/12/2016	3,747
(f) 31/12/2017-31/12/2021	20,225

Other accounting items	Fiscal year ended 31 December	
	2011	2010
	GBP (000)	GBP (000)
(1) Market value of assets at the beginning of the year	99,578	87,476
(2) Amount of future annual benefits of plan participants covered by insurance contracts issued by the employer or related parties	-	-
(3) Alternative amortisation methods used to amortise		
(a) Prior service cost	Straight-line	Straight-line
(b) Unrecognised net (gain) or loss	Straight-line	Straight-line
(4) Employer commitments to make future plan amendments (that serve as the basis for the employer's accounting for the plan)	None	None
(5) Description of special or contractual termination benefits recognised during the period	-	-
(6) Cost of benefits described in (5)	-	-
(7) Explanation of any significant change in benefit obligation or plan assets not otherwise apparent in the above disclosures	-	-

5.4 Depreciation of tangible fixed assets

	2011	2010
	GBP (000)	GBP (000)
Tangible fixed assets	22,187	18,565

5.5 Financial income and expenses

	2011	2010
	GBP (000)	GBP (000)
Interest income / (expense)	39	(325)
Unwinding of discount	(1,098)	(1,035)
	(1,059)	(1,360)

5.6 Taxation on result on ordinary activities

	2011	2010
	GBP (000)	GBP (000)
Profit on ordinary activities before taxation	1,489	1,166
Tax (charge)/credit on profit on ordinary activities before tax	(2,405)	1,009
Effective tax rate	(161.5%)	86.5%
Applicable tax rate	26.5%	28%

The effective tax rate differs from the applicable tax rate due to the movement on the recognised deferred tax asset

During the year the Company has continued to operate under the AGITA. Given the expected continued operation of this agreement, under which the Company has a reasonable expectation of generating taxable profits in the future, the Company considers it probable that certain deductible temporary differences existing at 31 December 2011 will be utilised against future taxable profits. Accordingly, based on profit forecasts for the next ten years and the enacted UK tax rate of 25%, a deferred tax asset of GBP 7,740,000 (2010: GBP 10,159,000) has been recognised at 31 December 2011 leaving a further GBP 20,724,000 (2010: GBP 21,372,000) unrecognised as disclosed in note 4.2.

On 29 March 2011 a reduction on the main rate of corporation tax from 28% to 26% was substantively enacted and took effect from 1 April 2011. Further reductions to the UK corporation tax rate were announced in the Finance Act 2011. These changes reduce the rate by 1% per annum to 23% by 1 April 2014. These reductions have been amended by the 2012 Budget which received Royal assent on 17 July 2012. An additional 1% is proposed to the financial year beginning 1 April 2012 and the rates will be reduced by two further 1% cuts to 22% by the financial year beginning 1 April 2014.

The relevant deferred tax balances have been re-measured at 25% which is the rate that was substantively enacted under the Finance Act 2011.

The impact of this change is not considered to be material to the future tax charge.

Supplementary information

5.7 Auditors remuneration

The following fees were charged in the reporting period:

	2011	2010
	GBP (000)	GBP (000)
Audit of the financial statements	46	45
Other audit procedures	-	-
Tax services	-	-
Other non-audit services	-	-
	46	45

The fees listed above relate only to the procedures applied to the Company and its branch by accounting firms and external auditors as referred to in Section 1(1) of the Dutch Accounting Firms Oversight Act (Dutch acronym: Wta).

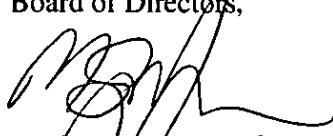
5.8 Employees

During 2011, an average of 667 employees were employed by the Company (2010: 687). All of the employees are employed outside of the Netherlands.

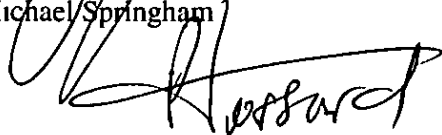
5.9 Directors

The directors are employed and remunerated by other companies within the AT&T Inc group.

Amsterdam, 5 October 2012
Board of Directors,



Michael Springham



Pascale Frossard

Bertrand Buclin *

* Mr Bertrand Buclin is travelling abroad and therefore is unable to sign these accounts

Other information

Appropriation of the result for the year

According to Article 14 of the Articles of Association, the result for the year should be allocated according to the wishes of the General Meeting of Shareholders. The Company can only distribute dividends when net equity is larger than the paid-up share capital plus legal reserves, if any.

The directors propose to allocate the profit for the year to other reserves.

Subsequent events

Management are not aware of any events subsequent to the balance sheet date which would have a bearing on the financial report for the year ended 31 December 2011.

Independent auditors' report



Independent auditor's report

To the General Meeting of Shareholders of AT&T Global Network Services (UK) B V

Report on the financial statements

We have audited the accompanying financial statements 2011 of AT&T Global Network Services (UK) B V., The Hague, which comprise the balance sheet as at 31 December 2011, the profit and loss account for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the annual report of the directors, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of AT&T Global Network Services (UK) B V. as at 31 December 2011, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code

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Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the annual report of the directors, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the annual report of the directors, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

The Hague, 5 October 2012
PricewaterhouseCoopers Accountants N.V.

Originally signed by W.A. Schouten RA