

Global Digital Trading Services Limited
(Registered Number 7056353)

Annual report
for the period from 24 October 2009 (date of incorporation)
to 28 February 2011

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Global Digital Trading Services Limited

Directors' report and financial statements

for the period from 24 October 2009 (date of incorporation) to 28 February 2011

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Global Digital Trading Services Limited

Company information

		Appointed on
Directors:	Johannes Elias William Carstens Adriaan Jacobus Otto Van Der Westhuizen	24 October 2009 24 October 2009
Administrator and Secretary:	PriceWaterhouseCoopers Legal LLB 1 Embankment Place London WC2N 6DX	
Registered office:	12 Plumptre Court London EC4A 4HT	
Auditors:	PKF (UK) LLP Farringdon Place 20 Farringdon Road London EC1M 3AP	

Global Digital Trading Services Limited

Directors' report

The directors present their report and the separate financial statements of Global Digital Trading Services Limited (the "Company") for the period from 24 October 2009 (date of incorporation) to 28 February 2011.

Principal activity

The principal activities of the Company are to provide IT and telecommunications related services.

Business review

There was no change in the business activities compared to that of the previous year. The purchase of bandwidth capacity and related services remain the company's main focus.

Results

The results for the year are set out in the statement of comprehensive income on page 7

Future developments

The directors expect to continue with the company's principle activity for the forthcoming year

Operating risks

The main operational risk relates to accounts receivable being collected and accounts payable thus being able to be paid. This risk is mitigated by shareholders support.

Directors

The directors who held office during the year were

Johannes Elias William Carstens (appointed 24 October 2009)

Adriaan Jacobus Otto Van Der Westhuizen (appointed 24 October 2009)

Disclosure of Information to Auditors

Each of the director s has confirmed that

- (a) so far as he is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) he has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board

Director

27 June 2011

Johannes Elias William carstens

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 elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. 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 judgments and estimates that are reasonable and prudent,
- state whether the financial statements have been prepared in accordance with IFRSs as adopted by the European Union
- 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL DIGITAL TRADING SERVICES LIMITED

We have audited the financial statements of Global Digital Trading Services Limited for the period ended 28 February 2011 which comprise the statement of financial position, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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 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.

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 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 28 February 2011 and of its profit for the period then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

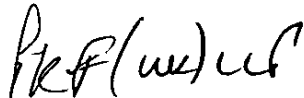
Opinion on other matter prescribed by the Companies Act 2006

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.



Jason Homewood (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditor
London, UK

1 July 2011

Global Digital Trading Services Limited

Statement of comprehensive income

for the period from 24 October 2009 (date of incorporation) to 28 February 2011

	Note	USD
Revenue	4	20,893,788
Cost of sales: Bandwidth		(15,970,621)
Gross profit		<u>4,923,167</u>
Administration costs		
Intersat fees		(646,008)
Secretarial fees		(4,537)
		<u>(650,545)</u>
Profit before taxation		4,272,622
Taxation	6	(3,037,167)
Profit for the period		<u>1,235,455</u>
Other comprehensive income		-
Total comprehensive income for the period		<u><u>1,235,455</u></u>

The notes on pages 11 to 18 form part of these financial statements

Global Digital Trading Services Limited
(Registered Number 7056353)

Statement of financial position
at 28 February 2011

	Note	USD
ASSETS		
Current assets		13,815,187
Trade and other receivables	7	13,815,087
Loans	8	100
Total assets		<u>13,815,187</u>
EQUITY AND LIABILITIES		
Shareholders' equity		1,235,555
Share capital	9	100
Retained earnings		1,235,455
Current liabilities		12,579,632
Trade and other payables	10	9,542,465
Taxation	6	3,037,167
Total equity and liabilities		<u>13,815,187</u>

Approved by the Board of Directors and authorised for issue on 27 JUNE 2011

.....
Director

.....
Director

Johannes Elias William Carstens

The notes on pages 11 to 18 form part of these financial statements

Global Digital Trading Services Limited

Statement of changes in equity

for the period from 24 October 2009 (date of incorporation) to 28 February 2011

	Share capital USD	Retained earnings USD	Total USD
<i>Total comprehensive income</i>			
Profit for the period	-	1,235,455	1,235,455
<i>Transactions with owners</i>			
Issued during the period	100	-	100
Balance at 28 February 2011	100	1,235,455	1,235,555

The notes on pages 11 to 17 form part of these financial statements

Global Digital Trading Services Limited

Statement of cash flows

for the period from 24 October 2009 (date of incorporation) to 28 February 2011

	USD
Cash flows from operating activities	
Profit for the period before taxation	
	<u>4,272,622</u>
Operating profit before working capital changes	4,272,622
Change in trade and other receivables	(10,777,920)
Change in trade and other payables	9,542,465
Withholding tax	<u>(3,037,167)</u>
Net cash flow from operating activities	<u>-</u>
Cash flows from investing activities	
Issue of shares	100
Loan advanced	<u>(100)</u>
Net cash used in investing activities	<u>-</u>
Movement in cash and cash equivalents	-
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	<u>-</u>

The notes on pages 11 to 18 form part of these financial statements

Global Digital Trading Services Limited

Notes to and forming part of the financial statements

for the period from 24 October 2009 (date of incorporation) to 28 February 2011

1. General information

The Company was incorporated as a private company limited by shares in the United Kingdom on 24 October 2009.

2 Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations as issued by the International Accounting Standard Board ("IASB") and as adopted for use in the European Union

Basis of measurement

The financial statements have been prepared on a historical cost basis.

Functional and presentation currency

The financial statements are presented in United States Dollar (USD) which is the Company's functional currency and presentation currency. The exchange rate at 28/2/11 was \$1.63.£1

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected

Global Digital Trading Services Limited

Notes to and forming part of the financial statements

for the period from 24 October 2009 (date of incorporation) to 28 February 2011

3 Significant accounting policies

The principal accounting policies set out below have been applied consistently to all periods presented in these financial statements

Foreign currency translation

Transactions in foreign currencies are translated to USD at the foreign exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to USD at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to USD at foreign exchange rates ruling at the dates the fair values were determined. Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income.

Taxation

Income tax on the profit or loss for the period comprises of current and deferred tax. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable in respect of prior period.

Deferred tax is provided using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Cash and cash equivalents

Cash and cash equivalents comprise current deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Global Digital Trading Services Limited

Notes to and forming part of the financial statements
for the period from 24 October 2009 (date of incorporation) to 28 February 2011

3 Significant accounting policies (continued)

Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if they have the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in making financial and operating decisions, or vice versa, or where the Company is subject to common control or common significant influence. Related parties may be individuals or other entities.

Financial instruments

Financial instruments carried on the statement of financial position consist of loan receivable, trade and other receivable, cash and cash equivalents, loans and trade and other payables. The particular recognition method adopted is disclosed in the individual policy statements associated with each item.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Disclosures about financial instruments to which the Company is a party are provided in note 11.

Trade and other receivables

Trade and other receivables are stated at their nominal value.

Trade and other payables

Trade and other payables are stated at their nominal value.

Global Digital Trading Services Limited

Notes to and forming part of the financial statements
for the period from 24 October 2009 (date of incorporation) to 28 February 2011

3 Significant accounting policies (continued)

Revenue recognition

Turnover is recognised on the accruals basis in accordance with the substance of agreements entered into with customers

Expense recognition

All expenses are accounted for in the statement of comprehensive income on the accruals basis.

4 Sales

Sales represent income recognised from the sale of undersea bandwidth capacity.

5. Auditors' remuneration

Audit fees of £1,850 were payable in the year

Global Digital Trading Services Limited

Notes to and forming part of the financial statements

for the period from 24 October 2009 (date of incorporation) to 28 February 2011

6. Taxation

	USD
<i>Current tax</i>	
UK corporation tax at 28%	1,196,334
Double taxation relief *	<u>(1,196,334)</u>
After double taxation relief	-
Foreign taxation	<u>3,037,167</u>
Total current tax charge/ (credit)	<u><u>3,037,167</u></u>
<i>Deferred tax</i>	
Movement during and balance at end of period	<u>-</u>

A reconciliation of the current tax expense based on accounting profit and actual corporation tax expense is as follows

	USD
Profit for the period before taxation	<u>4,272,622</u>
Corporation tax at 28%	1,196,334
Disallowed expenses	-
Income not subject to tax	-
Foreign tax credits not used *	<u>1,840,833</u>
Current tax expense	<u><u>3,037,167</u></u>

- * Kenyan withholding tax suffered on sales income is only allowed as a credit against United Kingdom tax computed by reference to the same profits or income on which the Kenyan tax is computed. The Kenyan tax is more than sufficient to extinguish the UK tax liability, although the excess Kenyan tax cannot be carried forward against future UK profits.

Global Digital Trading Services Limited

Notes to and forming part of the financial statements
for the period from 24 October 2009 (date of incorporation) to 28 February 2011

7 Trade and other receivables

	USD
Trade receivables	10,777,919
Amount due from holding company (note 11(i))	
Withholding tax recoverable	3,037,167
	<u>13,815,087</u>

At 28 February 2011, the trade receivables were neither past due nor impaired

8. Non-interest bearing loan

	USD
Interest free loan to ADI Mauritius	<u>100</u>

9 Share capital

Authorised, issued and fully paid

100 ordinary shares of USD 1 each	<u>100</u>
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10. Trade and other payables

	USD
Amount due to related entities (note 11 (iv) and (v))	<u>9,542,465</u>

Global Digital Trading Services Limited

Notes to and forming part of the financial statements
for the period from 24 October 2009 (date of incorporation) to 28 February 2011

11 Related party transactions

During the period ended 28 February 2011, the Company transacted with related parties. The nature, volume of transactions and balances were as follows

	USD
<i>(i) Transactions with Kenya Data Networks (close family member of ultimate controlling party)</i>	
Sales	<u>20,247,780</u>
<i>(ii) Amount due from Kenya Data Networks (close family member of ultimate controlling party)</i>	
Trade receivables	<u>10,777,919</u>
<i>(iii) Transactions with Altech Data International (parent company)</i>	
Purchase of undersea bandwidth capacity	<u>15,970,621</u>
<i>(iv) Amount due to Altech Data International (parent company)</i>	
Trade payables	<u>9,537,927</u>
<i>(v) Amount due to Altech Management Services (close family member of ultimate controlling party)</i>	
Secretarial services rendered	<u>4,538</u>

12. Financial instruments and associated risks

Fair value

The Company's financial assets and liabilities consist of loan receivable, trade and other receivables, cash and cash equivalents, loans and trade and other payables. The carrying amount of trade and other payables approximate their fair values. The nature and extent of the financial instruments outstanding at the statement of financial position date and the risk management policies employed by the Company are discussed overleaf.

Global Digital Trading Services Limited

Notes to and forming part of the financial statements
for the period from 24 October 2009 (date of incorporation) to 28 February 2011

Fair value versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows

	Carrying amount USD	Fair value USD
Trade and other receivables	13,815,087	13,815,087
Loans	100	100
Trade and other payables	(9,542,465)	(9,542,465)

Financial risk management

Credit risk

Credit risk represents the potential loss that the Company would incur if counter-parties fail to perform pursuant to the terms of their obligations to the Company. At the statement of financial position date, the maximum exposure to credit risk is limited to the carrying amount of loan receivable. The Company monitors its debt collection closely to minimise the risk on trade receivables. Cash and cash equivalents are kept with reputable institutions so as to minimise the associated credit risk.

Liquidity risk

This refers to availability of funds for the Company to meet its financial obligations as they fall due. The Company pays out its obligations from finance received from its related companies.

13 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company defines "capital" as including all components of equity. The capital structure of the Company at 28 February 2011 was made up of share capital, and retained earnings.

Global Digital Trading Services Limited

Notes to and forming part of the financial statements

for the period from 24 October 2009 (date of incorporation) to 28 February 2011

13 Capital management (continued)

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (current and non-current borrowings) less cash and cash equivalents. Total capital is calculated as equity shown in the statement of financial position plus net debt.

	USD
Debt	12,579,632
Cash and cash equivalents	-
Net debt	<u>12,579,632</u>
Equity	<u>1,235,555</u>
Total capital	<u>13,815,187</u>
Gearing ratio	0.91

14. Holding and ultimate holding entities

The directors consider Altech Data International Mauntius Limited, an unquoted company incorporated in the Mauntius, as the Company's immediate parent company and Allied Technologies Limited, a company incorporated in the Republic of South Africa and listed on the Johannesburg Stock Exchange, as the Company's ultimate holding company.

The ultimate holding company prepares consolidated financial statements in accordance with IFRS and these are available at the registered address of the company at 79 Central Street, Houghton 2198, Postal Address, PO Box 153, Bergvlei 2012, Republic of South Africa.

15. Comparatives

There are no comparatives as these are the first financial statements prepared by the Company since its incorporation on 24 October 2009.