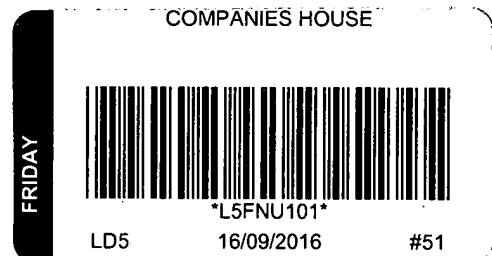


Registered number: 06487557

EASYNET CORPORATE SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2015



EASYNET CORPORATE SERVICES LIMITED

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EASYNET CORPORATE SERVICES LIMITED

COMPANY INFORMATION

Directors	C Birkett Y Jaffer J A Shearing G J Williams
Registered number	06487557
Registered office	Interoute Communications Limited 31st Floor 25 Canada Square London E14 5LQ
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Donington Court Pegasus Business Park Herald Way East Midlands DE74 2UZ
Solicitors	Travers Smith LLP 10 Snow Hill London EC1A 2AL

EASYNET CORPORATE SERVICES LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2015

The directors present their annual report and the audited financial statements for the company for the period ended 31 December 2015.

The financial statements have been prepared in Pound Sterling, the functional currency of the company.

Results and dividends

The profit for the period, after taxation, amounted to £331,000 (2014: £225,000).

The directors do not recommend the payment of a dividend (2014: Nil).

Principal activities

The company's principal activity is the provision of managed, secure, resilient wide area networks and related internet and technology services to businesses.

The company forms part of the Easynet Group, the UK's largest independent provider of managed network and hosting services. This independence facilitates the company's exceptional service and commitment to innovation which in turn enables the company to provide the best possible range of services to customers.

Directors

The directors who served during the period and up to the date of signing the financial statements, unless otherwise stated were:

C Birkett (appointed 15 October 2015)
Y Jaffer (appointed 15 October 2015)
J A Shearing (appointed 15 October 2015)
G J Williams (appointed 15 October 2015)
W W Churchill (resigned 15 October 2015)
M T Mulford (resigned 15 October 2015)
M J Thompson (resigned 15 October 2015)

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.

Future developments

As part of the integration process of the former Easynet group entities to which the company belongs into Interoute, management has planned several Easynet group entities to be merged into Easynet Global Services Limited ("EGS"). The company is among the entities planned to be merged with EGS within 12 months of the balance sheet date. Management does not envisage significant change in the actual activities of the company in the forthcoming period resulting from the merger.

EASYNET CORPORATE SERVICES LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2015

Financial risk management

The company's operations expose it to a variety of financial risks that include credit risk and liquidity risk.

(a) Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

(b) Liquidity risk

Liquidity risk is that the company does not have sufficient liquid assets to meet its obligations as they fall due. Liquidity is maintained at a prudent level and the company ensures there is an adequate liquidity buffer to cover contingencies. The company maintains sufficient cash and open committed credit lines from credit institutions to meet its funding requirements and monitors cash flow as part of its day to day control procedures.

Political contributions

During the year the Company made no donations (2014: £Nil) to any political party.

Going concern

The Company is dependent for its working capital on funds provided to it by MDNX Group Holdings Limited, its intermediate parent undertaking. MDNX Group Holdings Limited has indicated that it will continue to provide financial support by not seeking repayment of any balance due unless it is agreed by both parties and that the Company has sufficient funds to make the repayment and the Company has no reason to expect that making the repayment will cause it not to be able to pay all its other debts as they fall due for the foreseeable future.

As at the date of approval of these financial statements, the directors of the Company have no reason to believe this financial support will not be forthcoming in the event that it is required.

The Company directors have a reasonable expectation that the Company will be able to continue in existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

EASYNET CORPORATE SERVICES LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2015

Directors' responsibilities statement

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that 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 auditors are aware of that information.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, were appointed during 2015 and have indicated their willingness to continue in office. A resolution concerning their re-appointment will be proposed at the Annual General Meeting.

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

This report was approved by the board and signed on its behalf by:



C Birkett
Director

Date: 18 JULY 2016

EASYNET CORPORATE SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EASYNET CORPORATE SERVICES LIMITED

Report on the financial statements

Our opinion

In our opinion Easynet Corporate Services Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the 13 month period (the "period") 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.
-

What we have audited

Easynet Corporate Services Limited's financial statements, comprise:

- the Balance Sheet as at 31 December 2015,
- the Profit and Loss account for the period ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

EASYNET CORPORATE SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EASYNET CORPORATE SERVICES LIMITED

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK & Ireland) ("ISAs (UK & 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Directors' Report and financial statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Paul Norbury (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands

Date: 18 July 2016

EASYNET CORPORATE SERVICES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2015**

		13 months ended 2015 £000	Restated 8 months ended 30 November 2014 £000
	Note		
TURNOVER	2	2,529	1,835
Cost of sales		(1,298)	(1,086)
		<hr/>	<hr/>
GROSS PROFIT		1,231	749
Administrative expenses		(692)	(521)
Exceptional administrative expenses	6	(145)	(3)
Total administrative expenses		(837)	(524)
		<hr/>	<hr/>
OPERATING PROFIT	3	394	225
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		394	225
Tax on profit on ordinary activities	7	(63)	-
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL PERIOD	13	331	225
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and Loss Account.

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

The notes on pages 9 to 18 form part of these financial statements.

EASYNET CORPORATE SERVICES LIMITED
REGISTERED NUMBER: 06487557

BALANCE SHEET
AS AT 31 DECEMBER 2015

		31 December 2015 £000	30 November 2014 restated £000
	Note	£000	£000
FIXED ASSETS			
Tangible assets	8	7	29
CURRENT ASSETS			
Debtors	9	2,401	1,713
Cash at bank		24	36
		<u>2,425</u>	<u>1,749</u>
CREDITORS: amounts falling due within one year	10	<u>(2,797)</u>	<u>(2,474)</u>
NET CURRENT LIABILITIES		<u>(372)</u>	<u>(725)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(365)</u>	<u>(696)</u>
CAPITAL AND RESERVES			
Called up share capital	12	1	1
Profit and loss account	13	<u>(366)</u>	<u>(697)</u>
TOTAL SHAREHOLDERS' DEFICIT	15	<u>(365)</u>	<u>(696)</u>

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



C Birkett
Director

Date: 18 July 2016

The notes on pages 9 to 18 form part of these financial statements.

EASYNET CORPORATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

These financial statements are prepared on the going concern basis under the historical cost convention, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principle accounting policies, which have been applied consistently throughout the period, are set out below.

1.2 Going concern

The Company is dependent for its working capital on funds provided to it by MDNX Group Holdings Limited, its intermediate parent undertaking. MDNX Group Holdings Limited has indicated that it will continue to provide financial support by not seeking repayment of any balance due unless it is agreed by both parties and that the Company has sufficient funds to make the repayment and the Company has no reason to expect that making the repayment will cause it not to be able to pay all its other debts as they fall due for the foreseeable future.

As at the date of approval of these financial statements, the directors of the Company have no reason to believe this financial support will not be forthcoming in the event that it is required.

The Company directors have a reasonable expectation that the Company will be able to continue in existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

1.3 Cash flow statement

The Company is a wholly owned subsidiary company of a group headed by Interoute Communications Holdings S.A., and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996) 'Cash flow statements'.

1.4 Turnover

Turnover represents amounts earned from the provision of telecommunication services (net of value added tax).

Revenue from the provision of telecommunication services is recognised rateably over the period in which the service is provided. Amounts invoiced in advance are shown as deferred income and recognised as turnover in the period in which the service is provided. Amounts invoiced in arrears are shown as accrued income and recognised as turnover in the period in which the service is provided.

Connection fees are recognised as turnover over the expected customer relationship period. For the majority of services the Directors have estimated the expected customer relationship period to be three years.

Since the acquisition of the Easynet Group, management have reviewed and assessed all accounting policies to ensure these are in line with the accounting policies of the Interoute Group.

In doing so management have determined a need to change accounting policies surrounding recognition of installation income associated with assets held at customer sites. See note 14.

EASYNET CORPORATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.5 Tangible assets and depreciation

Tangible assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery	-	3 - 5 years
Fixtures and fittings	-	5 years
Computer equipment	-	3 - 5 years

Since the acquisition of the Easynet Group, management have reviewed and assessed all accounting policies to ensure these are in line with the accounting policies of the Interoute Group.

In doing so management have determined a need to change accounting policies surrounding recognition of installation income and depreciation associated with assets held at customer sites. See note 14.

Assets are reviewed for impairments annually. Impairments are charged to the Profit and Loss account.

1.6 Exceptional items

Material items which derive from events or transactions that fall outside the ordinary activities of the Group, individually or, if of a similar type, in aggregate, need to be disclosed by virtue of their size or incidence for the financial statements to give a true and fair view.

1.7 Deferred taxation

Deferred tax is provided, except as noted below, on timing difference 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.

In accordance with FRS 19, deferred tax is not provided on timing difference arising from:

- Gains on the sale of non-monetary assets where, on the basis of all available evidence, it is more likely than not that the taxable gain will be rolled over into replacement assets;
- Extra tax payable on the unremitted earnings of the overseas subsidiaries and associate where there is no commitments to remit these earnings; and
- Fair value adjustment gains to fixed assets and stock to uplift prices to those ruling when an acquisition is made.

Net 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.

1.8 Pensions

Pension contributions are made by the company to the defined contribution pension schemes for certain employees. Contributions payable in the period are charged to the profit and loss account. Differences between contributions payable in the period and contributions paid are shown as either accruals or prepayments in the balance sheet.

EASYNET CORPORATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.9 Operating leases

Rentals under operating leases are charged to the Profit and Loss account on a straight line basis over the lease term.

Benefits received and receivable (lease incentives) are recognised over the lease term on a straight line basis.

1.10 Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Profit and Loss account.

1.11 Changes in accounting policy

Previously, fixed assets held at customer sites were depreciated over 4 years, also capitalised labour was previously amortised over 3 years.

This has been changed and further details are set out under 'Tangible assets and depreciation' and in note 14.

Similarly, previously installation revenue was recognised in the period, if it related to separately identifiable installation revenue, and over 3 years if it was not separately identifiable. This has been changed and further details are set out under 'Turnover' and in note 14.

2. TURNOVER

The whole of turnover is attributable to managed hosting and network services.

All turnover arose within the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging:

	13 months ended 31 December 2015 £000	8 months ended 30 November 2014 £000
Depreciation of tangible fixed assets: - owned by the company	22	7

EASYNET CORPORATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

4. AUDITORS' REMUNERATION

	13 months ended 31 December 2015 £000	8 months ended 30 November 2014 £000
Fees payable to the Group's auditors for the audit of the Group's financial statements	20	1

Auditors' remuneration of £20,000 (2014: £Nil) has been borne by Interoute Communications Limited on behalf of Easynet Corporate Services Limited. No recharge has been made to the company for such costs.

5. STAFF COSTS AND DIRECTORS' REMUNERATION

The Company has no employees other than the directors.

The emoluments of the directors prior to the Interoute acquisition of the Easynet group were paid by MDNX Group Holdings Limited, which made no recharge to the company, they were directors of MDNX Group Holdings Limited and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of these subsidiaries. Accordingly no emoluments in respect of these subsidiaries is included. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of MDNX Group Holdings Limited.

The emoluments of 1 of the directors is paid by the intermediate parent company, Interoute Communications Limited, which makes no recharge to the company. As the director was a director of Interoute Communications Limited and a number of fellow subsidiaries it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, no emoluments in respect of this director is included in staff costs. The total emoluments for this director are included in the aggregate of directors' emoluments disclosed in the financial statements of Interoute Communications Limited.

The emoluments of 1 of the directors is paid by the intermediate parent company, Interoute Communications Holdings SA, which makes no recharge to the company. As the director was a director of Interoute Communications Holdings SA and a number of fellow subsidiaries it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, no emoluments in respect of this director is included in staff costs. The total emoluments for this director are included in the aggregate of directors' emoluments disclosed in the financial statements of Interoute Communications Holdings SA.

The emoluments of the 2 remaining directors are paid by other group subsidiaries, which make no recharge to the company. As the directors were a director of a number of group subsidiaries, it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, no emoluments in respect of these directors are included in staff costs.

EASYNET CORPORATE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015**

6. EXCEPTIONAL ITEMS

	13 months ended 31 December 2015 £000	8 months ended 30 November 2014 £000
Restructuring costs	145	-
Historic acquisitions	-	3
	145	3

Exceptional items consist of a combination of costs in relation to redundancy, business restructuring and onerous leases.

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	13 months ended 31 December 2015 £000	8 months ended 30 November 2014 £000
Analysis of tax charge in the period		
Current tax (see note below)		
UK corporation tax charge on profit for the period	-	-
Deferred tax (see note 11)		
Origination and reversal of timing differences	63	-
Tax on profit on ordinary activities	63	-

EASYNET CORPORATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

7. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2014: lower than) the standard rate of corporation tax in the UK of 20.31% (2014: 21%). The differences are explained below:

	13 months ended 31 December 2015 £000	Restated 8 months ended 30 November 2014 £000
Profit on ordinary activities before tax	<u>394</u>	<u>225</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.31% (2014: 21%)	<u>80</u>	<u>47</u>
Effects of:		
Group relief received for nil payment	<u>(80)</u>	<u>(47)</u>
Current tax charge for the period	<u><u>-</u></u>	<u><u>-</u></u>

A deferred tax asset has not been recognised in respect of losses carried forward, fixed assets and short term timing differences as there is insufficient evidence that it will be recovered. The amount of the net asset not recognised is £5,000 (2014: £Nil). The asset would be recovered if the Company makes sufficient taxable profits against which it could be offset.

Factors that may affect future tax charges

The July 2015 budget statement announced changes to the UK Corporation tax rate which will reduce the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. This change was substantively enacted on 26 October 2015.

The March 2016 budget statement announced a further change to the UK Corporation tax rate which will now reduce the main rate of corporation tax to 17% from 1 April 2020. As the change has not been substantively enacted at the balance sheet date its effects are not included in these financial statements.

EASYNET CORPORATE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015**

8. TANGIBLE ASSETS

	Plant and machinery £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 December 2014 and 31 December 2015	50	51	13	114
Accumulated depreciation				
At 1 December 2014 (as previously stated)	47	51	9	107
Prior period adjustment (note 14)	(11)	(11)	-	(22)
At 1 December 2014 (as restated)	36	40	9	85
Charge for the period	8	10	4	22
At 31 December 2015	44	50	13	107
Net book value				
At 31 December 2015	6	1	-	7
At 30 November 2014 (as restated)	14	11	4	29

9. DEBTORS

	31 December 2015 £000	30 November 2014 £000
Trade debtors	285	498
Amounts owed by group undertakings	2,084	1,044
Other debtors	3	8
Prepayments and accrued income	29	100
Deferred tax asset (see note 11)	-	63
	<u>2,401</u>	<u>1,713</u>

No Interest is charged on amounts owed by other Group companies. These amounts are repayable on demand.

**10. CREDITORS:
Amounts falling due within one year**

	31 December 2015 £000	As restated 30 November 2014 £000
Amounts owed to group undertakings	2,577	2,119
Other taxation and social security	13	146
Other creditors	25	-
Accruals and deferred income	182	209
	<u>2,797</u>	<u>2,474</u>

No Interest is charged on amounts owed to other Group companies. These amounts are repayable on demand.

EASYNET CORPORATE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015**

11. DEFERRED TAXATION

	31 December 2015 £000	30 November 2014 £000
At beginning of period	63	63
Released to Profit and Loss account	(63)	-
	<u> </u>	<u> </u>
At end of period	<u> </u> -	<u> </u> 63

The deferred taxation balance is made up as follows:

	31 December 2015 £000	30 November 2014 £000
Tax losses carried forward	-	63
	<u> </u>	<u> </u>

12. CALLED UP SHARE CAPITAL

	31 December 2015 £000	30 November 2014 £000
Allotted, called up and fully paid		
1,000 (2014: 1,000) Ordinary shares of £1 (2014: £1) each	1	1
	<u> </u>	<u> </u>

13. PROFIT AND LOSS ACCOUNT

	Profit and loss account £000
At 1 December 2014 (as previously stated)	(637)
Prior period adjustment - accounting policy change	(60)
	<u> </u>
At 1 December 2014 (as restated)	(697)
Profit for the financial period	331
	<u> </u>
At 31 December 2015	<u> </u> (366)

EASYNET CORPORATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

14. PRIOR YEAR ADJUSTMENT

During the period the company changed some accounting policies which had the following impact

	2014 £000
Revenue recognition	(82)
Old policy: separately identifiable installation revenue is recognised in the period with non separately identifiable installation revenue recognised over 3 years.	
New policy: All revenue recognised over 3 years.	
Depreciation of Assets	
Old policy: Assets at customer site depreciated over 4 years. Capitalised labour amortised over 3 years.	22
New policy: Assets at customer site depreciated over 5 years. Capitalised labour amortised over 5 years.	
Additional Profit/(loss)	<u>(60)</u>

Since the acquisition of the Easynet Group, Management have reviewed and assessed all accounting policies to ensure these are in line with the accounting policies of the Interoute Group.

In doing so management have determined a need to change accounting policies surrounding recognition of installation income and depreciation associated with assets held at customer sites.

As a result of the change in policy as highlighted above, management have accounted for these retrospectively, reducing revenue by £82,000 and depreciation costs by £22,000.

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	31 December 2015 £000	As restated 30 November 2014 £000
Opening shareholders' deficit	(636)	(922)
Prior year adjustments	(60)	
Opening shareholders' deficit (as restated)	<u>(696)</u>	
Profit for the financial period	331	225
Shares issued during the period	-	1
Closing shareholders' deficit	<u>(365)</u>	<u>(696)</u>

16. SECURITIES GIVEN

Bank loans and facilities elsewhere in the group are secured by debentures which include the assets of Easynet Corporate Services Limited. In particular this includes the €350m fixed and €240m floating rate notes issued by Interoute Finco Plc and the Revolving Credit Facility for up to €75m held by Interoute Communications Limited.

EASYNET CORPORATE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015**

17. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available under Financial Reporting Standard (FRS) No. 8 'Related Party Disclosures' not to disclose transactions between entities whose voting rights are 100% controlled within the Interoute Group of companies. The financial statements for this company are publicly available at the address within Note 18.

18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The directors consider the Company's immediate parent undertaking to be Octium Limited, a Company incorporated in the United Kingdom.

Consolidated financial statements of Interoute Communications Holdings S.A., the intermediate parent undertaking of Interoute Communications Limited, can be obtained from the Company Secretary at RCS Luxembourg B 109,434, Carre bonn - 2-8 Avenue Charles De Gaulle, L-1653, Luxembourg. Interoute Communications Holdings S.A. 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.