

**euNetworks Holdings Limited (Reg: 09203914)**

**Report and Financial Statements**

for the year ended 31 December 2018

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**euNetworks Holdings Limited (Reg: 09203914)**  
**Company Information**

**Directors**  
Brady Rafuse  
Richard Taylor

**Company Secretary**  
Richard Taylor

**Company Registration Number**  
09203914

**Registered Office**  
15 Worship Street  
London EC2A 2DT  
United Kingdom

**Auditor**  
BDO LLP  
55 Baker Street  
London W1U 7EU

**euNetworks Holdings Limited (Reg: 09203914)**  
**Strategic Report**  
**for the year ended 31 December 2018**

**Profile**

The Directors present their strategic report on the euNetworks Holdings Limited for the year ended 31 December 2018.

**Principal activities**

The Company is an investment holding company of its subsidiary, euNetworks Group Limited, subsequent to a group restructuring which was completed during the year in January 2018. The subsidiary holds investments that operate 15 fibre based metropolitan networks across Europe, with these networks connected by euNetworks' long haul network. euNetworks leads the market in data centre connectivity, directly connecting over 390 data centres in Europe. euNetworks is also a leading cloud connectivity provider. euNetworks offers a portfolio of metropolitan and long haul services including Dark Fibre, Wavelengths and Ethernet. Wholesale, finance, content, media, data centre and enterprise customers benefit from euNetworks' unique inventory of fibre and duct based assets that are tailored to fulfil their high bandwidth needs.

The results of all the operating subsidiaries, where appropriate, are consolidated into the euNetworks Holdings 2 Limited (formerly known as Stonepeak Spear Newco (UK) Limited), a company incorporated and domiciled in the United Kingdom financial statements.

**Business review**

The results for the year and the financial position at 31 December 2018 shown on pages 9 and 10.

**Future developments**

The Company will continue to act as an investment holding company.

**Principal Risks and Uncertainties**

A detailed review of the risks and uncertainties relating to the Group's operating activities can be found in the strategic report of the Company's immediate holding parent, euNetworks Holdings 2 Limited.

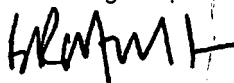
The Company's main source of risk and uncertainty is the profitability of the underlying trading group. Subject to the profitability of the underlying group, the Company has limited risk because it interacts only with fellow group companies. The liquidity and capital risks, along with credit risk relating to cash, are managed by the Company. The Company also manages its subsidiary undertakings' liquidity, capital and credit risks.

**Going concern**

After making enquiries, the Directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**Future developments**

This Strategic Report was approved by order of the Board,



Brady Rafuse  
Director

13 August 2019

**euNetworks Holdings Limited (Reg: 09203914)**  
**Directors' Report**  
**for the year ended 31 December 2018**

The Directors present their report together with the audited financial statements for the year ended 31 December 2018.

**Results and dividends**

The statement of comprehensive income is set out on page 9 and shows the loss for the year. The Directors have not recommended the payment of a dividend.

No dividends were paid or declared during the year (2017: €nil).

**Strategic report**

In accordance with the Companies' Act 2006, s414(c), information in respect of business activities, risk and future developments are shown within the Strategic Report.

**Financial risk management objectives and policies**

The Company uses financial instruments such as cash, borrowings, receivables and payables in order to raise finance for the Company and its subsidiary undertakings' operations. The existence of these instruments exposes the Company and its subsidiary undertakings to financial risks which are detailed below:

*Liquidity risk*

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved by cash balances together with bank debt facilities of €300m and a revolving credit facility of €75m. The maturity date for the debt facilities is January 2025.

At 31 December 2018, the amount drawn on the debt was €300m on term loans and €20m drawn on our revolving credit facility of €75m.

*Interest risk*

The Group is exposed to interest rate fluctuations on its borrowings to the extent that the borrowings accrue interest at a fixed margin above Euribor, with a floor on Euribor of nil. At year end the amount drawn on the Group's debt facility totalled €300m on the term loans.

The Group partially hedges its interest payments using rate caps on the Euribor.

Management do not consider either availability of future debt nor probable interest rate movements to be a significant risk to the business.

*Credit risk*

The principal credit risk for the Group arises from its trade receivables. In order to manage credit risk the finance team set credit limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controllers on a regular basis in conjunction with debt ageing and collection history.

**euNetworks Holdings Limited (Reg: 09203914)**  
**Directors' Report (cont'd.)**  
**for the year ended 31 December 2018**

**Post balance sheet events**

On 28 March 2019, the Company's subsidiary, euNetworks Group Limited, acquired 100% of the shares of Onstage Online GmbH ("Onstage"), a fibre company headquartered in Vienna, Austria.

**Political donations**

No political donations were made by the Company during the period.

**Directors**

The Directors of the Company during the year were:

Brady Rafuse

Richard Taylor

Jennifer Smith (appointed on 12 March 2018 and resigned on 28 March 2019)

Jeochim Piroth (resigned on 31 January 2018)

**Directors' responsibilities**

The Directors are responsible for preparing the strategic report, 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 101 "Reduced Disclosure Framework" ("FRS 101") 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 year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 a 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 accordingly for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**euNetworks Holdings Limited (Reg: 09203914)**  
**Directors' Report (cont'd.)**  
**for the year ended 31 December 2018**

**Auditors and disclosure of information to Auditors**

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

Each of the Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

On behalf of the Board



Brady Rafuse  
Director  
13 August 2019

**euNetworks Holdings Limited (Reg: 09203914)**  
**Independent Auditor's Report**  
**for the year ended 31 December 2018**

**Opinion**

We have audited the financial statements of EUNETWORKS HOLDINGS LIMITED ("the Company") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, 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 101 Reduced Disclosure Framework (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 2018 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**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.



**euNetworks Holdings Limited (Reg: 09203914)**  
**Independent Auditor's Report (cont'd.)**  
**Other information (cont'd.)**

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

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

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 Strategic report and Director's report.

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 by the Company, 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.

**Responsibilities of 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, 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.

**euNetworks Holdings Limited (Reg: 09203914)**  
**Independent Auditor's Report (cont'd.)**  
**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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**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.



Julian Frost (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London

13 August 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**euNetworks Holdings Limited (Reg: 09203914)**  
**Statement of comprehensive income**  
**for the year ended 31 December 2018**

	Notes	31 Dec 2018 €'000	31 Dec 2017 €'000
Administrative expenses	5	(101)	(958)
Operating loss		<u>(101)</u>	<u>(958)</u>
Finance (cost)/income and similar charges	6	(8,229)	97
Loss on ordinary activities before taxation		<u>(8,330)</u>	<u>(861)</u>
Taxation	7	-	-
Loss on ordinary activities after taxation and total comprehensive loss for the year		<u>(8,330)</u>	<u>(861)</u>

All amounts have arisen from continuing activities for both 2017 and 2018.

The accounting policies and Notes on pages 12 to 20 form part of, and should be read in conjunction with, these financial statements

**euNetworks Holdings Limited (Reg: 09203914)**  
**Statement of Financial Position**  
**as at 31 December 2018**

	Notes	31 Dec 2018 €'000	31 Dec 2017 €'000
<b>Non-current assets</b>			
Investments in subsidiaries	8	<u>225,703</u>	<u>225,703</u>
		<u>225,703</u>	<u>225,703</u>
<b>Current assets</b>			
Other receivables	9	324,068	197
Cash and cash equivalents		<u>1</u>	<u>-</u>
		<u>324,069</u>	<u>197</u>
<b>Total assets</b>		<u>549,772</u>	<u>225,900</u>
<b>Current liabilities</b>			
Other payables	10	<u>18,817</u>	<u>192</u>
<b>Non-current liabilities</b>			
Interest bearing borrowings	11	<u>313,577</u>	<u>-</u>
<b>Net assets</b>		<u>217,378</u>	<u>225,708</u>
<b>Capital and reserves</b>			
Issued capital	12	-	-
Share premium	13	225,703	225,703
Management equity plan reserve	13	866	866
Profit and loss reserve		<u>(9,191)</u>	<u>(861)</u>
<b>Shareholders' funds</b>		<u>217,378</u>	<u>225,708</u>

The financial statements were approved and authorised for issue by the Board, and signed on behalf of the Board by,



**Brady Rafuse**  
Director  
13 August 2019

The accounting policies and Notes on pages 12 to 20 form part of, and should be read in conjunction with, these financial statements

euNetworks Holdings Limited (Reg: 09203914)  
**Statement of Changes in Equity**  
for the year ended 31 December 2018

	Non-distributable			Distributable	Total equity €'000
	Share capital €'000	Share premium €'000	Management equity plan reserve €'000	Profit and loss reserve €'000	
At 1 Jan 2018	-	225,703	866	(861)	225,708
Shares issued	-	-	-	-	-
Loss for the year, representing total comprehensive income for the year	-	-	-	(8,330)	(8,330)
Total contributions by and distributions to owners:					
- Share options expense	-	-	-	-	-
<b>Balance as at 31 Dec 2018</b>	<u>-</u>	<u>225,703</u>	<u>866</u>	<u>(9,191)</u>	<u>217,378</u>
At 1 Jan 2017	-	225,703	-	-	225,703
Shares issued	-	-	-	-	-
Loss for the year, representing total comprehensive income for the year	-	-	-	(861)	(861)
Total contributions by and distributions to owners:					
- Share options expense	-	-	866	-	866
<b>Balance as at 31 Dec 2017</b>	<u>-</u>	<u>225,703</u>	<u>866</u>	<u>(861)</u>	<u>225,708</u>

The accounting policies and Notes on pages 12 to 20 form part of, and should be read in conjunction with, these financial statements

**euNetworks Holdings Limited (Reg: 09203914)**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2018**

**1. Corporate Information**

euNetworks Holdings Limited (the "Company") is a private company, limited by shares, incorporated and domiciled in the United Kingdom and registered in England. The registered office is located at 15 Worship Street, London, EC2A 2DT. The company is a wholly owned subsidiary of a group headed by euNetworks Holdings 2 Limited (formerly known as Stonepeak Spear Newco (UK) Limited), whose group consolidated financial statements are publicly available.

The functional and presentational currency for the Company is the Euro. This reflects the primary trading currency of the business.

**2. Accounting policies**

**2.1 Basis of preparation**

The policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are presented in Euros. Amounts are rounded to the nearest thousand, unless otherwise stated.

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practices including Financial Reporting Standard 101 Reduced Disclosure Framework. The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all years presented, unless otherwise stated.

The preparation of financial statements in compliance with adopted FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. The areas where significant judgements and estimates have been made in preparing the Financial Statements and their effect are disclosed in Note 3.

These financial statements show the results for the year ended 31 December 2018 and the comparative stated in accordance with provisions of FRS 101 (paragraph 8 -9) on the grounds that it is a wholly owned subsidiary of a group euNetworks Holdings 2 Limited, whose group consolidated financial statements is publicly available. The financial statements for the Group are prepared in accordance with the recognition, measurement and full disclosure requirements of IFRS as adopted by the EU.

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the Group headed by euNetworks Holdings 2 Limited

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of euNetworks Holdings 2 Limited.

**euNetworks Holdings Limited (Reg: 09203914)**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2018**

**2. Accounting policies (cont'd.)**

**2.1 Basis of preparation (cont'd.)**

*Exemption from preparation of consolidated financial statements*

The financial statements contain information about euNetworks Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by s400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the EEA accounts of a larger group.

The consolidated financial statements of euNetworks Holdings 2 Limited, the company's immediate holding company, are available at 15 Worship Street, London, EC2A 2DT.

**2.2 Going concern**

The Company is a subsidiary company of euNetworks Holdings 2 Limited (formerly known as Stonepeak Spear Newco (UK) Limited) ("the Parent") which is a subsidiary of euNetworks Holdings LP. The directors have received written confirmation from the euNetworks Holdings LP that it will continue to support the operational and financial needs of the Company and its subsidiaries ("the Group") for a period of not less than twelve months from the date of signing these financial statements in order to allow the Company to settle its liabilities as and when they fall due.

The Directors have concluded that the adoption of the going concern basis in preparing these financial statements continues to be appropriate.

**2.3 Investments**

Investment held as non-current assets are recognised at cost less impairment losses.

**2.4 Financial liabilities and equity**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. All financial liabilities are classified as ones held at amortised cost.

**2.5 Financial assets**

Financial assets are recognised when the Company becomes party to the contracts that give rise to them. The Company's financial assets classified as ones at amortised costs in the statement of financial position comprise of trade and other receivables and cash and cash equivalents. The company's financial assets classified as through profit or loss are investments held in unlisted subsidiary company shares.

**2. Accounting policies (cont'd.)**

**2.6 Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.7 Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Temporary differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base.

**2.8 Foreign currency translation**

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated into sterling at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

**2.9 Dividends**

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the AGM.

**2.10 Share-based payment**

Under a previous share scheme the Company's then ultimate parent issued equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at the fair value of the equity instruments (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of equity instruments that will eventually vest and adjusted for the effect of non market-based vesting conditions. This scheme was cancelled on the sale of the EUN Holdings LP the company's previous ultimate holding company on 11 January 2018.

Fair value was measured using either the Black-Scholes or the Monte Carlo pricing model. The expected life used in the model was adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.



**euNetworks Holdings Limited (Reg: 09203914)**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2018**

**3. Accounting judgments and key sources of estimation uncertainty**

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date that have a significant risk of causing material adjustment to the carrying value of assets and liabilities within the next financial year are:

- Investments – Estimating recoverable value (Note 8)

**4. Employees**

The Company had no employees for financial year ended 31 December 2018 (2017: nil). The Directors' costs were borne by another group entity. The amount recharged to the Company was €nil (2017: €nil).

**5. Operating loss**

This has been arrived after charging:

	31 Dec 2018 €'000	31 Dec 2017 €'000
Professional fees	16	92
Management equity plan expense	-	866
Other expenses	85	-
	<u>101</u>	<u>958</u>

Fees for audit services in the year have been borne by the parent company.

**6. Finance (cost)/income and similar charges**

	31 Dec 2018 €'000	31 Dec 2017 €'000
Finance income from recharges to related companies	106	97
Finance cost	(8,334)	-
Unrealised foreign exchange losses	(1)	-
	<u>(8,229)</u>	<u>97</u>

**euNetworks Holdings Limited (Reg: 09203914)**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2018**

**7. Taxation on profit on ordinary activities**

	31 Dec 2018 €'000	31 Dec 2017 €'000
<b>UK corporation tax</b>		
Current tax for the year	-	-
<b>Foreign tax</b>		
Current tax for the year	-	-
	<u>-</u>	<u>-</u>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	31 Dec 2018 €'000	31 Dec 2017 €'000
Loss on ordinary activities before tax	<u>(8,330)</u>	<u>(861)</u>
Taxation on profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2017: 19%)	(1,583)	(164)
Effect of:		
Disallowable forgiveness of intercompany debt	1,583	(23,223)
Unrecognised deferred tax on losses	-	24
Total tax charge for the year	<u>-</u>	<u>(23,363)</u>

**8. Investments in subsidiaries**

	31 Dec 2018 €'000	31 Dec 2017 €'000
<b>Cost</b>		
Unquoted equity shares, at cost	<u>225,703</u>	<u>225,703</u>

The following subsidiary undertakings are held by the Company through its equity interests in euNetworks Group Limited:

The Company has an effective equity interest of 100% in all subsidiaries as at 31 December 2018 (2017: 100%).

Name	Incorporation	Registered address	Nature of business
euNetworks 1 Pte. Limited	Singapore	50 Raffles Place #32-01 Singapore Land Tower, Singapore 0489623	Investment holding company/ Data network services
euNetworks 2 Pte. Limited	Singapore	50 Raffles Place #32-01 Singapore Land Tower, Singapore 0489623	Dormant company
euNetworks GmbH	Germany	Theodor-Heuss-Allee 112, 60486 Frankfurt am Main Deutschland	Data network services

**euNetworks Holdings Limited (Reg: 09203914)**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2018**

**8. Investments in subsidiaries (cont'd.)**

<b>Name</b>	<b>Country of incorporation</b>	<b>Registered address</b>	<b>Nature of business</b>
euNetworks Ireland Private Fiber Limited	Ireland	Unit 1, 2050 Orchard Avenue, Citywest Business Campus, D24 VP28, Dublin 24, Ireland	Data network services
euNetworks B.V.	The Netherlands	Paul van Vlissingenstraat 16, 1096 BK Amsterdam, The Netherlands.	Data network services
euNetworks Data Centres BV	The Netherlands	Paul van Vlissingenstraat 16, 1096 BK Amsterdam, The Netherlands.	Data network services
euNetworks DCH BV	The Netherlands	Paul van Vlissingenstraat 16, 1096 BK Amsterdam, The Netherlands.	Data network services
euNetworks Fiber UK Limited	United Kingdom (England)	15 Worship Street, London, EC2A 2DT	Data network services
euNetworks Group Limited	United Kingdom (England)	15 Worship Street, London, EC2A 2DT	Investment Holding Company
euNetworks Fiber Networks Asset GmbH	Germany	Theodor-Heuss-Allee 112, 60486 Frankfurt am Main Deutschland	In liquidation
euNetworks Fiber Networks "GND" GmbH	Germany	Theodor-Heuss-Allee 112, 60486 Frankfurt am Main Deutschland	In liquidation
euNetworks SAS	France	15 rue Beaujon 75008 Paris, France	Data network services
euNetworks BVBA BV	Belgium	Blvd Louis Schmidlaan 119, Bus 3, Brussels 1040	Data network services
euNetworks AG	Switzerland	c/o Kämpfen Rechtsanwälte Gerechtigkeitsgasse 23 8001 Zürich, Switzerland	Data network services
euNetworks srl	Italy	Viale Abruzzi, 94, 20131 Milan, Italy.	Data network services
euNetworks Fiber S.L.	Spain	Calle Velázquez , 53, Madrid, Spain	Infrastructure provision

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**9. Other receivables**

	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
	<b>€'000</b>	<b>€'000</b>
Amounts due from group undertakings	323,962	97
Other receivables	106	100
	<u>324,068</u>	<u>197</u>

Amounts due from group undertakings arose mainly from trade transactions and payments on behalf, are unsecured, interest free and repayable on demand.

Other receivables relates to advanced payments for professional fees.

**10. Other payables**

	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
	<b>€'000</b>	<b>€'000</b>
Amounts due to group undertakings	18,348	171
Trade and other payables	469	21
	<u>18,817</u>	<u>192</u>

**11. Interest bearing borrowings**

	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
	<b>€'000</b>	<b>€'000</b>
<b>Non-current</b>		
Bank loan	<u>313,577</u>	<u>-</u>
Bank loan as above	313,577	-
Add: unamortised debt raise costs	6,423	-
Gross bank loan	<u>320,000</u>	<u>-</u>
<b>Maturity of the loan</b>		
Over 5 years	<u>320,000</u>	<u>-</u>

The Company's bank loan are secured by a fixed and floating charge over certain of the Company's assets.

The effective borrowing rates during the financial year is Euribor plus 3.5% (2017: nil) per annum and have a maturity date of over 5 years from financial year ended 31 December 2018.

The Company has undrawn committed borrowings available at 31 December 2018, for which all conditions have been met, of €55m on a floating rate with an expiry date in more than 5 years (2017:nil).

The bank loan is denominated in Euro.

Management estimates that the carrying amount of the bank loan approximates its fair value due to frequent re-pricing.

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**12. Share capital**

	31 Dec 2018 units	31 Dec 2018 €'000	31 Dec 2017 units	31 Dec 2017 €'000
Authorised, issued and fully paid				
At 1 January	102	-	102	-
Subdivision during the year	1,019,898	-	-	-
At 31 December	<u>1,020,000</u>	<u>-</u>	<u>102</u>	<u>-</u>

On 11 January 2018, existing 102 ordinary shares of €1 each in issued were subdivided into 1,020,000 at a nominal value of €0.0001 each.

**13. Reserves**

*Share capital*

The nominal value of the issued and paid up share capital.

*Share premium*

The amount subscribed for share capital in excess of nominal value.

*Management equity plan reserve*

In 2018 a new Management Equity Plan was set up by the Company's ultimate holding company, euNetworks Holdings LP, the interests in which, could be realised on euNetworks Holdings LP realising its investment.

*Retained earnings*

The retained earnings contains the gains and losses recognised in the income statement.

**14. Ultimate parent and controlling party**

The Directors considered Stonepeak Infrastructure Fund II Cayman (S) Upper LP a Cayman Islands limited partnership to be the ultimate parent undertaking as at the period ended 31 December 2018.

The Company's immediate holding company is euNetworks Holdings 2 Limited, a company registered in the United Kingdom. The consolidated financial statements of euNetworks Holdings 2 Limited, are available at 15 Worship Street, London, EC2A 2DT.

As at the date of signing these financial statements in the opinion of the Directors Michael Dorrell and Trent Vichie are the controlling parties.

**15. Related party transactions**

The Company has taken advantage of the exemption allowed by Financial Reporting Standard 101, "Related party disclosures", not to disclose any transactions with members of the group of euNetworks Holdings Limited where 100% of the voting rights of those companies are controlled within that group.

**16. Auditors' remuneration**

The Audit fee has been borne by a fellow group company.

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**17. Financial instruments**

The company's financial instruments may be analysed as follows:

	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
	<b>€'000</b>	<b>€'000</b>
<b>Financial assets</b>		
Trade and other receivables	324,068	197
Cash and cash equivalents	1	-
	<u>324,069</u>	<u>197</u>
<b>Financial liabilities</b>		
Trade and other payables	18,817	192
Interest bearing borrowings	313,577	-
	<u>332,394</u>	<u>192</u>

Financial assets measured at amortised cost comprise cash, trade debtors and other debtors.

Financial assets measured at fair value through profit or loss comprise of fixed asset investments in unlisted company shares.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors and accruals.

**18. Post balance sheet events**

On 28 March 2019, the Company's subsidiary, euNetworks Group Limited, acquired 100% of the issued shares of Onstage Online GmbH, a fibre company headquartered in Vienna, Austria, for total consideration of €10.8m. The acquisition will further enhance the Group's connectivity in Europe and brings with it our 15th duct based metropolitan network.