Global Switch Limited

Annual Report and Financial Statements

Year Ended 31 December 2020

Company Number 06238341

Global Switch Limited
Annual report and financial statements
for the year ended 31 December 2020

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Directors

J A Corcoran
D C Doyle

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

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 also an intermediate holding company within the Group and the group financing entity for the Group. As at 31 December 2020, its significant holdings included UK companies engaged in the management and operation of two data centre facilities located in London and a borrowing company incorporated in the Netherlands.

The profit and loss account is set out on page 14 and shows the result for the year. The Company made a profit of £18,144,000 for the year ended 31 December 2020 (31 December 2019: £44,919,000). The decrease in profit was driven by less dividend income received in the year £31,000,000 (2019: £44,200,000), higher cost of sales of £19,361,000 (2019: £9,779,000) mainly due to increased employee costs, and a smaller tax credit for the year of £885,000 (2019: £5,826,000), partially offset by foreign currency gains.

The Company's standalone financial position has moved as a result of the profit for the year, offset by dividends paid in the year of £37,507,000, resulting in net assets of £10,076,000 (2019: net assets £29,439,000).

During the year ended 31 December 2020, the wider Global Switch group commenced a reorganisation of its lending and legal entity structure, which remains ongoing. For the Company, this has had the broad effect of increasing both its debtors and its creditors due to/from its parent company and/or fellow subsidiary undertakings. Specifically, this impacted the Company during 2020 as follows:

- On 1 December 2020, receivables of £1,790,196,111 held by fellow subsidiary undertakings, namely ICT Centre Holdings BV and Brookset 18 Limited, were transferred to the Company. These receivables are denominated in Pound Sterling ("GBP"), Euros ("EUR"), Singapore Dollars ("SGD") and Australian Dollars ("AUD"). As part of the same transaction, Global Switch Finance Limited issued a GBP loan note to the Company for the same amount.

- On 31 December 2020, the Company issued redeemable preference shares as follows to Global Switch Holdings Limited:

Currency	Number of shares allotted	Nominal value of each share	Amount paid (including share premium) on each share
AUD	721,250,100	1.00	721,250,100
EUR	379,955,890	1.00	379,955,890
SGD	361,325,460	1.00	361,325,460

The consideration received for these preference shares was in the form of a short-term loan of EUR 300,000,000 (£268,500,000) and a GBP loan note of £678,525,000. Together these represented a total consideration of £947,025,000, which equated to the foreign currency amounts presented in the table above as at the date of the transaction.

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 the cost of professional services, 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.

Future developments

The directors expect the general level of activity to remain consistent with year ended 31 December 2020 in the forthcoming period.

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.

Post balance sheet events

Subsequent to 31 December 2020, the wider Global Switch group continued its reorganisation including its restructuring of the intercompany lending and legal entity structure. This will continue to impact the future intercompany balances of the Company, but the principal activities remain unchanged and this is not an adjusting event for the year ended 31 December 2020.

On 8 January 2021, the aforementioned short-term loan of EUR 300,000,000, issued during 2020, was settled in cash equivalent to £270,641,100.

On 31 March 2021, the Company allotted 1 further ordinary share with a nominal value of £1 to its existing shareholder, GSHL. The amount paid (including share premium) was £396,605,279. These proceeds were used to partially repay the amount due to Global Switch Finance Limited, which is presented within creditors amounts falling due within one year as at 31 December 2020.

On 30 June 2021, the Company acquired all of the ordinary share capital of GS (NA) Holdings N.V. from a fellow subsidiary undertaking for a consideration of £1,828,000,000. The acquisition was funded through a capital contribution in the Company by GSHL. Consideration was initially satisfied by the issue of a loan note by the Company. On 1 September 2021, the Company issued one ordinary share to its current shareholder (Global Switch Holdings Limited), consideration for which was the waiver of the £1,828,000,000 liability.

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:

D C Doyle
Director

14 March 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 2020. Principal activities, details of events affecting the Company since the financial period end and an indication of likely future developments in the business 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.

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

Credit risk
The Company's principal financial assets are bank balances and cash and trade and other receivables. The Company's credit risk is primarily attributable to its receivables, which are predominately due from fellow subsidiaries. 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. The Company has no significant concentration of credit risk.

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 £37,507,000 dividends for the year ended 31 December 2020 (31 December 2019: £28,628,000) to ordinary shareholders. No further dividends have been proposed for the year ended 31 December 2020.

On 31 December 2020, the Company issued redeemable preference shares as follows to Global Switch Holdings Limited:

Currency	Number of shares allotted	Nominal value of each share	Amount paid (included share premium) on each share
AUD	721,250,100	1.00	721,250,100
EUR	379,955,890	1.00	379,955,890
SGD	361,325,460	1.00	361,325,460

Dividends of £nil were paid on redeemable preference shares.

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 2020 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 fall into Scope 3 as these services are provided by the landlord and reduced in 2020 as a result of lower occupation during the COVID-19 pandemic.

Directors and directors' indemnity

The directors of the Company during the year and up to the date of signing these financial statements were:
J A Corcoran
D C Doyle

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.

Both 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 following period.

Approved by the Board and signed on its behalf by:

D C Doyle
Director

14 March 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; 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.

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 2020 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;
- the related notes 1 to 18.

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 UKs 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.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was: • Fair value determination on initial recognition of intercompany loans Within this report, key audit matters are identified as follows: Newly identified Increased level of risk Similar level of risk Decreased level of risk
Materiality	The materiality that we used for the audit of the financial statements was £28.9m which was determined using total assets and equates to 1% of total assets at 31 December 2020.
Scoping	We performed a full scope audit of Global Switch Limited.

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 Global Switch Holdings Limited and subsidiaries (together "the Group") consolidated forecasts which were prepared to 31 December 2023 as the company's ability to continue as a going concern is reliant on the Group given its net current liability position;
- assessment of the impact of Covid-19 on the Group's operations considering the nature of its activities and the credit-worthiness of its customer base; and
- assessment of the stress tests applied to the Group's forecasts.

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.

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 Fair value determination on initial recognition of intercompany loans

Key audit matter description	During the year ended 31 December 2020, the Group commenced an intercompany restructuring programme to reorganise its lending and legal entity structure. The lending restructure was largely completed during the year, following which the company became the main lender in the Group. As a result, there are a number of new or novated intercompany loans recognised in the company's financial statements during the year. Accounting standards require 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. With respect to off-market loans, any difference between the fair value of consideration received and the initial carrying amount of the loan is accounted for as a capital contribution or distribution. The valuation of intercompany loans at inception 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 market rates and fair value of the loans. See the 'Review of the business' within the strategic report on page 1 and notes 1, 11 and 12.

How the scope of our audit responded to the key audit matter	We obtained an understanding of the company's relevant controls in respect of the determination of the fair value at inception of intercompany loans. We tested new or novated intercompany loans to underlying loan agreements to determine the whether the loans are classified as basic financial instruments under FRS 102 section 11. We used our financial instrument specialists to assess management's accounting for intercompany loans that were new or novated to the company during the year. We used our financial instrument valuation specialists to challenge the interest rates applied to the new or novated intercompany loans to assess whether the rates applied were representative of an arm's length transaction. We assessed the rates applied by management by reference to a range of rates determined by our financial instrument valuation specialists that were assessed as indicative of arm's length rates having evaluated inputs to this assessment including the credit rating of the entity and the duration of the loans. We performed a recalculation of the fair value of intercompany loans at initial recognition using the rates determined by our financial instrument valuation specialists and compared these fair values to the fair values calculated by management.
Key observations	Based on the work performed and the posting of appropriate entries as needed, we concluded that the fair value determination of intercompany loans at inception is materially correct.

6. Our application of materiality

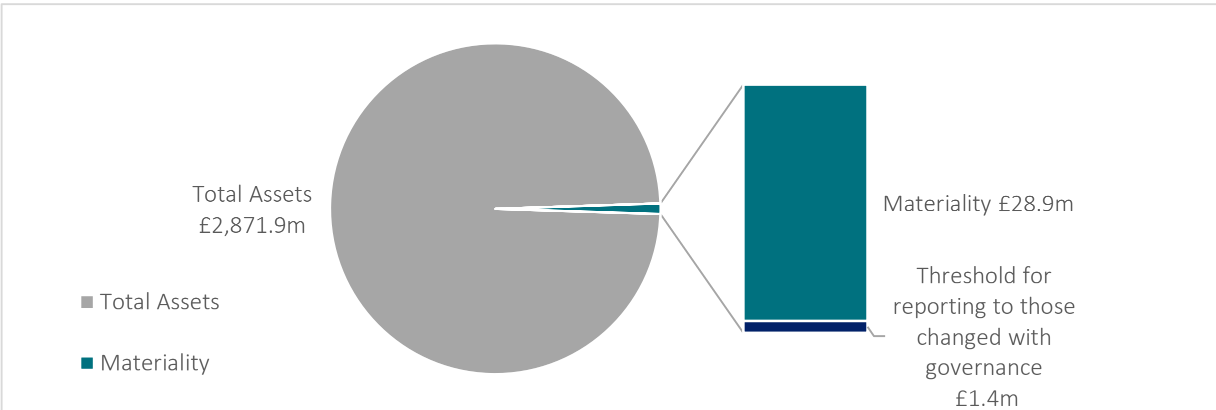
6.1 Materiality

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	£28.9m
Basis for determining materiality	Materiality has been determined to be 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 total assets as value is mainly derived from intercompany transactions.

In addition to total assets, we also consider profit before tax to be a key financial performance measure for the entity, since the ability of the company to service the debt is of importance to the users of the financial statements. We applied a lower threshold of £1.1 million, which was determined on the basis of 5% of profit before tax ("PBT"). This threshold was used to test all balances impacting profit and loss.



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 2020 audit. In determining performance materiality, we considered the following factors:

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 to report to those charged with governance all audit differences in excess of £1.4m. For items impacting profit and loss, we agreed to report to those charged with governance all audit differences in excess of £0.06m, as well as differences below those thresholds that, in our view, warranted reporting on qualitative grounds. We also report to those changed with governance on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1 Scoping

This entity is an intermediate holding company that provides strategic and control functions on behalf of the Group, Global Switch Holdings Limited, as well as being the principal treasury entity of the Group. 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.

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 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.

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. Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

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, internal audit and those changed with governance about their own identification and assessment of the risks of irregularities;
- 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;
    - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, financial instrument valuation specialists and financial instrument 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 fair value determination on initial recognition of intercompany loans. 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, listing rules, UK tax legislation and UK pension 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.

11.2 Audit response to risks identified

As a result of performing the above, we identified the fair value determination on initial recognition of intercompany loans 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.

11.2 Audit response to risks identified (continued)

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.

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.

Darren Longley, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
14 March 2022

Global Switch Limited

Profit and loss account
for the year ended 31 December 2020

	Notes	2020	2019
		£'000	**£'000**
Turnover		11,646	12,779
Cost of sales		(19,361)	(9,779)
Gross (loss)/profit		**(7,715)**	**3,000**
Operating (loss)/profit		**(7,715)**	**3,000**
Foreign currency exchange gains/(losses)	3	8,242	(4,549)
Dividend income	3	31,000	44,200
Finance costs (net)	6	(14,268)	(3,558)
Profit before taxation	3	17,259	39,093
Tax on profit	7	885	5,826
Profit for the financial year		**18,144**	**44,919**

Statement of comprehensive income

	2020	2019
	£'000	**£'000**
Profit for the financial year	18,144	44,919
Total comprehensive income attributable to equity shareholders of the Company	**18,144**	**44,919**

The notes on pages 17 to 32 form part of these financial statements.

Global Switch Limited

Balance sheet
as at 31 December 2020

Company number 06238341	Notes	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	9	1,179	572
Investment in subsidiaries	10	-	-
Debtors: amounts due from the parent company	11	678,520	-
		679,699	**572**
Current assets			
Deferred tax	7	6,207	5,322
Debtors: amounts falling due after more than one year	11	1,818,631	137,133
Debtors: amounts falling due within one year	11	361,324	112,744
Cash at bank and in hand		6,052	4,074
		2,192,214	**259,273**
Creditors: amounts falling due within one year	12	(2,821,131)	(91,067)
Net current liabilities		**(628,917)**	**168,206**
Total assets less current liabilities		**50,782**	**168,778**
Creditors: amounts falling due after more than one year	12	(40,706)	(139,339)
Net assets		**10,076**	**29,439**
Capital and reserves			
Called-up share capital	14	-	-
Profit and loss account		10,076	29,439
Shareholder's funds		**10,076**	**29,439**

The financial statements were approved by the Board of Directors and authorised for issue on 14 March 2022 and signed on its behalf by:

D C Doyle
Director

The notes on pages 17 to 32 form part of these financial statements.

Global Switch Limited

Statement of changes in equity
for the year ended 31 December 2020

	Note	Called-up share capital £'000	Profit and loss account £'000	Total £'000
At 1 January 2019		**-**	**13,093**	**13,093**
Opening balance adjustment	15		55	55
Restated at 1 January 2019			**13,148**	**13,148**
Profit for the financial year		-	47,162	47,162
Adjustment to 2019	15		(2,243)	(2,243)
Total comprehensive income		-	**44,919**	**44,919**
Dividends	8	**-**	(28,628)	(28,628)
At 31 December 2019		**-**	**29,439**	**29,439**
Profit for the financial year		-	18,144	18,144
Total comprehensive income		-	**18,144**	**18,144**
Dividends	8	-	(37,507)	(37,507)
At 31 December 2020		**-**	**10,076**	**10,076**

The notes on pages 17 to 32 form part of these financial statements.

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 2020, the wider Global Switch group commenced a reorganisation of its lending and legal entity structure, which remains ongoing. For the Company, this has had the broad effect of increasing both its debtors and its creditors due to/from its parent company and/or fellow subsidiary undertakings. Specifically, this impacted the Company during 2020 as follows:

- On 1 December 2020, receivables of £1,790,196,111 held by fellow subsidiary undertakings, namely ICT Centre Holdings BV and Brookset 18 Limited, were transferred to the Company (see note 11). These receivables are denominated in Pound Sterling ("GBP"), Euros ("EUR"), Singapore Dollars ("SGD") and Australian Dollars ("AUD"). As part of the same transaction, Global Switch Finance Limited issued a GBP loan note to the Company for the same amount (see note 12).

- On 31 December 2020, the Company issued redeemable preference shares as follows to Global Switch Holdings Limited ("GSHL") (see note 12):

Currency	Number of shares allotted	Nominal value of each share	Amount paid (included share premium) on each share
AUD	721,250,100	1.00	721,250,100
EUR	379,955,890	1.00	379,955,890
SGD	361,325,460	1.00	361,325,460

The consideration received for these preference shares was in the form of a short-term loan of EUR 300,000,000 (£268,500,000) and a GBP loan note of £678,525,000 (see note 11). Together these represented a total consideration of £947,025,000, which equated to the foreign currency amounts presented in the table above as at the date of the transaction.

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.

2. Accounting policies (continued)

Accounting period

These financial statements are prepared for the year ended 31 December 2020, the comparative period presented is the year ended 31 December 2019.

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 potential impact of Covid-19 on the business. Based on our experience throughout 2020, the group has remained resilient to the impact of Covid-19 and the group does not currently consider it a material matter in making the going concern assessment. The nature of the operations and their importance to our customers' businesses, together with the nature and credit-worthiness of our customer base have resulted in a significantly reduced impact for the Global Switch group compared to many other businesses or industries. 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. 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.

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.

2. Accounting policies (continued)

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.
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.

2. Accounting policies (continued)

i. Financial assets and liabilities (continued)

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 and recharges of costs incurred for the management of the two London data centre facilities.

Turnover arises principally in the United Kingdom.

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.

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 recognise 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.

3. Profit before taxation

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

	2020 £'000	2019 £'000
Auditor's remuneration – audit of the financial statements	79	76
Depreciation (see note 9)	330	222
Foreign currency exchange (gains)/losses	(8,242)	4,549
Dividend income	(31,000)	(44,200)
Operating lease rentals	2	423

4. Employees

Staff costs consist of:

	2020 £'000	2019 £'000
Wages and salaries	5,053	2,013
Social security costs	1,047	548
Pension costs	478	266
	6,578	**2,827**

At 31 December 2020 there were no accrued pension contributions (31 December 2019: £nil).

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

	2020 Number	2019 Number
Property management	31	23
Corporate administration	65	48
	96	**71**

5. Directors' remuneration

	2020 £'000	2019 £'000
Wages and salaries	1,930	1,821
Pension costs: defined contribution scheme	-	52
	1,930	**1,873**

Highest paid director:

	2020 £'000	2019 £'000
Wages and salaries	1,403	1,269
Pension costs: defined contribution scheme	-	36
	1,403	**1,305**

The directors are employed by Global Switch Limited. The emoluments disclosed above are in respect of their service to this Company only. The costs are borne by Global Switch Limited.

Neither director was accruing benefits under defined contribution pension schemes (31 December 2019: two).

6. Finance costs (net)

	2020 £'000	2019 £'000
Bank and other interest receivable	3	1
Interest receivable from fellow subsidiary undertakings	6,155	9,024
Finance income	**6,158**	**9,025**
Bank and other interest payable	(19)	(30)
Interest payable to fellow subsidiary undertakings	(7,191)	(12,553)
Loss on settlement	(13,216)	-
Finance costs	**(20,426)**	**(12,583)**
Finance costs (net)	**(14,268)**	**(3,558)**

7. Taxation

a) Analysis of tax credit in the period

	2020 £'000	2019 £'000
Current tax		
UK corporation tax at 19% (31 December 2019: 19%)	-	(1,040)
Deferred tax		
Origination and reversal of timing differences	100	(4,786)
Other deferred tax movement (difference in rate)	(55)	-
Adjustments in respect of earlier periods	(930)	-
Tax for the financial year	**(885)**	**(5,826)**

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:

	2020 £'000	2019 £'000
Profit before taxation	**17,259**	**39,093**
Profit at the standard rate of corporation tax in the UK of 19% (31 December 2019: 19%)	3,279	7,428
Effects of:		
Non-assessable income items and permanent differences	(5,890)	(8,398)
Non-deductible expenses	2,511	-
Other deferred tax movement (difference in rate)	(55)	(9)
Recognition of deferred tax asset from prior years	-	(5,471)
Cap on interest deduction	200	624
Adjustments in respect of earlier periods	(930)	-
Total tax credit for the year	**(885)**	**(5,826)**

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. In March 2020 the UK Government enacted a change cancelling the previously legislated reduction in the UK corporation tax rate from 19% to 17%. For 2019, current tax is reflected at 19%.

The deferred tax calculation for 31 December 2020 reflects a UK corporation tax rate of 19% (31 December 2019: 17%) being the rates enacted at the reporting date. These had the one-off effect of increasing the deferred taxation credit for the year by £54,000 in 2020.

The UK Government announced on 3 March 2021 a proposed increase in the UK corporation tax rate to 25% with effect from April 2023. This proposed increase has not been reflected in the deferred tax calculation as it had not been enacted at the balance sheet date. If this rate had applied at 31 December 2020, it would have resulted in the recognition of an additional deferred tax asset of £1,960,000.

7. Taxation (continued)

d) Deferred tax

The Company has recognised a deferred tax asset as at 31 December 2020 and 31 December 2019. Trading tax losses unutilised as at 31 December 2020 were £30,443,000 (31 December 2019: £23,611,000) and there is no time limit on utilisation. It is anticipated that some of these trading tax losses will continue to be utilised in the year ending 31 December 2021.

	£'000
At 1 January 2020	5,322
Credit to profit and loss account	885
At 31 December 2020	**6,207**

Deferred tax assets are recognised as follows:

	2020 £'000	2019 £'000
Accelerated capital allowances	604	464
Tax losses available	5,603	4,858
	6,207	**5,322**

8. Dividends paid and other distribution

	2020 £’000	2019 £’000
Amounts recognised as distributions to equity holders in the period:		
Dividends paid on ordinary shares	37,507	28,628
		-
	37,507	**28,628**

The Company's redeemable preference shares are included in the balance sheet as a liability and accordingly further information can be found in note 12.

9. Tangible assets

	Leasehold improvements £'000	Computer equipment and software £'000	Fixtures, fittings and equipment £'000	Assets under construction £'000	Total £'000
Cost					
At 1 January 2020	**-**	**6,543**	**118**	**285**	**6,946**
Additions	757	-	261	-	1,018
Disposals	-	-	-	(81)	(81)
At 31 December 2020	**757**	**6,543**	**379**	**204**	**7,883**
Depreciation					
At 1 January 2020	**-**	**6,277**	**97**	**-**	**6,374**
Charge for the period	54	183	93	-	330
At 31 December 2020	**54**	**6,460**	**190**	**-**	**6,704**
Net book value					
At 31 December 2019	**-**	**266**	**21**	**285**	**572**
At 31 December 2020	**703**	**83**	**189**	**204**	**1,179**

10. Investments

Investments as at 31 December 2019 and 31 December 2020 are recorded at a cost of £632,742,000, which has been fully provided for in prior years except for Global Switch Finance B.V. which was incorporated during the year 2020. Subsidiary undertakings, which have share capital consisting entirely of ordinary shares, as at 31 December 2019 and 31 December 2020 are as follows:

Name	Principal activity	Percentage owned	Country of incorporation	Registered address
Duelguide (Global Switch) S.à.r.l.	Holding company	100%	Luxemburg	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 (London No. 2) 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

*Owned indirectly by Global Switch Limited

See note 18 for information on further investments subsequent to 31 December 2020.

11. Debtors

	2020 £'000	2019 £'000
Fixed assets:		
Amounts due from the parent company	678,520	-
Due in less than one year:		
Trade debtors	-	391
Other debtors	18	2,490
Amount due from the parent company	271,040	-
Amounts due from fellow subsidiary undertakings	88,667	108,083
Taxation and social security	1,199	1,410
Prepayments and accrued income	400	370
	361,324	**112,744**

11. Debtors (continued)

	2020 £'000	2019 £'000
Due in more than one year:		
Amounts due from fellow subsidiary undertakings	1,816,537	137,133
Other debtors	2,094	-
	1,818,631	**137,133**

Amounts shown as due in more than one year are due from GSHL and fellow subsidiary undertakings and bear a range of interest charges relative to LIBOR or EURIBOR where relevant and are denominated in a range of foreign currencies.

See note 1 for details of certain significant transactions with the parent company and fellow subsidiary undertakings in the year.

12. Creditors

Due in less than one year:	2020 £'000	2019 £'000
Trade creditors	873	545
Redeemable preference shares (see note 1 and note 14)	947,025	-
Amounts due to fellow subsidiary undertakings	1,867,528	85,886
Amounts due to parent company	-	927
Taxation and social security	115	66
Accruals and deferred income	5,530	3,643
Other creditors	60	-
	2,821,131	**91,067**

12. Creditors (continued)

Due in more than one year:

	2020 £'000	2019 £'000
Amounts due to fellow subsidiary undertakings (see note 1)	40,706	139,339
	40,706	**139,339**

Redeemable preference shares do not carry an entitlement to a dividend at the 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 (2019: £nil) were paid on redeemable preference shares.

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.

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 LIBOR. There are no amounts payable due after more than 5 years.

13. Operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 £'000	2019 £'000
Within one year	806	806
Between one and five years	4,296	3,491
After five years	9,667	11,278
	14,769	**15,575**

14. Share capital

	Allotted, called up and fully paid			
	2020	2019	**2020**	2019
	Number	Number	**£**	£
Ordinary share of £1	**1**	1	**1**	1
Redeemable preference shares of AUD $1	**721,250,100**	-	**721,250,100**	-
Redeemable preference shares of EUR €1	**379,955,890**	-	**379,955,890**	-
Redeemable preference shares of SGD $1	**361,325,460**	-	**361,325,460**	-

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. Restatement of intercompany loan interest expense payable

The Company has recognised adjustments in relation to the understatement of intercompany loan interest expense payable to ICT Centre Holding B.V. in prior years. This has resulted in a decrease of opening retained earnings of £1,397,000, and an increase in net finance costs for the year ended 31 December 2019 of £2,485,000. The 2019 balance sheet is impacted as follows: a reduction in creditors falling due within one year (by £3,974,000) and an increase in creditors falling due after more than one year (by £7,856,000).

The Company has also recognised an adjustment in relation to the understatement of intercompany receivables from Duelguide (Global Switch) Sarl. This has resulted in an increase on opening retained earnings in 2019 (by £1,452,000), increase in debtors: amounts falling due within one year (by £556,000), reduction in creditors falling due within one year (by £1,138,000), increase in cost of sales (by £257,000), and decrease in foreign exchange loss (by £499,000).

16. Contingent liabilities

The Company does not have any contingent liabilities as at the date of this report or for the comparative year end.

17. Ultimate and immediate holdings company

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 2020 (and as at 31 December 2019), 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").

17. Ultimate and immediate holdings company (continued)

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 51.7%. Following the investment through Tough Expert Limited, 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.

18. Subsequent events

Subsequent to 31 December 2020, the wider Global Switch group continued its reorganisation including its restructuring of the intercompany lending structure and acquisitions of fellow subsidiaries. This will continue to impact the future intercompany balances of the Company, but the principal activities remain unchanged and these are not an adjusting events for the year ended 31 December 2020.

On 8 January 2021, a short-term intercompany loan of EUR 300,000,000 (see note 12), issued during 2020, was settled in cash equivalent to £270,641,100.

On 31 March 2021, the Company allotted 1 further ordinary share with a nominal value of £1 to its existing shareholder, GSHL. The consideration (including share premium) was £396,605,279. This was used to partially repay the amount due to Global Switch Finance Limited, which is presented within creditors amounts falling due within one year as at 31 December 2020.

On 30 June 2021, the Company acquired all of the ordinary share capital of GS (NA) Holdings N.V. from a fellow subsidiary undertaking for a consideration of £1,828,000,000. Consideration was initially satisfied by the issue of a loan note by the Company. On 1 September 2021, the Company issued one ordinary share to its current shareholder (GSHL), consideration for which was the waiver of the £1,828,000,000 liability.

On 23 December 2021, the Company allotted 1 further ordinary share with a nominal value of £1 to GSHL. The consideration (including share premium) was £725,749,373 in the form of intercompany receivables of EUR 853,168,361 owing from ICT Centre Holding B.V..