

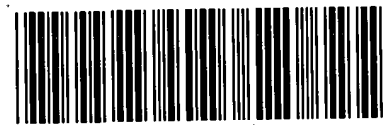
Registered number: 07954217

**DATUM DATACENTRES LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**DATUM DATACENTRES LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	J Jones (resigned 13 September 2021) D Phillips P Morris K Liu (appointed 13 September 2021) M Fowle (resigned 1 April 2022) S Liddell (appointed 1 April 2022) M Richards (appointed 1 July 2022)
<b>Company secretary</b>	P Howard (resigned 13 September 2021) P Howard (re-appointed 1 November 2021)
<b>Registered number</b>	07954217
<b>Registered office</b>	Cody Technology Park Old Ively Road Farnborough GU14 0LX
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1st Floor One Valpy 20 Valpy Street Reading RG1 1AR

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**DATUM DATACENTRES LIMITED**

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**DATUM DATACENTRES LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present their report and the financial statements for the year ended 31 December 2021.

**Principal activity and business review**

The principal activity of Datum Datacentres Limited is to provide collocation services as a Platform for Digital Transformation to a mix of Tier 1 Enterprise and Service Providers.

With its strong and resilient business model underpinned by a robust client base, Datum performed strongly during the pandemic exceeding growth targets in 2021 and completing another data centre hall build. 11 new clients were added, and several important contract renewals completed. Growth continues to be impressive from the existing client and partner bases, a trend we expect to continue.

Recurring revenue increased by 22% from the previous year to £6.51m (2020 £5.35m) as occupancy in the datacentre increased. Earnings before interest, tax, depreciation, and amortisation (EBITDA), the directors' principal measure of profit performance increased by 67% to £2.19m (2020 £1.3m) after excluding exceptional and group related expenses. See Note 3 for further details.

On a run rate basis Datum exited 2021 at a quarterly run rate recurring revenue of £6.72m having entered the year at £5.94m. EBITDA performance has been similarly encouraging exiting the year at a positive quarterly run rate EBITDA of £2.16m (2020 £1.64m). We expect both metrics to continue to progress.

With an established position as a premium provider at a competitive price point Datum is well placed to continue to grow its client list of FTSE 250 and Fortune 500 clients.

In September 2021 after 9 years under the ownership of Darwin LLP, the Ultimate parent company of the business (Datum Topco Ltd) changed ownership to UBS Asset Management UK Ltd and is part of the Archmore International Fund III GP s.a.r.l investment fund. The acquisition by UBS will allow faster expansion over the coming years with access to capital for any further investments and also M&A activities. Furthermore with the acquisition of the business in September 2021 by UBS Asset Management Datum now has a new long-term investor. This provides certainty to our clients & business partners and will support our growth ambitions.

The Company has a small amount of bank debt (£700k) and asset finance (£1.3m), the majority of the companies debt is an intercompany loan for £23m due to the change of ownership and group structure in September 2021.

The Company had cash reserves of £904k at the 31 December 2021 (2020 £1.03m).

**Directors**

The directors who served during the year were:

J Jones (resigned 13 September 2021)  
D Phillips  
P Morris  
K Liu (appointed 13 September 2021)  
M Fowle (resigned 1 April 2022)

The Company purchased and throughout the year, maintained appropriate insurance cover in respect of Directors' and Officers' liabilities.

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**DATUM DATACENTRES LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Directors' responsibilities statement**

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and 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 to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

**Going concern**

The directors have a reasonable expectation, consistent with their forecasting procedures and the repayments due on the various loans within the group, that the Company and the group have adequate resources to continue in operational existence for the foreseeable future. The directors have also considered the uncertainty of the current ongoing macroeconomic environment e.g. rising costs, and are satisfied that the robust nature of the business model including long term contracts minimises any risk. Consequently, they continue to adopt the going concern basis in preparation of the annual report and accounts. See Note 2.2 for further details.

**Disclosure of information to auditor**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors 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 auditor is aware of that information.

**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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**DATUM DATACENTRES LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 06/09/2022 and signed on its behalf.

*Dominic Phillips*

**D Phillips**  
Director  
6/9/2022



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DATUM DATACENTRES LIMITED

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### Opinion

We have audited the financial statements of Datum Datacentres Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DATUM DATACENTRES LIMITED  
(CONTINUED)**

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Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DATUM DATACENTRES LIMITED  
(CONTINUED)**

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**Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which 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; or

**Responsibilities of directors for the financial statements**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DATUM DATACENTRES LIMITED  
(CONTINUED)**

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**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We enquired of management and those charged with governance, the Company's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management and those charged with governance whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We corroborated our enquiries through our review of board minutes
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 102 and the Companies Act 2006).
- In addition, we concluded that there are certain regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee matters, environmental matters, data protection, and bribery and corruption practices.
- We communicated relevant laws and regulations and potential fraud risks to engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
  - journal entries that impacted profit
  - potential management bias in determining accounting estimates. This includes assessment of any impairment indicators over the datacentre and the deferred tax asset.
- Our audit procedures involved:
  - journal entry testing, with a focus on profit impacting journals
  - challenging assumptions and judgements made by management in its significant accounting estimates. This includes assessment of any impairment indicators over the datacentre and the deferred tax asset.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DATUM DATACENTRES LIMITED  
(CONTINUED)**

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- In addition, we completed audit procedures to conclude on the compliance of disclosures in the Directors Report and accounts with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

**Use of our report**

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.

*Grant Thornton UK LLP*

Steven Cenci FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Reading  
Date: 6/9/2022

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**DATUM DATACENTRES LIMITED**


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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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	Note	2021 £000	2020 £000
Turnover		6,907	5,528
Cost of sales		(4,145)	(3,497)
<b>Gross profit</b>		<u>2,762</u>	<u>2,031</u>
Administrative expenses		(2,566)	(2,323)
<b>Operating profit/(loss)</b>		<u>196</u>	<u>(292)</u>
Interest payable and similar expenses	7	(2,727)	(2,451)
<b>Loss on ordinary activities before taxation</b>		<u>(2,531)</u>	<u>(2,743)</u>
Tax charge		224	310
<b>Loss for the year</b>		<u><u>(2,307)</u></u>	<u><u>(2,433)</u></u>

There were no recognised gains and losses for 2021 or 2020 other than those included in the profit and loss account.

Earnings before interest, tax, depreciation, and amortisation (EBITDA), one of the directors' principal measure of performance increased to £2.19m (2020: £1.3m) after excluding exceptional and group related expenses. Please see Note 3 for further details.

The notes on pages 12 to 23 form part of these financial statements.

**DATUM DATACENTRES LIMITED**  
**REGISTERED NUMBER:07954217**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Tangible assets	8	8,086	8,244
		<u>8,086</u>	<u>8,244</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	9	356	207
Debtors: amounts falling due within one year	9	1,602	1,906
Cash at bank and in hand	10	904	1,032
		<u>2,862</u>	<u>3,145</u>
Creditors: amounts falling due within one year	11	(24,912)	(3,950)
<b>Net current liabilities</b>		<u>(22,050)</u>	<u>(805)</u>
<b>Total assets less current liabilities</b>		<u>(13,964)</u>	<u>7,439</u>
Creditors: amounts falling due after more than one year	12	(1,535)	(20,631)
<b>Net liabilities</b>		<u>(15,499)</u>	<u>(13,192)</u>
<b>Capital and reserves</b>			
Called up share capital		1	1
Share premium account	16	5,963	5,963
Profit And Loss Account	16	(21,463)	(19,156)
		<u>(15,499)</u>	<u>(13,192)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

*Dominic Phillips*

**D Phillips**  
Director

Date: 6/9/2022

The notes on pages 12 to 23 form part of these financial statements.

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**DATUM DATACENTRES LIMITED**


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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2021	1	5,963	(19,156)	(13,192)
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(2,307)	(2,307)
<b>Total comprehensive income for the year</b>	-	-	(2,307)	(2,307)
<b>At 31 December 2021</b>	<b>1</b>	<b>5,963</b>	<b>(21,463)</b>	<b>(15,499)</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2020	1	5,963	(16,723)	(10,759)
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(2,433)	(2,433)
<b>Total comprehensive income for the year</b>	-	-	(2,433)	(2,433)
<b>At 31 December 2020</b>	<b>1</b>	<b>5,963</b>	<b>(19,156)</b>	<b>(13,192)</b>

The notes on pages 12 to 23 form part of these financial statements.

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**DATUM DATACENTRES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1. General information**

Datum Datacentres Limited, registered number 07954217, is a private limited company limited by shares incorporated in England & Wales. Its registered office is located at Cody Technology Park, Farnborough, Hampshire, GU14 0LX.

**2. Accounting policies****2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The financial statements are presented in Sterling (£) and rounded to the nearest thousand (£'000).

The following principal accounting policies have been applied:

**2.2 Going concern**

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The directors have reviewed the working capital requirements of the Company for a period of at least 12 months from the anticipated date of signing of the financial statements and are satisfied that the Company will be able to meet its liabilities as they fall due. The directors have also considered the uncertainty of the current ongoing macroeconomic environment and are satisfied that the robust nature of the business model including long term contracts minimises any risk.

Recurring revenue increased by 22% from the previous year to £6.51m (2020 £5.35m) as occupancy in the datacentre increased. Earnings before interest, tax, depreciation, and amortisation (EBITDA), the directors' principal measure of profit performance increased by 67% to £2.19m (2020 £1.3m) after excluding exceptional and group related expenses.

On a run rate basis Datum exited 2021 at a quarterly run rate recurring revenue of £6.72m having entered the year at £5.94m. EBITDA performance has been similarly encouraging exiting the year at a positive quarterly run rate EBITDA of £2.16m (2020 £1.64m). We expect both metrics to continue to progress.

With an established position as a premium provider at a competitive price point Datum is well placed to continue to grow its client list of FTSE 250 and Fortune 500 clients.

In September 2021 after 9 years under the ownership of Darwin LLP, the Ultimate parent company of the business (Datum Topco Ltd) changed ownership to UBS Asset Management UK Ltd and is part of the Archmore International Fund III GP s.a.r.l investment fund. The acquisition by UBS will allow faster expansion over the coming years with access to capital for any further investments and also M&A activities.

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**DATUM DATACENTRES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.2 Going concern (continued)**

The Company has a small amount of bank debt (£700k) and asset finance (£1.3.m) , the majority of the Company's debt is an intercompany loan for £23m due to the change of ownership in September 2021. Although the intercompany loan is repayable on demand, the directors have considered it unlikely that this will need to be repaid within the next 12 months due to the continued improving performance of the business and the future working capital requirements. As detailed in the post balance sheet event note, the company has received a further £7 million of funds in 2022 from the group for further expansion . The directors have also obtained a letter of support from Franklin Bidco Limited, the provider of the loan, to support that the loan will not be required to repay within 12 months from approval of the financial statements.

Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Deployment revenues are recognised over the length of the set-up period on a percentage of completion basis. Recurring revenues are recognised on a straight-line basis, from a pre-defined date explicit in each contract, to the end of the contract. Flow-through revenues are recognised in full once fulfillment has been achieved.

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**DATUM DATACENTRES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)****2.4 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**2.5 Leased assets: the Company as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.6 Sale and leaseback**

Where a sale and leaseback transaction results in a finance lease, no gain is immediately recognised for any excess of sales proceeds over the carrying amount of the asset. Instead, the proceeds are presented as a liability and subsequently measured at amortised cost using the effective interest method.

When a sale and leaseback transaction results in an operating lease, and it is clear that the transition is established at fair value any profit or loss is recognised immediately. If the sale price is below fair value, any profit or loss is recognised immediately unless the loss is compensated for by the future lease payments at below market price. In that case any such loss is amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is amortised over the period for which the asset is expected to be used.

**2.7 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

**2.8 Finance costs**

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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**DATUM DATACENTRES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.9 Borrowing costs**

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

**2.10 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.11 Current and deferred taxation**

Tax is recognised in the Statement of comprehensive income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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**DATUM DATACENTRES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**2. Accounting policies (continued)****2.12 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence. There is a total of £190k in Exceptional items for the year 2021 (2020: £133k).

**2.13 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Repairs and maintenance are charged to the Statement of comprehensive income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Datacentre property equipment	- 10 years
Fixtures, fittings & equipment	- 3 - 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

**2.14 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.15 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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**DATUM DATACENTRES LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
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**2. Accounting policies (continued)**
**2.16 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**3. Earnings before interest, tax, depreciation and amortisation (EBITDA) and associated group and exceptional expenses**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Loss before tax	<b>(2,531)</b>	<b>(2,743)</b>
Interest payable and similar expenses	<b>2,727</b>	<b>2,451</b>
Associated group expenses	<b>-</b>	<b>54</b>
Exceptional items	<b>190</b>	<b>133</b>
Depreciation on tangible fixed assets	<b>1,806</b>	<b>1,420</b>
<b>EBITDA and associated group and exceptional expenses</b>	<b><u>2,192</u></b>	<b><u>1,315</u></b>

**4. Auditor's remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<b>45</b>	<b>35</b>
<b>Fees payable to the Company's auditor and its associates in respect of non-audit services:</b>		
Financial statement assistance	<b>7</b>	<b>7</b>
Tax advisory services	<b>3</b>	<b>3</b>
Corporate finance advisory	<b>1,132</b>	<b>-</b>
	<b><u>1,142</u></b>	<b><u>10</u></b>

**5. Employees**

The average monthly number of employees, including directors, during the year was 11 (2020 - 11).

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**DATUM DATACENTRES LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**6. Directors' remuneration**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Directors' emoluments	<b>1,136</b>	<i>238</i>
Company pension contributions	<b>7</b>	<i>6</i>
	<b>1,143</b>	<i>244</i>

During the year retirement benefits were accruing to 1 director (*2020: 1*) in respect of defined contribution pension schemes.

The value of the Company's contributions paid to a defined benefit contribution pension scheme in respect of the highest paid director amounted to £6,500 (*2020: £6,300*).

Directors' remuneration during the year includes £1,066k which has been recharged to other group companies.

**7. Interest payable and similar charges**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Interest on loans with related parties	<b>1,953</b>	<i>2,451</i>
Interest on loans with intragroup companies	<b>738</b>	<i>-</i>
Interest on bank loans	<b>36</b>	<i>-</i>
	<b>2,727</b>	<i>2,451</i>

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**DATUM DATACENTRES LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Tangible fixed assets**

	Datacentre property equipment £000	Fixtures, fittings & equipment £000	Total £000
<b>Cost or valuation</b>			
At 1 January 2021	16,372	58	16,430
Additions	1,411	237	1,648
At 31 December 2021	<u>17,783</u>	<u>295</u>	<u>18,078</u>
<b>Depreciation</b>			
At 1 January 2021	8,144	42	8,186
Charge for the year on owned assets	1,623	183	1,806
At 31 December 2021	<u>9,767</u>	<u>225</u>	<u>9,992</u>
<b>Net book value</b>			
At 31 December 2021	<u>8,016</u>	<u>70</u>	<u>8,086</u>
At 31 December 2020	<u>8,228</u>	<u>16</u>	<u>8,244</u>

The above amounts include assets held under finance leases amounting to approximately £1.6 million at cost (2020: £2.2 million). As the substance of the transaction is a secured loan, the asset has remained on the Balance sheet and the finance reflected as a liability.

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**DATUM DATACENTRES LIMITED**


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**9. Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Due after more than one year</b>		
Deferred tax asset	<u>356</u>	<u>207</u>
	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Due within one year</b>		
Trade debtors	269	654
Other debtors	732	733
Prepayments and accrued income	423	416
Deferred taxation	178	103
	<u>1,602</u>	<u>1,906</u>

**10. Cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	<u>904</u>	<u>1,032</u>

**11. Creditors: Amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Bank loans	299	299
Trade creditors	264	730
Amounts owed to group undertakings	22,931	1,588
Other taxation and social security	173	86
Obligations under finance lease and hire purchase contracts	458	506
Accruals and deferred income	648	603
Other creditors	139	138
	<u>24,912</u>	<u>3,950</u>

Amounts owed to group undertakings includes a loan of £20,603k that was issued in September 2021. This loan accrues interest at 12% per annum. All amounts to group undertakings are repayable on demand.

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**DATUM DATACENTRES LIMITED**


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**12. Creditors: Amounts falling due after more than one year**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Amounts due to related parties	-	18,653
Amounts due on bank loans	<b>401</b>	664
Obligations under finance leases and hire purchase contracts	<b>1,134</b>	1,314
	<u><b>1,535</b></u>	<u><i>20,631</i></u>

Assets held under hire purchase contracts are secured against the assets to which they relate.

Amounts due on bank loans comprise of a bank loan with HSBC with a principal amount of £1,100,000 which is being repaid monthly over 48 months. Interest on this loan is at 4% per annum over the base rate.

The amounts due to related parties is nil at year end. This is due to the acquisition of Datum Datacentres during the year to a UBS Asset Management Fund. The previous amounts due to related parties were the Darwin loan notes, which were acquired by the UBS Asset Management Fund as part of the acquisition. The loan is now recognised as an intercompany loan at year end, and as such is recorded in the amounts owed to group undertakings within the current creditors.

**13. Financial instruments**

At the year end, there were no financial assets or liabilities required to be disclosed under FRS 102 1AC.25.

**14. Share capital**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
1,101 (2020: 1,101) Ordinary shares of £1.00 each	<u><b>1,101</b></u>	<u><b>1,101</b></u>

On 9 September 2016, 100 ordinary shares of £1 each were issued for an aggregate subscription price of £1,644,180.

On 9 September 2016, in consideration of the release of £4,300,000 of loan notes the Company issued 1,000 ordinary shares of £1 each.

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

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**DATUM DATACENTRES LIMITED**


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**15. Deferred taxation**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
At beginning of year	<b>310</b>	-
Credit to the Statement of comprehensive income during the year	<b>224</b>	<i>310</i>
<b>At the end of year</b>	<b>534</b>	<i>310</i>

The deferred tax asset is made up as follows:

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Trading losses carried forward	<b>534</b>	<i>310</i>

The deferred tax asset at the end of the year represents trading losses carried forward to offset against future taxable periods. This has been recognised in the year given the increase in EBITDA in the current year and directors' forecast for future taxable profits for the next financial period but reflects only the next three financial periods.

There remains unrecognised deferred tax assets in respect of fixed asset timing differences, other timing differences and taxable losses carried forward of over £3 million (*2020: £1.5 million*).

**16. Reserves****Called-up share capital**

Represents the nominal value of shares that have been issued.

**Share premium account**

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

**Profit and loss account**

Includes all current and prior period retained profits and losses.

**17. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £24,108 (*2020: £23,169*). Contributions totalling £Nil (*2020: £Nil*) were payable to the fund at the reporting date.

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**18. Commitments under operating leases**

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Not later than 1 year	<b>458</b>	<i>458</i>
Later than 1 year and not later than 5 years	<b>2,019</b>	<i>2,019</i>
Later than 5 years	<b>812</b>	<i>812</i>
	<b>3,289</b>	<i>3,289</i>

**19. Related party transactions**

The Company has taken advantage of the exemption provided not to disclose transactions with fellow group undertakings controlled by Datum Topco Limited where 100% of the voting rights are controlled within the group.

Amounts owed to related parties which were repaid in September 2021 comprise £20,605k of loan notes due to shareholders and certain directors. Of the £20,605k loan notes repaid £375,244 (*2020: £339,525*) was paid to directors, of which £35,720 (*2020: 44,286*) is interest accrued during the year. The loans had a 15% coupon rate.

Key management personnel, including directors, received £1,315,639 (*2020: £296,190*) for their services to the Company in the year. Of the £1,315,639 received, £1,066,306 has been recharged to other group companies.

Key management personnel consisted of 3 individuals during the 2021 financial year (*2020: 3*).

**20. Post balance sheet events**

On 21 March 2022 and 17 June 2022, the company received £1 million and £6 million respectively as part of an intra-group loan from Datum Bidco Limited. These loans accrue interest at 12% per annum and are repayable on demand.

**21. Controlling party**

The immediate parent company is Amphora Topco Limited, a private limited company incorporated in the UK.

The ultimate parent company is Archmore Infrastructure Holdings Limited, a private limited company incorporated in the UK. No consolidated accounts are prepared.

The ultimate controlling party is UBS Group AG which manages the funds that own the majority of the shares in Archmore Infrastructure Holdings Limited.