

Mawlaw 653 Limited

**Annual report and financial Statements
For the 9 months period ended 31 December 2012**

Registered number 05391411

FRIDAY



A2HSAP80

A28

27/09/2013

#479

COMPANIES HOUSE

Mawlaw 653 Limited

Annual report and financial statements for 9 months ended 31 December 2012

Contents

	Page
Directors and advisors	1
Directors' report	2 - 3
Statement of directors' responsibilities	4
Independent auditors' report	5
Balance sheet	6
Notes to the financial statements	7 - 10

Directors and advisors

Directors

J Kinsella
R McNeal

Secretary

TMF Corporate Administration Limited
6 St Andrew Street
London EC4A 3AE

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
First Point
Buckingham Gate
London Gatwick Airport
Gatwick
West Sussex
RH6 0NT

Registered Office

Walbrook Building
195 Marsh Wall
London E14 9SG

Directors' Report for the 9 months ended 31 December 2012

The directors present their report and the audited financial statements for the 9 months ended 31 December 2012. In order to align with the year end of the parent company, the Accounting Reference Date has been changed to 31st December. These financial statements are for a short period of 9 months representing the period of 1st April 2012 to 31st December 2012.

The financial statements have been prepared in Euros, the functional currency of the Company.

Principal activity

The principal activity of the Company is to act as an intermediate company in the Interoute Communications Holdings SA Group.

The Company did not trade during the year, or the preceding year, and made neither a profit nor a loss. There were also no other recognised gains and losses for the current financial period or the preceding financial year. Accordingly, neither a profit and loss account, nor a statement of total recognised gains and losses have been presented.

Review of business and future developments

The Company is managed as part of an overall group of companies whose intermediate parent undertaking is Interoute Communications Holdings SA (together with its subsidiary undertakings 'Interoute' or 'the Group'). The principal risks and uncertainties of the Company are integrated with the principal risks and uncertainties of the Group and are not managed separately. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance and position of the Company.

The directors do not envisage any significant change in the activities of the Company in the forthcoming year.

Post balance sheet events

There have been no material post balance sheet events which would require disclosure or adjustment to these financial statements.

Dividends

The directors do not recommend the payment of a dividend (31 March 2012: € nil).

Directors and their interests

The directors during the period under review and up to the date of signing the financial statements were as follows:

J Kinsella
R McNeal

Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial period and is currently in force. The Company also purchased and maintained throughout the financial period directors' and officers' liability insurance in respect of itself and its directors.

No director had any beneficial interests in the issued share capital of the Company requiring disclosure under the provisions of the Companies Act 2006.

Directors' Report for the 9 months ended 31 December 2012 (continued)

Financial Risk Management

The Company's operations expose it to a variety of financial risks and the Company has in place risk management policies that seek to limit the adverse effects on the financial performance of the Company. The Company does not make use of derivative financial instruments.

(a) Liquidity risk

The Company does not have sufficient liquid assets to meet its obligations as they fall due. As the Company does not operate a bank account there is an arrangement in place with Interoute Communications Limited, a related undertaking, whereby any obligations of the Company are settled by Interoute Communications Limited and recharged to the Company by way of an intercompany loan. Interoute Communications Limited has adequate liquidity to meet the obligations of the Company, which are in any case minimal.

(b) Interest rate cash flow risk

The company has interest bearing liabilities which bear interest at variable rates and interest bearing assets which earn interest at variable rates.

(c) Pricing Risk

As the principal activity of the Company is that of an investment holding company, it is not directly exposed to financial risks resulting from variation in the price of inputs or outputs or from credit risk due to non-payment by customers for goods or services supplied.


Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Interoute Communication Holding SA. The directors have received confirmation that Interoute Communication Holding SA intends to support the company for at least one year after these financial statements are signed.

Independent auditors

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board


J Kinsella
Director
25 Sept 2013

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

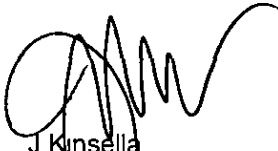
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies 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.

Statement of disclosure of information to auditors

Each of the persons who are directors at the date of approval of this report confirms that

- so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.


J Kinsella
Director
25 Sept 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAWLAW 653 LIMITED

We have audited the financial statements of Mawlaw 653 Limited for the 9 months ended 31 December 2012 which comprise the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012
- 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Graham Lambert (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick

25 September 2013

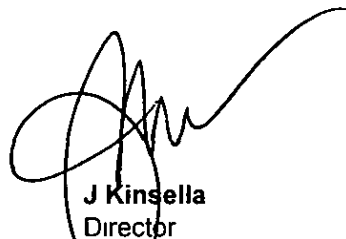
Mawlaw 653 Limited

Balance sheet

As at 31 December 2012

	Note	9 months to 31 December 2012 €	12 months to 31 March 2012 €
Creditors - amounts falling due after more than one year	5	(645,056)	(645,056)
Net liabilities		<u>(645,056)</u>	<u>(645,056)</u>
Capital and reserves			
Called up share capital	6	1	1
Other reserves	7	6,336,212	6,336,212
Profit and loss account	7	<u>(6,981,269)</u>	<u>(6,981,269)</u>
Total Shareholders' deficit	8	<u>(645,056)</u>	<u>(645,056)</u>

The financial statements on pages 6 to 10 were approved by the Board of Directors on 25 September 2013 and were signed on its behalf by



J Kinsella
Director

Registered number 05391411

Notes to the financial statements

For the 9 months short period ended 31 December 2012

1. Principal accounting policies

Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom and on the basis that the Company is a going concern

The principal accounting policies are set out below and have been applied consistently throughout the period/year

The majority of the transactions of the Company are denominated in Euros, which in the opinion of the directors is the functional currency of the Company Accordingly the financial statements of the Company have been prepared in Euros

Going concern

The Company's immediate parent undertaking has confirmed its present intention is to continue to provide such financial support as shall be required to enable the Company to continue to meet its liabilities as they fall due

Accordingly, the financial statements have been prepared on the going concern basis

Cash flow statement

The Company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to prepare a cash flow statement on the grounds that it qualifies as a small company

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date All differences are taken to the profit and loss account

Investments

The Company's investments in subsidiary undertakings are stated at cost less provision for impairment where necessary

2. Operating profit

Auditors' remuneration was borne by another group company for the 9 months ended 31 December 2012 and for the year to 31 March 2012

3 Staff costs and directors' emoluments

The Company did not have any employees during the 9 months under review (year to 31 March 2012 nil) and no directors received any remuneration for their services during the 9 months (year to 31 March 2012 €nil)

Notes to the financial statements

For the 9 months short period ended 31 December 2012 (continued)

4. Tax on profit on ordinary activities before taxation

There is no corporation tax charge for the Company for the 9 months to 31 December 2012 (year to 31 March 2012 nil)

There is no difference between the tax assessed on the result before ordinary activities for the period and the UK corporate rate of tax of 24% (2012 same as, 26%)

As at 31 December 2012 the company had potential deferred tax assets of €1,413 (31 March 2012 €1,413), arising from the Company's unrelieved tax losses and other timing differences which has not been recognised on the grounds that there is insufficient evidence at the balance sheet date that it will be recoverable. The asset would potentially start to become recoverable if and to the extent the Company were to become profitable

5. Creditors, amounts falling due after more than one year

	9 months to 31 December 2012 €	12 months to 31 March 2012 €
Amounts owed to parent undertaking	<u>645,056</u>	<u>645,056</u>

The loan from the parent undertaking is made under the terms of a 50 year interest bearing loan facility. The loan together with any accrued and unpaid interest will be repayable in full on January 1, 2058. Where the Company has profits available for distribution in any accounting period, the amount of interest that will accrue under the facility will be calculated annually as follows

$$I = P \times \frac{OB}{OB+SC}$$

Where

I is the interest payable

P is equal to the amount of distributable profits arising in the accounting period,

OB is equal to the average of the opening and closing balances outstanding under the facility for the relevant accounting period, and

SC is equal to the average of the opening and closing paid up share capital and share premium reserve account (or any other capital reserve made in connection with the issue of shares) for the relevant accounting period

Any interest on the facility will be compounded with the facility at the end of each accounting period and will not be paid until the end of the first accounting period during or after which the Company has achieved a free cash positive position for two consecutive quarters

The loan is convertible to shares at the discretion of the Company

No interest is payable on the loan in the current period as the Company does not have distributable profits for the 9 months ending 31 December 2012 (year to 31 March 2012 €nil)

Mawlaw 653 Limited

Notes to the financial statements

For the 9 months short period ended 31 December 2012 (continued)

6. Called up share capital

	9 months to 31 December 2012 €	12 months to 31 March 2012 €
Authorised		
100,000 (March 2012 100,000) ordinary shares of £1 each	<u>145,000</u>	<u>145,000</u>
Allotted, and fully paid		
1 (March 2012 1) ordinary share of £1	<u>1</u>	<u>1</u>

7. Reserves

	Other reserves €	Profit and loss account €
At 1 April 2012 and at 31 December 2012	<u>6,336,212</u>	<u>(6,981,269)</u>

Other reserves represent a contribution of capital from Interoute Holdings Sarl in 2010 which was settled by way of an intercompany loan

8. Reconciliation of movements in equity shareholders' deficit

	9 months to 31 December 2012 €	12 months to 31 March 2012 €
Result for the financial period	-	-
Opening equity shareholders' deficit	<u>(645,056)</u>	<u>(645,056)</u>
Closing equity shareholders' deficit	<u>(645,056)</u>	<u>(645,056)</u>

9. Related party transactions

The company has taken advantage of exemptions under FRS 8 not to disclose transactions between other group companies. There are no other related party transactions.

10. Post balance sheet events

There have been no material post balance sheet events which would require disclosure or adjustment to these financial statements.

Notes to the financial statements

For the 9 months short period ended 31 December 2012 (continued)

11. Ultimate parent undertaking and controlling party

The directors consider the company's immediate parent undertaking to be Interoute Holdings Sarl, a company incorporated in Luxembourg

Consolidated financial statements of Interoute Communications Holdings SA, an intermediate parent of Interoute Holdings Sarl, are available from the company secretary, 2-8 Avenue Charles De Gaulle L-1653 Luxembourg. Interoute Communications Holdings SA is the parent of the smallest and largest group to consolidate these financial statements

The directors consider the company's ultimate parent undertaking and controlling party to be Emasan AG, a company incorporated in Switzerland