

Mawlaw 660 Limited

Annual Report and Financial Statements For the year ended 31 December 2012

Registered number. 05396159



Mawlaw 660 Limited

Annual report and financial statements for the year ended 31 December 2012

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Mawlaw 660 Limited

Directors and advisors

Directors

J Kinsella
R McNeal

Secretary

TMF Corporate Administrative Service 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 year ended 31 December 2012

The Directors present their annual report and the audited financial statements for the year ended 31 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 holding company within the Interoute Communications Holdings SA Group.

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.

In 2005 the Company acquired 35,810,811 Ordinary shares in Via NetWorks Inc, for a consideration of €1,097,030. Following the acquisition of the investment, Via NetWorks Inc entered into liquidation, resulting in the investment by the Company in its Ordinary shares being impaired to €nil. During the year, the Company received a capital repayment of €782,985 from Via NetWorks Inc following the completion of the liquidation of Via NetWorks Inc. The capital repayment, net of withholding tax of €220,297 was settled in cash. The Company paid the cash received to Interoute Communications Limited (a related undertaking) and established an intercompany loan receivable from Interoute Communications Limited of €562,278. The Company waived this receivable during the year. The withholding tax of €220,297 is potentially recoverable from the US tax authorities and a claim under the Income tax treaty will be filed to seek repayment of this amount.

Post balance sheet events

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

Results

The results for the year ended 31 December 2012 are set out in the profit and loss account on page 6.

Directors and their interests

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

J Kinsella
R McNeal

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

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 year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

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.

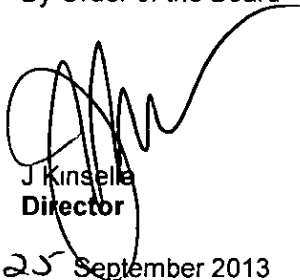
(b) Pricing Risk

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.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the next Annual General Meeting.

By Order of the Board



J. Kinsella
Director

25 September 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 660 LIMITED

We have audited the financial statements of Mawlaw 660 Limited for the year ended 31 December 2012 which comprise the profit and loss account, 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 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.

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

Profit and loss account
For the year ended 31 December 2012

	Note	Year ended 31 December 2012 €	Year ended 31 December 2011 €
Administrative expenses		(17,138)	-
Other operating Income		-	734
Operating profit	2	(17,138)	734
Interest receivable and similar income	3	782,985	-
Interest payable and similar charges	4	(562,278)	-
Profit on ordinary activities before taxation		203,569	734
Tax on profit on ordinary activities	6	-	-
Profit for the financial year		203,569	734

All profits derive from continuing operations

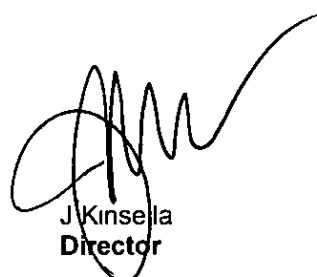
There are no differences between the profit on ordinary activities before taxation and the profit for the financial years as stated above and their historical cost equivalents

The Company has no recognised gains and losses other than as shown above and therefore no separate statement of total recognised gains and losses has been presented

Balance sheet
As at 31 December 2012

	Note	2012 €	2011 €
Fixed assets			
Investments	9	4,140	4,140
Current assets			
Debtors	7	218,836	-
Cash at bank and in hand		410	-
		<u>219,246</u>	<u>-</u>
Current liabilities			
Creditors - amounts falling due within one year	8	(15,677)	-
Net Current Assets		<u>203,569</u>	<u>-</u>
Total assets less current liabilities		<u>207,709</u>	<u>4,140</u>
Net Assets		<u>207,709</u>	<u>4,140</u>
Capital and reserves			
Called up share capital	10	1	1
Other reserves	11	645,056	645,056
Profit and loss account	11	(437,348)	(640,917)
Total equity Shareholders' funds	12	<u>207,709</u>	<u>4,140</u>

The financial statements on pages 6 to 11 were approved by the Board of Directors on 25 Sept 2013 and were signed on its behalf by


J Kinsealla
Director

Notes to the financial statements For the year 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 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

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

Deferred taxation

Deferred tax is provided on timing differences that have arisen but not reversed by the balance sheet date, where the timing differences result in an obligation to pay more tax, or a right to pay less tax, in the future. Timing differences arise because of differences between the treatment of certain items for accounting and taxation purposes. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted

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 are stated at cost less provision for impairment where necessary

Consolidated financial statements

The Company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it, and its subsidiary undertakings, are included by full consolidation in the consolidated financial statements of its parent undertaking, Interoute Communications Holdings SA, a Company registered in Luxembourg which are publicly available. Accordingly, these financial statements contain information about Mawlaw 660 Limited as an individual Company and do not contain consolidated financial information as the parent of a group

Notes to the financial statements (continued)
For the year ended 31 December 2012**2) Operating profit**

This is stated after crediting

	Year Ended 31 December 2012 €	Year ended 31 December 2011 €
Foreign exchange loss	<u>(1,461)</u>	<u>-</u>

Auditors' remuneration was borne by another group company during 2012 and 2011

3) Interest receivable and similar income

On 22 October 2012, the Company received a capital repayment of €782,985 from Via NetWorks Inc

4) Interest payable and similar charges

On 31 December 2012, the Company waived €562,278 due from Interoute Communications Limited, a related undertaking

5) Staff costs and Directors' emoluments

The Company did not employ any staff members during the year (2011 nil) and no directors received any remuneration for their services during the year (2011 €nil)

6) Tax on profit on ordinary activities

There is no corporation tax charge for the Company in 2012 (2011 €nil)

The tax assessed for the period is the same as (2011, lower than) the standard effective rate of corporation tax in the UK for the year ended 31 December 2012 of 24.5% (2011, 26.5%). The differences are explained below

	Year ended 31 December 2012 €	Year ended 31 December 2011 €
Profit before tax	<u>203,569</u>	<u>734</u>
Profit before tax multiplied by the effective rate in the UK of 24.5% (2011 26.5%)	49,874	195
Effects of		
Non tax deductible costs	166	-
Non taxable impairment	(191,831)	-
Non tax deductible waiver	137,759	-
Group Relief / surrendered/(claimed)	<u>4,032</u>	<u>(195)</u>
Corporation tax charge	<u>-</u>	<u>-</u>

As at 31 December 2012 the Company did not have any potential deferred tax assets (2011 €nil)

Mawlaw 660 Limited

Notes to the financial statements (continued) For the year ended 31 December 2012

7) Debtors

	Year Ended 31 December 2012 €	Year ended 31 December 2011 €
Tax recoverable	<u>218,836</u>	<u>-</u>

8) Creditors - amounts falling due within one year

	Year Ended 31 December 2012 €	Year ended 31 December 2011 €
Amounts owed to associated undertaking	677	-
Accruals and deferred income	15,000	-
	<u>15,677</u>	<u>-</u>

9) Investments

	2012 €	2011 €
Cost and net book value		
At 1 January and at 31 December	<u>4,140</u>	<u>4,140</u>

At 31 December 2012 the Company's subsidiary undertakings and place of incorporation were as follows

Name of Company

Interoute Holdings (Cyprus) Limited incorporated in Cyprus – 100% holding

10) Called Up Share capital

	2012 €	2011 €
Authorised		
100,000 (2011 100,000) ordinary shares of £1 each	<u>146,000</u>	<u>146,000</u>
Allotted, and fully paid		
1 (2011 1) ordinary share of £1	<u>1</u>	<u>1</u>

Notes to the financial statements (continued)
For the year ended 31 December 2012**11) Reserves**

	Other Reserves	Profit and loss account
	€	€
As at 1 January 2012	645,056	(640,917)
Profit for the year	-	203,569
As at 31 December 2012	<u>645,056</u>	<u>(437,348)</u>

12) Reconciliation of movements in equity shareholders' funds

	2012	2011
	€	€
Retained profit for the financial year	203,569	734
Opening equity shareholders' funds	<u>4,140</u>	<u>3,406</u>
Closing equity shareholders' funds	<u>207,709</u>	<u>4,140</u>

13) Related party transactions

FRS 8 "Related party transactions" requires the disclosure of the details of material transactions between reporting entities and related parties. The Company has taken advantage of exemptions under FRS 8 not to disclose transactions between other group companies. There were no other related party transactions during the year.

14) Ultimate parent undertaking and controlling party

The immediate parent undertaking is Interoute Holdings Sarl.

The ultimate parent undertaking and controlling party is Emasan AG, a company incorporated in Switzerland.

Interoute Communications Holdings S A is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements. The consolidated financial statements of Interoute Communications Holdings S A can be obtained from Company Secretary at 2-8 Avenue Charles De Gaulle, L-1653 Luxembourg.