

Global Switch Limited

Annual Report and Financial Statements

Year Ended 31 December 2022

Company Number 06238341



Global Switch Limited
Annual report and financial statements
for the year ended 31 December 2022

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Directors

J A Corcoran
D C Doyle
A M Eaton (Appointed 12 April 2023)
A T E Muldoon (Appointed 12 April 2023)

Registered office

Nova North, Level 2, 11 Bressenden Place, London, SW1E 5BY, United Kingdom

Company number

06238341

Auditor

Deloitte LLP, Statutory Auditor, London, United Kingdom

Global Switch Limited
Strategic report
for the year ended 31 December 2022

The directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

Review of the business

The principal activity of Global Switch Limited (“the Company”) is the provision of strategic and control functions on behalf of the group owned by Global Switch Holdings Limited (“the Group” or “GSHL”). The Company is a direct subsidiary of GSHL and also an intermediate holding company and the main group financing entity for the Group. As at 31 December 2022, its significant holdings included companies engaged in the management and operation of data centre facilities in various locations in Europe and Asia-Pacific and a borrowing company incorporated in the Netherlands.

The profit and loss account is set out on page 15 and shows the result for the year. The Company made a profit of £198,879,000 for the year ended 31 December 2022 (31 December 2021: loss £13,588,000). The most significant factors in the variance between the 2021 loss and the 2022 profit were the foreign currency gains of £59,710,000 (2021: losses of £16,948,000), higher net finance income £149,270,000 (2021: net finance income £22,757,000) and an increase in turnover £17,463,000 (2021: turnover of £12,381,000)

The Company’s financial position has moved as a result of the profit for the year, a capital reduction of £500,000,000 (2021: £nil) and dividends paid in the year of £365,300,000 (2021: £nil) resulting in net assets of £2,685,664,000 (2021: net assets £2,852,085,000).

During the year ended 31 December 2022, the Company undertook a reduction in the share premium account in order to create distributable reserves so that the Company could declare an interim dividend to its sole holder of shares, GSHL. On 28 December 2022, the Company reduced its share premium account from £2,851,034,000 to £2,351,034,000 with £500,000,000 credited to the profit and loss account.

On 28 December 2022 the Company approved an interim dividend of £91,325,000 per ordinary share of £1.00 each, for each of the four shares, to GSHL. The total interim dividend of £365,300,000 was settled through the Company’s existing inter-company receivable with GSHL.

The total effect of the above transactions were decreases of £500,000,000 to share premium and net increase of £134,700,000 to retained earnings.

During the year ended 31 December 2022, the Company undertook the extension of a number of intercompany loans that were approaching expiry, extending these loans until 31 March 2028. These modified loans were subsequently fair valued resulting in an increase in Investments in Subsidiaries of £32,801,000, an increase in Loan Receivables of £59,982,000 and an increase in Amounts due to fellow subsidiary undertakings in less than one year of £92,783,000.

Key performance indicators

Given the straightforward nature of the business and the fact that all the Company’s turnover is derived from transactions with fellow subsidiaries, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the Company.

Principal risks and uncertainties

The management of the business and the execution of the Company’s strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to be recruitment and retention of suitably qualified employees, foreign exchange on amounts due to and from fellow subsidiary undertakings and inflation. Management monitors the property market and the performance of the subsidiaries’ assets and cost of utilities against budget.

Global Switch Limited
Strategic report (continued)
for the year ended 31 December 2022

Future developments

On 8 June 2022 the Group publicly confirmed that its shareholders were exploring a potential divestment transaction. Investment banks were appointed by the shareholders as their financial advisors and a formal process commenced to explore options to introduce international investors to create liquidity for shareholders' stakes. In relation to the potential liquidity transaction, the Group entered into an indemnity letter in 2022 with several of the appointed financial advisors, together with a back-to-back indemnity arrangement with its direct shareholders. For the year ended 31 December 2022, there was no financial impact for the Group. The future financial impact, if any, cannot practicably be estimated due to the nature of the contingencies associated with such an indemnity. For information on the Group's direct shareholders, see note 16.

Section 172 (1) statement: Companies Act 2006

Section 172 (1) of the Companies Act 2006 requires that a director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

(a) the likely consequences of any decision in the long-term

Members of the Board meet regularly to discuss and make decisions on matters of strategic importance to the business, to promote the long-term success of the Company and to consider the likely long-term impact of any such decisions.

(b) the interests of the Company's employees

The Company's success is dependent on the commitment of its workforce. The directors engage with employees by fostering an environment that they are happy to work in and supports their well-being. This includes team events, reward recognition, competitive levels of compensation and ensuring appropriate health and safety protocols are in place.

(c) the need to foster the Company's business relationships with suppliers, customers and others

The Company has strong and well-established relationships with its suppliers, many of which are not new to the business and continue to provide services to the Company. Global Switch Limited has no customers outside the wider group as the turnover it generates is from recharges of costs to entities within the Group.

(d) the impact of the Company's operations on the community and the environment

As a wider group, Global Switch is committed to reducing the impact of its data centres on the environment through designing lower PUE data centres, using energy efficiently, reducing its carbon emissions and providing green energy solutions to its customers. We are also actively involved in our communities, with our engagement initiatives centred on promoting a healthier lifestyle.

(e) the desirability of the Company maintaining a reputation for high standards of business conduct

As a wider group, Global Switch upholds high standards of conduct and integrity as set out in its Code of Business Conduct, and maintains strict health and safety, supply chain management, labour and product responsibility standards.

(f) the need to act fairly between members of the Company


The Company has a single member, Global Switch Holdings Limited.

Global Switch Limited
Strategic report (continued)
for the year ended 31 December 2022

Subsidiary of a larger group

The Company is a direct subsidiary of Global Switch Holdings Limited, which prepares group financial statements, further details of which can be found in note 2 to the financial statements.

Approved by the Board and signed on its behalf by:

DocuSigned by:

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D C Doyle
Director

23 November 2023

Global Switch Limited
Directors' report
for the year ended 31 December 2022

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 December 2022. Principal activities, details of events affecting the Company since the financial period end, an indication of likely future developments in the business, the Company's engagement with employees and need to foster business relationships with suppliers, customers and others have been included in the Strategic report and form part of this Directors' report by reference.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The parent company, Global Switch Holdings Limited ("GSHL"), has confirmed its continued financial support to ensure that the Company continues to meet its obligations as they fall due. Thus, they continue to adopt the going concern basis in preparing the audited financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

Credit risk

The Company's principal financial assets are bank balances and cash and other receivables. The Company's credit risk is primarily attributable to its receivables, which are predominantly due from fellow subsidiaries and its parent company. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. GSHL has confirmed its continued financial support for all fellow subsidiaries.

Cash flow risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of intra-group and short-term debt finance.

Dividends

The directors proposed and paid £365,300,000 in dividends for the year ended 31 December 2022 (31 December 2021: £nil) to ordinary shareholders. No further dividends have been proposed for the year ended 31 December 2022.

Dividends of £nil were paid on redeemable preference shares.

Global Switch Limited
Directors' report (continued)
for the year ended 31 December 2022

Energy and carbon reporting

The Company leases office space, which is managed by the landlord but features energy efficient specifications, such as PIR light sensors. There were no direct Scope 1 or 2 emissions for the year ended 31 December 2022 under *The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended*. Emissions relating to electricity and heating for the Company's office are exempt from energy and carbon reporting because these fall into Scope 3 as these services are provided by the landlord.

Directors and directors' indemnity

The directors of the Company during the year and up to the date of signing these financial statements were (except where noted):

J A Corcoran

D C Doyle

A M Eaton (Appointed 12 April 2023)

A T E Muldoon (Appointed 12 April 2023)

None of the directors who held office at the end of the financial period had interests in the equity of the Company or of any other Group company.

All directors benefit from qualifying third-party indemnity provisions in place during the financial period and at the date of this report.

Auditor

Each of the directors at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approval of reduced disclosures

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12.

The Company also intends to take advantage of these exemptions in the financial statements to be issued in the succeeding year.

Approved by the Board and signed on its behalf by:

DocuSigned by:

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D C Doyle
Director

23 November 2023

Global Switch Limited
Directors' responsibilities statement
for the year ended 31 December 2022

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

Company law requires the directors to prepare financial statements for each financial 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 of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Global Switch Limited
Independent auditor's report to the members of Global Switch Limited
for the year ended 31 December 2022

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of Global Switch Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 17.

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).

2. 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 Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, 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.

Global Switch Limited
Independent auditor's report to the members of Global Switch Limited (continued)
for the year ended 31 December 2022

3. Summary of our audit approach

Key audit matters	<p>The key audit matter that we identified in the current year was the valuation of intercompany loans which have been modified in the year.</p> <p>Within this report, key audit matters are identified as follows:</p> <ul style="list-style-type: none">  Newly identified  Increased level of risk  Similar level of risk  Decreased level of risk
Materiality	The materiality that we used in the current year was £53.7m which was determined on the basis of 2% of net assets as of 31 December 2022.
Scoping	We performed a full scope audit of the company. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	We no longer consider the fair value determination on initial recognition of intercompany loans to be key audit matter in the current year as there were no new intercompany loans. Instead we identified the valuation of intercompany loans where maturity dates have been extended to be a new key audit matter in the current year.

4. Conclusions relating to going concern

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.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Evaluation of the company's parent entity, Global Switch Holdings Limited and Global Switch Holdings Limited's subsidiaries' (together "the Group") consolidated forecast which was prepared to 31 December 2024. This approach is taken as the company's ability to continue as a going concern is reliant on the overall Group's going concern given its net current liability position;
- Assessment of the committed facilities of the Group throughout the going concern period and assessment of the Group's ability to fulfil these commitments;
- Assessment of the stress tests applied to the Group's forecasts; and
- Assessment of the appropriateness of the financial statement disclosures in relation to going concern.

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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Global Switch Limited
Independent auditor's report to the members of Global Switch Limited (continued)
for the year ended 31 December 2022

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on - the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Valuation of intercompany loans which have been modified in the year 

Key audit matter description	<p>The company has net intercompany balances amounting to £1,122.7m (2021: £1,117.9m). During the year ended 31 December 2022, the company extended the maturity dates of 19 intercompany loans. The loans are basic financial instruments under FRS 102 section 11 and accounting standards require the loans to be recorded at fair value at the date of modification, which includes the extension of the maturity dates. The company determined that the terms of the modified loans reflected off-market terms by virtue of their intercompany nature. The determination of fair value requires the application of judgement, including inputs to the assessment such as including the credit rating of the company, the duration of the loans, market interest rates and risk premiums.</p> <p>The valuation of intercompany loans at modification is a key audit matter due to its magnitude in the context of the financial statements, the complexity and the potential for fraud associated with the exercise of judgement in determining the fair value of the loans.</p> <p>See the 'Review of the Business' section within the strategic report on page 1 and notes 1, 11 and 12 for further detail on the financial impact of the modifications.</p>
How the scope of our audit responded to the key audit matter	<p>We obtained an understanding of the company's relevant controls in respect of the determination of the valuation of intercompany loans which have been modified in the year.</p> <p>We assessed management's accounting treatment for the intercompany loans that were modified in the year.</p> <p>We involved our financial instrument valuation specialists to assess whether the terms of the modified loans reflected off-market terms. We challenged the assumptions, including market interest rates, risk premiums, the credit rating of the company and the duration of the loans applied by management in the valuation of the modified intercompany loans.</p> <p>We performed a recalculation of the fair value of intercompany loans at the modification date using the rates determined by our financial instrument valuation specialists and compared these fair values to the fair values calculated by management.</p>
Key observations	<p>Based on the work performed, we concluded that the valuation of intercompany loans at modification date is appropriate.</p> <p>We communicated to those charged with governance the importance of effective controls to identify and evaluate modifications to intercompany loans.</p>

Global Switch Limited
Independent auditor's report to the members of Global Switch Limited (continued)
for the year ended 31 December 2022

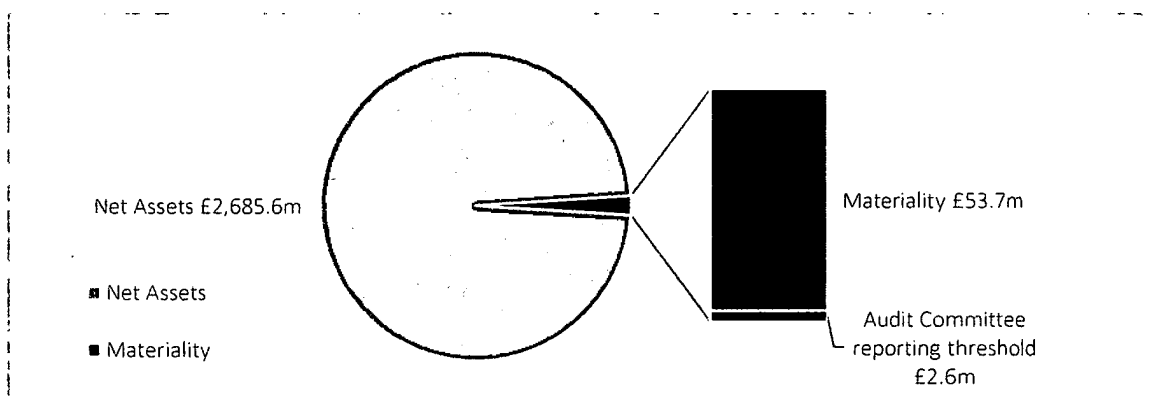
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£53.7m (2021: £52.9m)
Basis for determining materiality	Materiality is determined to be 2% of net assets (2021: 1% of total assets)
Rationale for the benchmark applied	The principal activity of the entity is the provision of strategic and control functions on behalf of the Group. The entity is also the principal financing entity for the Group. We determined materiality by reference to net assets, which is a change from prior year, as value is mainly derived from intercompany transactions, following the intercompany restructure.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2022 audit (2021: 70%). In determining performance materiality, we considered the following factors:

- a. our risk assessment, including our assessment of the overall control environment; and
- b. our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements identified in prior periods.

6.3. Error reporting threshold

We agreed with those charged with governance to report to them all audit differences in excess of £2.6m (2021: £2.6m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to those charged with governance on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Global Switch Limited
Independent auditor's report to the members of Global Switch Limited (continued)
for the year ended 31 December 2022

7. An overview of the scope of our audit

7.1. Scoping

We have performed a full scope audit on this company. Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

7.2. Our consideration of climate-related risks

As a part of our risk assessment procedures, we held discussions with management and inspected internal and external sources of information to understand the potential impact of climate on the company and wider Group, and its environment and management's response thereon.

We have also read the annual report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

9. 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.

Global Switch Limited
Independent auditor's report to the members of Global Switch Limited (continued)
for the year ended 31 December 2022

10. 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management and those charged with governance about their own identification and assessment of the risks of irregularities, including those that are specific to the company's sector;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax and financial instrument valuation specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the valuation of intercompany loans which have been modified in the year. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK pension legislation and UK tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Global Switch Limited
Independent auditor's report to the members of Global Switch Limited (continued)
for the year ended 31 December 2022

11.2. Audit response to risks identified

As a result of performing the above, we identified the valuation of intercompany loans which have been modified in the year as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

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

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 any material misstatements in the strategic report or the directors' report.

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Global Switch Limited
Independent auditor's report to the members of Global Switch Limited (continued)
for the year ended 31 December 2022

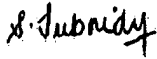
13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14. 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.



Sara Tubridy, FCA (Senior Statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
23 November 2023

Global Switch Limited
Profit and loss account
for the year ended 31 December 2022


	Notes	2022	2021
		£'000	£'000
Turnover		17,463	12,381
Cost of sales		(24,010)	(25,025)
Gross loss		(6,547)	(12,644)
Other operating income		463	294
Operating loss		(6,084)	(12,350)
Foreign currency exchange gains/(losses)	3	59,710	(16,948)
Dividend income	3	50	281
Finance income, net	6	149,270	22,757
Profit/(loss) before taxation		202,946	(6,260)
Tax on profit	7	(4,067)	(7,328)
Profit/(loss) for the financial year		198,879	(13,588)
Statement of comprehensive income		2022	2021
		£'000	£'000
Profit/(Loss) for the financial year		198,879	(13,588)
Total comprehensive income attributable to equity shareholders of the Company		198,879	(13,588)

The notes on pages 18 to 35 form part of these financial statements.

Global Switch Limited
Balance sheet
as at 31 December 2022

<i>Company number 06238341</i>	Notes	2022 £'000	2021 £'000
Fixed assets			
Tangible assets	9	741	793
Investment in subsidiaries	10	2,532,047	2,447,448
Debtors: amounts due from the parent company	11	696,179	687,850
		<u>3,228,967</u>	<u>3,136,091</u>
Current assets			
Deferred tax	7	-	730
Debtors: amounts falling due within one year	11	107,295	129,641
Debtors: amounts falling due after more than one year	11	1,988,009	1,832,376
Cash at bank and in hand		5,095	195,479
		<u>2,100,399</u>	<u>2,158,226</u>
Creditors: amounts falling due within one year	12	(2,580,099)	(2,387,824)
Deferred tax	7	(454)	-
		<u>(480,154)</u>	<u>(229,598)</u>
Net current liabilities		<u>(480,154)</u>	<u>(229,598)</u>
Total assets less current liabilities		<u>2,748,813</u>	<u>2,906,493</u>
Creditors: amounts falling due after more than one year	12	(63,149)	(54,408)
Net assets		<u>2,685,664</u>	<u>2,852,085</u>
Capital and reserves			
Called-up share capital	14	-	-
Share premium	1	2,351,034	2,851,034
Profit and loss account		334,630	1,051
		<u>2,685,664</u>	<u>2,852,085</u>
Shareholder's funds		<u>2,685,664</u>	<u>2,852,085</u>

The financial statements were approved by the Board of Directors and authorised for issue on 23 November 2023 and signed on its behalf by:

DocuSigned by:

 C37C389B644A4A9...
 D C Doyle
 Director

The notes on pages 18 to 35 form part of these financial statements.

Global Switch Limited
Statement of changes in equity
for the year ended 31 December 2022

	Note	Called-up share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
At 1 January 2021		-	-	10,076	10,076
Loss for the financial year		-	-	(13,588)	(13,588)
Total comprehensive income		-	-	(13,588)	(13,588)
Share issue	1	-	2,851,034	-	2,851,034
Capital contributions		-	-	4,563	4,563
At 31 December 2021		-	2,851,034	1,051	2,852,085
Profit for the financial year		-	-	198,879	198,879
Total comprehensive income		-	-	198,879	198,879
Capital reduction	1	-	(500,000)	500,000	-
Dividend paid	8	-	-	(365,300)	(365,300)
At 31 December 2022		-	2,351,034	334,630	2,685,664

The notes on pages 18 to 35 form part of these financial statements.

Global Switch Limited
Notes forming part of the financial statements
for the year ended 31 December 2022

1. General information

Global Switch Limited (“the Company”) is a private limited company, limited by shares, incorporated on 4 May 2007 and is domiciled in England and Wales under the Companies Act 2006. The Company’s registered number is 06238341. The address of its registered office is Nova North, Level 2, 11 Bressenden Place, London, SW1E 5BY. The nature of the operations and principal activity is set out on page 1.

During the year ended 31 December 2022, the Company undertook a reduction in the Company’s share premium account in order to create distributable reserves so that the Company could declare and pay an interim dividend to its sole holder of shares, GSHL. On 28 December 2022, the Company reduced its share premium account from £2,851,034,000 to £2,351,034,000 with £500,000,000 credited to the profit and loss account.

On 28 December 2022 the Company approved an interim dividend of £91,325,000 per ordinary share of £1.00 each, for each of the four shares, to GSHL. The total interim dividend of £365,300,000 was settled through the Company’s existing inter-company receivable with GSHL.

The total effect of the above transactions were decreases of £500,000,000 to share premium and £134,700,000 to retained earnings.

During the year ended 31 December 2022, the Company undertook the extension of a number of intercompany loans that were approaching expiry, extending these loans until 31 March 2028. These modified loans were subsequently fair valued resulting in an increase in Investments in Subsidiaries of £32,801,000, an increase in Loan Receivables of £59,982,000, and an increase in Amounts due to fellow subsidiary undertakings in less than one year of £92,783,000.

2. Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout this year and the preceding year.

Basis of preparation

The functional currency of the Company is Pound Sterling because that is the currency of the primary location of operations and where primarily the revenues and expenses are earned and incurred. The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (“FRS 102”) issued by the Financial Reporting Council.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its parent, GSHL. Pursuant to the obligations included in GSHL’s unsecured note issuances, the consolidated financial statements of GSHL are lodged with, and a copy can be obtained from, Euronext Dublin. Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement, remuneration of key management personnel, related party disclosures and disclosures regarding financial instruments.

Accounting period

These financial statements are prepared for the year ended 31 December 2022, the comparative period presented is the year ended 31 December 2021.

Global Switch Limited
Notes forming part of the financial statements (continued)
for the year ended 31 December 2022

2. Accounting policies (continued)

Going concern

The directors have reviewed the current and projected financial position of the Company, making reasonable assumptions about the future trading performance. The parent company has confirmed its continued financial support to ensure that the Company continues to meet its obligations as they fall due. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

In making the above conclusion, the wider Global Switch group has stress tested the financial forecast, which considered among other factors, the settlement of the 1.5% €500 million guaranteed notes on or before their maturity in January 2024, trading assumptions based on the existing shareholding structure, committed and discretionary capital expenditure and debt requirements.

The assessment indicates that the group has sufficient working capital to cover any risk related to the above, and the Group has in place a £350 million revolving credit facility expiring on 31 March 2025 with two one-year extension options. Service agreements, from which the vast majority of the group's revenue is derived, had a weighted average unexpired contract duration of 3.7 years as at 31 December 2022, protecting the group's income from the volatility experienced by businesses in certain other sectors. The majority of the group's revenue is derived from external customers with investment grade parents or controlling entities or government departments and agencies that benefit from a sovereign risk profile.

While the forecast assumes settlement of the 1.5% €500 million guaranteed notes, based on current debt capital market trading conditions it is the Group's intention to refinance the notes prior to maturity. In the situation that market conditions would render this not possible, we expect that alternate debt funding sources including secured debt will be available to the Group.

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

Consolidation

The Company is a wholly-owned subsidiary of and is included in the consolidated financial statements of GSHL. Consequently, the Company has taken advantage of the exemption s401 from preparing consolidated financial statements. These financial statements therefore present the results of the Company only. A copy of the consolidated financial statements can be obtained from Euronext Dublin.

Tangible fixed assets and depreciation

Tangible fixed assets are initially measured and included in the balance sheet at cost. This is based on the historical accounting rules which require fixed assets to be shown at their purchase price less any provision for depreciation.

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives. It is calculated at the following rates:

Leasehold improvements	-	over the life of the lease
Computer equipment and software	-	2 to 3 years
Fixtures, fittings and equipment	-	4 to 5 years

Depreciation is only provided on assets under construction when they are brought into use. At that point the assets will be transferred into one of the categories above.

Global Switch Limited
Notes forming part of the financial statements (continued)
for the year ended 31 December 2022

2. Accounting policies (continued)

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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. Preference shares that are redeemable on demand are treated as financial liabilities.

i. Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction (for example because it is at an off-market rate of interest), the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Where the arrangement includes an off-market rate of interest, and the company has provided a loan at a below market rate of interest, the company recognises a loan receivable equal to the present value of the future cash flows discounted at a market rate of interest and recognises a distribution for the difference between this amount and the amount advanced.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions, which may include intercompany liabilities (including redeemable preference shares), are subsequently measured at amortised cost using the effective interest method:

- a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

Global Switch Limited
Notes forming part of the financial statements (continued)
for the year ended 31 December 2022

2. Accounting policies (continued)

i. Financial assets and liabilities (continued)

- e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one period are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment. Subsequently, they are measured at amortised cost.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled; b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Taxation and deferred taxation

Current tax, including UK corporation 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. 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. Timing 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.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Turnover

Turnover represents management fees receivable from fellow subsidiaries of GSHL for the provision of asset management services.

Turnover arises principally in the United Kingdom.

Global Switch Limited
Notes forming part of the financial statements (continued)
for the year ended 31 December 2022

2. Accounting policies (continued)

Dividend income

Dividend income is recognised when the right to receive payment is established. This is when dividends have been declared.

Finance income

Finance income is recognised using the effective interest rate method.

Pensions

The Company operates a defined contribution pension scheme covering management and non-management employees. The assets of the scheme are held separately from those of the Company. The amount charged against profits represents contributions payable to the scheme in respect of the accounting period.

Related party transactions

The Company is a wholly-owned subsidiary of GSHL and is included in the consolidated financial statements of that Company. The address of GSHL's registered office is 2nd Floor, O'Neal Marketing Associates Building, PO Box 3174, Road Town, Tortola, British Virgin Islands. The Company has taken advantage of the exemption from related party disclosures in accordance with Paragraph 33.1A of FRS 102.

Investments

The Company holds investments in subsidiaries which are held at cost less, where appropriate, provisions for impairment.

Leases – the Company as a lessee

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Leases – the Company as a lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, even if the payments are not made on such a basis.

2.1 Critical accounting judgements and estimates

In the application of the accounting policies, which are described above, 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. Apart from those involving estimates, there are no instances in which judgments made in applying accounting policies have a significant effect on the amounts recognised in the financial statements.

Fair value determination on initial recognition of intercompany loans

The Company holds a number of intercompany loans receivable and payable to other entities within the Group. FRS102 requires the loans to be recorded at fair value at the point of initial recognition. The determination of whether the terms of the loans were at arm's length rates at the initial recording date by the Company requires the application of judgement. Where the terms were assessed not to be at arm's length, a distribution or contribution within reserves may be recorded to reflect the difference between the estimated fair value at inception and the actual amount of the loan made or received.

Global Switch Limited
Notes forming part of the financial statements (continued)
for the year ended 31 December 2022

2. Accounting policies (continued)

2.1 Critical accounting judgements and estimates (continued)

Fair value determination on initial recognition of intercompany loans (continued)

When the Company revises its estimates of payments or receipts, the carrying amount of the intercompany loans receivable and payable is adjusted to reflect actual and revised estimated cash flows. The carrying amount is recalculated by computing the present value of estimated future cash flows at the financial instrument's original effective interest rate. The adjustment is recognised as an income or expense in profit or loss at the date of the revision.

3. Profit/(loss) before taxation

Profit/(loss) before taxation is stated after charging/(crediting):

	2022	2021
	£'000	£'000
Auditor's remuneration – audit of the financial statements	88	83
Depreciation (see note 9)	224	234
Foreign currency exchange (gains)/losses	(59,710)	16,948
Dividend income	(50)	(281)
Operating lease rental expense	1,284	1,284
Operating lease rental income	(463)	(294)
	_____	_____

4. Employees

Staff costs consist of:

	2022	2021
	£'000	£'000
Wages and salaries	11,775	12,970
Social security costs	1,624	1,872
Pension costs	713	650
Other employee benefits	499	378
	_____	_____
	14,611	15,870
	_____	_____

At 31 December 2022, there were no accrued pension contributions (31 December 2021: £nil).

Global Switch Limited
Notes forming part of the financial statements (continued)
for the year ended 31 December 2022

4. Employees (continued)

The monthly average number of employees, including directors, during the year was:

	2022 Number	2021 Number
Corporate office	69	66
Data centres	28	28
	<u>97</u>	<u>94</u>

5. Directors' remuneration

	2022 £'000	2021 £'000
Wages and salaries	3,099	5,876

The directors are employed by Global Switch Limited. The emoluments disclosed above are in respect of their service to the GSHL Group. The costs are borne by Global Switch Limited. The remuneration of the highest paid director is £2,069,000 (2021: £4,602,000).

Neither director was accruing benefits under defined contribution pension schemes (31 December 2021: nil).

Global Switch Limited
Notes forming part of the financial statements (continued)
for the year ended 31 December 2022

6. Finance income/(costs), net	2022 £'000	2021 £'000
Bank and other interest receivable	7	-
Interest receivable from fellow subsidiary undertakings	162,686	105,178
Gain on remeasurement	45,483	-
Finance income	208,176	105,178
Bank and other interest payable	(380)	(1,063)
Interest payable to fellow subsidiary undertakings	(51,629)	(64,818)
Loss on settlement	-	(16,540)
Interest payable related to fair value adjustments	(6,897)	-
Finance costs	(58,906)	(82,421)
Finance income/(costs), net	149,270	22,757

7. Taxation

a) Analysis of tax credit in the period

	2022 £'000	2021 £'000
<i>Current tax</i>		
UK corporation tax at 19% (31 December 2021: 19%)	3,673	1,851
Withholding tax	119	
<i>Deferred tax</i>		
Origination and reversal of timing differences	100	49
Other deferred tax movement (difference in rate)	175	(175)
Adjustments in respect of earlier periods	-	-
Decrease in estimate of recoverable deferred tax asset	-	5,603
Tax charge/(credit) for the financial year	4,067	7,328

Global Switch Limited
Notes forming part of the financial statements (continued)
for the year ended 31 December 2022

7. Taxation (continued)

b) Factors affecting the tax credit for the year

The differences between the tax assessed for the year and the standard rate of corporation tax in the UK are explained below:

	2022	2021
	£'000	£'000
Profit/(Loss) before taxation	202,946	(6,260)
Profit/(Loss) at the standard rate of corporation tax in the UK of 19% (31 December 2021: 19%)	38,560	(1,189)
Effects of:		
Non-assessable income items and permanent differences	(7,331)	(54)
Non-deductible expenses	(512)	3,143
Other deferred tax movement (difference in rate)	175	(175)
Decrease in estimate of deferred tax asset	-	5,603
Use of unrecognised tax losses	(3,573)	-
Group relief	(23,371)	-
Withholding tax	119	-
Total tax charge/(credit) for the year	4,067	7,328

c) Factors that may affect future tax charges

The tax calculations take into consideration future changes substantively enacted in jurisdictions when determining the appropriate level of deferred tax to be provided on future reversals. For 2021 and 2022, current tax is reflected at 19%.

The deferred tax calculation for 31 December 2022 reflects a UK corporation tax rate of 25% (31 December 2021: 25%) being the rates enacted at the reporting date and the rate at which the deferred tax is expected to crystallise.

Global Switch Limited
Notes forming part of the financial statements (continued)
for the year ended 31 December 2022

7. Taxation (continued)

d) Deferred tax

Deferred tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable. At 31 December 2022, the Company has not recognised a deferred tax asset of £4,506,381 (2021: £7,371,500) in respect of losses, which can be carried forward against future taxable income, amounting to £18,025,522 (2021: £29,468,000).

	£'000
At 1 January 2022	(729)
Debit to profit and loss account	100
Decrease in estimate of deferred tax asset	-
Change in rate	175
	(454)
At 31 December 2022	(454)

Deferred tax assets are recognised as follows:

	2022	2021
	£'000	£'000
Accelerated capital allowances	(454)	730
Tax losses available	-	-
	(454)	730

8. Dividends paid

	2022	2021
	£'000	£'000
Amounts recognised as distributions to equity holders in the period:		
Dividends paid on ordinary shares	365,300	-
	365,300	-

Global Switch Limited
Notes forming part of the financial statements (continued)
for the year ended 31 December 2022

9. Tangible assets

	Leasehold improvements £'000	Computer equipment and software £'000	Fixtures, fittings and equipment £'000	Total £'000
<i>Cost</i>				
At 1 January 2022	796	6,543	392	7,731
Additions	-	133	39	172
At 31 December 2022	<u>796</u>	<u>6,676</u>	<u>431</u>	<u>7,903</u>
<i>Depreciation</i>				
At 1 January 2022	123	6,520	295	6,938
Charge for the period	73	45	106	224
At 31 December 2022	<u>196</u>	<u>6,565</u>	<u>401</u>	<u>7,162</u>
<i>Net book value</i>				
At 31 December 2021	<u>673</u>	<u>23</u>	<u>97</u>	<u>793</u>
At 31 December 2022	<u>600</u>	<u>111</u>	<u>30</u>	<u>741</u>

Global Switch Limited
Notes forming part of the financial statements (continued)
for the year ended 31 December 2022

10. Investments	Shares in Group Undertakings £'000	Loans to Group Undertakings £'000	Total £'000
<i>Cost</i>			
At 1 January 2022	2,097,744	619,448	2,717,192
<i>Movement</i>			
Gains on revaluation of loans (see paragraph below)	-	51,798	51,798
Additional investments	-	32,801	32,801
At 31 December 2022	<u>2,097,744</u>	<u>704,047</u>	<u>2,801,791</u>
<i>Provisions for impairment</i>			
At 1 January 2022	269,744	-	269,744
Charge for the period	-	-	-
At 31 December 2022	<u>269,744</u>	<u>-</u>	<u>269,744</u>
<i>Net book value</i>			
At 31 December 2021	<u>1,828,000</u>	<u>619,448</u>	<u>2,447,448</u>
At 31 December 2022	<u>1,828,000</u>	<u>704,047</u>	<u>2,532,047</u>

The loans to group undertakings predominantly relate to receivables from ICT Centre Holding B.V. and represent long-term investments that are non-interest bearing and for use on a continuing basis. These are denominated in Euro and subject to revaluation gains and losses in line with the movement of foreign exchange rates.

Additional investments within Loans to Group Undertakings relate to the extension of a number of intercompany loans that were approaching expiry, extending these loans until 31 March 2028. These modified loans were subsequently fair valued resulting in an increase in Loans to Group Undertakings

Global Switch Limited
Notes forming part of the financial statements (continued)
for the year ended 31 December 2022

10. Investments (continued)

Directly owned subsidiary undertakings*, which have share capital consisting entirely of ordinary shares, as at 31 December 2021 and 31 December 2022 are as follows:

Name	Principal activity	Percentage owned	Country of incorporation	Registered address
Duelguide (Global Switch) S.à.r.l.	Holding company	100%	Luxembourg	412F Route d'Esch, L-2086 Luxembourg, RCS, Luxembourg
Global Switch Estates 1 Limited	Ownership and operation of technical real estate	100%	England and Wales	Nova North, Level 2, 11 Bressenden Place, London, SW1E 5BY, United Kingdom
Global Switch Estates 2 Limited	Ownership and operation of technical real estate	100%	England and Wales	Nova North, Level 2, 11 Bressenden Place, London, SW1E 5BY, United Kingdom
Global Switch (London) Limited	Non-operating company	100%	England and Wales	Nova North, Level 2, 11 Bressenden Place, London, SW1E 5BY, United Kingdom
Global Switch Facilities Management Ltd	Non-operating company	100%	England and Wales	Nova North, Level 2, 11 Bressenden Place, London, SW1E 5BY, United Kingdom
Global Switch Finance B.V.	Borrowing company	100%	Netherlands	Nova North, Level 2, 11 Bressenden Place, London, SW1E 5BY, United Kingdom
Funeven Limited	Ownership and operation of real estate	33%	England and Wales	Bates, Wells & Braithwaite, 10 Queen Street Place, London, EC4R 1BE
GS (NA) Holdings N.V.	Holding company	100%	Curaçao	Damacor Office Building, Schout bij Nacht Doormanweg 40, 2nd Floor, Curaçao

*For indirectly owned subsidiary undertakings, please refer to Appendix I

11. Debtors

	2022 £'000	2021 £'000
<i>Fixed assets:</i>		
Amount due from the parent company	696,179	687,850
	<u>696,179</u>	<u>687,850</u>

The amount due from the parent company is a loan receivable from GSHL that is repayable on demand, with no realistic repayment in the near future and is intended for the Company's use on a continuing basis.

Global Switch Limited
Notes forming part of the financial statements (continued)
for the year ended 31 December 2022

11. Debtors (continued)*Current assets:**Due in less than one year:*

	2022	2021
	£'000	£'000
Other debtors	1,153	328
Amounts due from the parent company	-	12,312
Amounts due from fellow subsidiary undertakings	102,247	115,093
Taxation and social security	3,757	1,237
Prepayments	138	671
	<u>107,295</u>	<u>129,641</u>

	2022	2021
	£'000	£'000
<i>Due after more than one year:</i>		

Amounts due from fellow subsidiary undertakings	1,985,912	1,830,282
Other debtors	2,097	2,094
	<u>1,988,009</u>	<u>1,832,376</u>

Amounts due from fellow subsidiary undertakings shown as due in less than one year are short-term recharges where repayments are expected within twelve months of the reporting period.

Amounts due from fellow subsidiary undertakings shown as due in more than one year have maturities of more than twelve months after the reporting period. These bear a range of interest charges relative to SONIA or EURIBOR where relevant and are denominated in a range of foreign currencies. Repayments on interest and/or principal are expected in the near future.

For details of certain significant transactions with the parent company in the year, see note 1.

Global Switch Limited
Notes forming part of the financial statements (continued)
for the year ended 31 December 2022

12. Creditors

<i>Due in less than one year:</i>	2022	2021
	£'000	£'000
Trade creditors	10	31
Redeemable preference shares (see note 14)	965,816	904,549
Amounts due to parent company	30,304	2,151
Amounts due to fellow subsidiary undertakings	1,572,563	1,473,206
Taxation and social security	660	351
Accruals	10,745	7,535
Other creditors	1	1
	<u>2,580,099</u>	<u>2,387,824</u>
 <i>Due after more than one year:</i>		
	2022	2021
	£'000	£'000
Amounts due to fellow subsidiary undertakings	58,764	52,243
Accruals	4,385	2,165
	<u>63,149</u>	<u>54,408</u>

Redeemable preference shares do not carry an entitlement to a dividend at a rate per share per annum. Holders of the redeemable preference shares have the right to redeem the preference shares at the nominal value per share at any time. Dividends of £nil (2021: £nil) were paid on redeemable preference shares.

Amounts due to parent company in less than one year are short-term recharges where repayments are expected within twelve months of the reporting period.

Amounts due to fellow subsidiary undertakings in less than one year include amounts due to Global Switch Estates 1 Limited, Global Switch Estates 2 Limited and Global Switch Finance Limited. The amount due to Global Switch Finance Limited was listed on The International Stock Exchange on 30 March 2021.

The amounts due to subsidiary undertakings include £90,742,000 which are due and payable on demand. These were recognised on ordinary course term extension of loans to Global Switch Estates 1 Limited and Global Switch Estates 2 Limited that were approaching expiry and were treated as loan modifications resulting in a net recognition of amounts due to subsidiary undertakings. These may be settled by being offset against loans receivable with both parties or dividends received as future profits are realised in the respective fellow subsidiary undertakings.

Amounts due to fellow subsidiary undertakings in more than one year include amounts due to ICT Centre Holding B.V. and other fellow subsidiary undertakings that operate and manage overseas Global Switch data centres. These bear a range of interest charges, predominantly relative to SONIA. There are no amounts payable due after more than 5 years.

Global Switch Limited
Notes forming part of the financial statements (continued)
for the year ended 31 December 2022

14. Share capital (continued)

The Company has one class of ordinary shares which carry no right to fixed income.

On 31 December 2020, the Company issued redeemable preference shares. The redeemable preference shares are presented as a liability (see note 12) and accordingly are excluded from called-up share capital in the balance sheet.

15. Contingent liabilities

In the ordinary course of business, the Company is engaged in certain actual, threatened, or potential commercial, tax and legal disputes. In the legal disputes where the Company is the actual or potential claimant to the dispute, the exposure is generally limited to legal and associated costs. Where the Company is the actual or potential defendant, the Company considers the probability that the claim would be successful and recognise a provision where appropriate. The Company is confident of its commercial, tax and legal positions. Save as included within provisions, the Company does not currently believe there are any legal proceedings, or government or regulatory investigations that may have a material adverse impact on the operations or financial condition of the Company.

As at 31 December 2022, the Company had a contingent liability totalling £30.3 million in relation to open tax enquiries relating to certain of its companies. No provision was recorded because an economic outflow is not considered probable. Additionally, there is uncertainty over the application of tax law and the Group would vigorously defend its historic positions, creating significant uncertainty as to the timing and ultimate outcome of any resolution of these preliminary enquiries.

16. Ultimate and immediate holding companies

The immediate holding company is Global Switch Holdings Limited a company registered in the British Virgin Islands.

The parent undertaking of the largest group, which includes the company and for which group accounts are prepared, is Jiangsu Shagang Group Co., Ltd (registered office: Jinfeng Town, Zhangjiagang City, Jiangsu Province, 215600 China). The parent undertaking of the smallest such group is Global Switch Holdings Limited (registered office: 2nd Floor, O'Neal Marketing Associates Building, PO Box 3174, Road Town, Tortola, British Virgin Islands). Copies of the group financial statements of Jiangsu Shagang Group Co., Ltd are available from the official website of Shanghai Clearing House. Copies of the group financial statements of Global Switch Holdings Limited are available from Euronext Dublin.

As at 31 December 2022 (and as at 31 December 2021), Elegant Jubilee Limited, Strategic IDC Limited and Tough Expert Limited directly owned 51%, 24.99% and 24.01% of Global Switch Holdings Limited respectively.

Elegant Jubilee Limited and Strategic IDC Limited are owned by consortia of corporate and institutional investors. Tough Expert Limited is an indirect, wholly owned investment vehicle of Jiangsu Shagang Group Co., Limited ("Shagang Group").

Shagang Group had previously acquired indirect stakes in the Global Switch Holdings Limited through its participation in the Elegant Jubilee Limited and Strategic IDC Limited consortia of institutional and private investors, which invested in Global Switch Holdings Limited in December 2016 and July 2018. The investment by Shagang Group, through Tough Expert Limited together with other share purchases during the course of 2020, has resulted in an indirect equity stake in the Company of 51.8%. Following the investment through Tough Expert Limited in July 2019, Shagang Group is considered by the Directors to control the Company. As of the date of these financial statements Mr. Shen Wenrong is regarded as the controller of Shagang Group under the relevant PRC rules and regulations and is therefore regarded as the ultimate controlling party.

17. Subsequent events

There are no subsequent events to be disclosed.

Global Switch Limited
Appendix I
for the year ended 31 December 2022

The Company's indirectly owned subsidiaries are disclosed below:

Name	Principal activity	Percentage owned	Country of incorporation	Registered address
Global Switch (London No.2) Ltd	Non-operating company	100%	England and Wales	Nova North, Level 2, 11 Bressenden Place, London, United Kingdom, SW1E 5BY
GS (NA) Company N.V.	Holding company	100%	Curaçao	Damacor Office Building, Schout bij Nacht Doormanweg 40, 2nd Floor, Curaçao
Global Switch Cooperatief UA	Holding company	100%	Netherlands	Johan Huizingalaan 759, 1066 VH Amsterdam, the Netherlands
ICT Centre Holding BV	Holding company	100%	Netherlands	Johan Huizingalaan 759, 1066 VH Amsterdam, the Netherlands
Global Switch Germany UG	Holding company	100%	Germany	Eschborner Landstraße 110, 60489 Frankfurt am Main, Germany
Global Switch Property Germany GmbH	Holding company	100%	Germany	Eschborner Landstraße 110, 60489 Frankfurt am Main, Germany
Carrier Haus GmbH	Ownership and operation of technical real estate	89%	Germany	Eschborner Landstraße 110, 60489 Frankfurt am Main, Germany
Global Switch FM GmbH	Ownership and operation of technical real estate	100%	Germany	Eschborner Landstraße 110, 60489 Frankfurt am Main, Germany
Global Switch European Holdings Sarl	Holding company	100%	Luxembourg	412F, route d'Esch, L-1030, Luxembourg
ICT Centre France BV	Holding company	100%	Netherlands	Johan Huizingalaan 759, 1066 VH Amsterdam, the Netherlands
Global Switch France Holdings SAS	Holding company	100%	France	7-9 rue Petit, 92582 Clichy Cedex, France
Global Switch Paris SAS	Ownership and operation of technical real estate	100%	France	7-9 rue Petit, 92582 Clichy Cedex, France
Global Switch Spain Holdings S.L.	Holding company	100%	Spain	Calle Yécora, 4, 28022 Madrid, Spain
Global Switch Property Madrid S.L.	Ownership and operation of technical real estate	100%	Spain	Calle Yécora, 4, 28022 Madrid, Spain
Global Switch Singapore Holdings Pte Ltd	Holding company	100%	Singapore	One Marina Boulevard #28-00, Singapore 018989
Global Switch (Property) Singapore Pte Ltd	Ownership and operation of technical real estate	100%	Singapore	One Marina Boulevard #28-00, Singapore 018989
Global Switch Property Holding B.V.	Holding company	100%	Netherlands	Johan Huizingalaan 759, 1066 VH Amsterdam, the Netherlands
Global Switch Services B.V.	Holding company	100%	Netherlands	Johan Huizingalaan 759, 1066 VH Amsterdam, the Netherlands
Global Switch Amsterdam Property B.V.	Operating company	100%	Netherlands	Johan Huizingalaan 759, 1066 VH Amsterdam, the Netherlands
Global Switch Amsterdam B.V.	Ownership and operation of technical real estate	100%	Netherlands	Johan Huizingalaan 759, 1066 VH Amsterdam, the Netherlands
Global Switch Rotterdam Property B.V.	Non-operating company	100%	Netherlands	Johan Huizingalaan 759, 1066 VH Amsterdam, the Netherlands
Global Switch Hong Kong Limited	Ownership and operation of technical real estate	100%	Hong Kong	18 Chun Yat Street, Tseung Kwan O Industrial Estate, New Territories, Hong Kong
Global Switch China Holdings Limited	Holding company	100%	Hong Kong	18 Chun Yat Street, Tseung Kwan O Industrial Estate, New Territories, Hong Kong