

Delivery of Advanced Network Technology to Europe Limited ('DANTE')

Annual Report and Financial Statements

for the year ended 31 December 2013

Delivery of Advanced Network Technology to Europe Limited

Company Information

Directors	J Boland R Buch R A Day P Donath C Grimm
Company secretary	D D Wrathmall
Registered number	2806796
Registered office	9400 Garsington Road Oxford Business Park Oxford OX4 2HN
Independent auditor	Ernst & Young LLP One Cambridge Business Park Cambridge CB4 0WZ
Bankers	Barclays Bank plc Bene't Street Branch PO Box 2 Cambridge CB2 3PZ
Solicitors	Manches 9400 Garsington Road Oxford Business Park Oxford OX4 2HN

Delivery of Advanced Network Technology to Europe Limited

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Delivery of Advanced Network Technology to Europe Limited

Strategic report for the year ended 31 December 2013

The directors present their strategic report for the year ended 31 December 2013.

Principal activity and review of the business

The principal activity of Delivery of Advanced Network Technology to Europe Limited ('the Company') is the research into, and the development and provision of, advanced electronic international telecommunication facilities, primarily for the research, academic and educational community in Europe and management of associated large scale international projects and services.

The profit on ordinary activities after taxation amounted to €2,000. Further information is provided in the Directors' Report. The value of the profit should be viewed in the context that the Company is run on the basis that it does not operate on a profit-making basis but will plan to cover its costs.

Apart from the highly advanced technical capability and increasing utilisation and demand on the network, the relatively stable operational cost base demonstrates that the National Research and Education Networks ("NRENs") benefit from these activities at an economically efficient and sustainable level. The GÉANT programme is the key activity and object for the Company representing about €37 million (75%) of the total income and expenditure (2012 - €30 million).

GÉANT, and the other networks managed by the Company interconnect more than half of all countries worldwide, supporting hundreds of millions of researchers and students ensuring research projects that span countries and continents can collaborate simply and effectively, thus accelerating discoveries and results for real societal benefit.

The Company currently manages research and education networking projects serving Europe (GÉANT), the Mediterranean (EUMEDCONNECT), Sub-Saharan Africa (Africa Connect) and Central Asia (CAREN) regions, coordinates Europe-China collaboration (ORIENTplus), and assists the projects underway in Latin America (RedCLARA), the Caribbean (CKLN) and Asia-Pacific (TEIN).

2013 saw the completion of the upgrade of the GÉANT network involving the refresh of 12,000km of cabling and replacement of existing transmission and switching equipment. This comprehensive upgrade not only provides connectivity speeds across the core GÉANT backbone of up to 500Gbps, but also positions GÉANT well ahead of the impending 'data deluge' - and thanks to excellent scalability effectively future proofs the network until 2020, ensuring GÉANT remains central to the European Commission's ('EC') Horizon 2020 initiative.

Another important achievement was the awarding, for second year in succession, of the highest possible rating for the GÉANT (GN3) project, during its annual independent EC review. Rarely awarded, this rating is especially remarkable given the size of the project, and puts GÉANT in the top 10% of all EC-funded projects. The GÉANT (GN3) project ended in April 2013, and is succeeded by the current project, GÉANT (GN3plus), a two-year project that continues to be jointly funded by the EC and National Research and Education Networks ('NREN's').

Following the successful hand over to TEIN*CC, supporting the Asia-Pacific region, the Company continued to provide consultancy and support, ensuring this important project continues to flourish; whilst in Africa, the Company's role as project coordinator for AfricaConnect saw great success with the first links becoming operational, interconnecting several African countries and enabling traffic to be exchanged within the region for the first time, rather than via Europe.

Delivery of Advanced Network Technology to Europe Limited

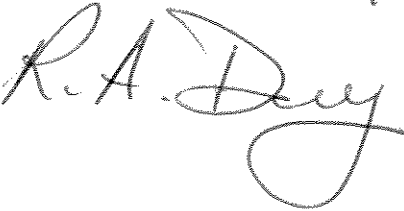
Strategic report (continued)

Principal risks and uncertainties

The principal risks and uncertainties for the Company relate to the continued interest from the NREN community and from the EC in supporting the development and provision of advanced network technology services for the research, academic and educational community in Europe. Continuity of support from the EC depends largely on the scheduled funding programmes and occasionally these are not always timed to be able to offer continued funding. The Company would seek to address such funding gaps through the support of the NREN partners and the telecom service providers.

This report was approved by the board on 4th June 2014 and signed on its behalf.

R A Day
Director



Delivery of Advanced Network Technology to Europe Limited

Directors' report for the year ended 31 December 2013

The directors present their Report and the Financial Statements of Delivery of Advanced Network Technology to Europe Limited ('the Company') for the year ended 31 December 2013.

Results and dividends

The results of the Company for the year are set out in the financial statements and related notes on pages 9 to 21. The profit for the year, before taxation amounted to €84,000 (2012 – loss of €239,000). The profit on ordinary activities after taxation amounted to €2,000 (2012 – loss of €263,000).

The Articles of Association of the Company do not permit any dividend payment.

Future developments

The main activities for 2014 are to continue to grow usage of the networks, and launch new leading edge services that enable, facilitate and enhance research across Europe, and between Europe and other world regions. GÉANT is well positioned to support several high profile users, such as EUMETSAT (Europe's operational satellite agency for monitoring weather, climate and the environment), the Human Brain Project (a Future and Emerging Technologies Flagship Programme) and the Square Kilometre Array (SKA – the world's largest radio telescope).

Additionally, proposals for the next GÉANT project (GN4) are well advanced, and these will be submitted in Q4 2014.

The Company will continue the on-going development of the regional networking activities covering the south and eastern Mediterranean, Central Asia and Africa and will provide assistance in the continuation of connectivity of Latin America to Europe in the second ALICE programme and South East Asia and Asia-Pacific in the TEIN*CC programme.

In 2013, the Board with the backing of the shareholders commenced a collaborative exercise with TERENA (Trans-European Research and Networking Association), a not-for-profit organisation registered in the Netherlands, to undertake, with external professional advice, due diligence to consider options to realise closer and more formal ties between the two organisations.

The Company also successfully engaged with the EC's Future Internet Initiative, and is initially supporting experimental test-beds that will help to drive forward networking technology for all.

Going concern

The Strategic Report and Directors' Report summarise the Company's activities, its financial performance and financial position together with any factors likely to affect its future development. In addition, it discusses the principal risks and uncertainties it faces.

The Board has followed the UK Financial Reporting Councils 'Going Concern and Liquidity Risk Guidance for Directors and UK Companies 2009' when performing their going concern assessment. As part of its comprehensive assessment of whether the Company is a going concern, the Board has prepared cash flow forecasts for the Company for the foreseeable future.

As a result of the review, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Delivery of Advanced Network Technology to Europe Limited

Directors' report for the year ended 31 December 2013

Employees

During the year, the Company maintained a policy of informing and involving employees on matters which concern them and in the achievement of its business goals. The Company has a comprehensive system for consultation and communication involving regular meetings between management and employees, quarterly strategic briefings, opinion surveys and the issue of various bulletins.

The Company is committed to providing equal opportunities to all employees irrespective of their sex, age, sexual orientation, marital status, religion, race or disability.

Directors

The directors who served during the year were:

J Boland
R Buch
R A Day
P Donath (appointed 13 March 2013)
C Grimm (appointed 6 July 2013)
I Maric (resigned 25 June 2013)
C Toenz (resigned 13 March 2013)

Secretary

D D Wrathmall took over the Company Secretary duties from M J Scott on 2 December 2013.

Disclosure of indemnity

Qualifying third party indemnity arrangements (as defined in section 234 of the Companies Act 2006) were in force for the benefit of the Directors of the Company during the year and remain in place at the date of approval of this report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be 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 section 418(2) of the Companies Act 2006.

Delivery of Advanced Network Technology to Europe Limited

**Directors' report
for the year ended 31 December 2013**

Auditor

A resolution to reappoint Ernst & Young LLP as auditor will be put to the members at the Annual General Meeting.

This report was approved by the board on *4th June 2014* and signed on its behalf.


R A Day
Director

Delivery of Advanced Network Technology to Europe Limited

Directors' responsibilities statement for the year ended 31 December 2013

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Independent auditor's report to the members of Delivery of Advanced Network Technology to Europe Limited

We have audited the financial statements of Delivery of Advanced Network Technology to Europe Limited for the year ended 31 December 2013, which comprise the Profit and loss account, the Balance sheet, the Cash flow statement and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report, the Directors' report and the financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Independent auditor's report to the members of Delivery of Advanced Network Technology to Europe Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Rachel Wilden (Senior statutory auditor)

for and on behalf of

Ernst & Young LLP

Statutory Auditor

Cambridge

Date: *9 June 2014*

Delivery of Advanced Network Technology to Europe Limited

Profit and loss account for the year ended 31 December 2013

	Note	2013 €000	2012 €000
Turnover	1,2	49,442	39,156
Cost of sales		(45,313)	(35,700)
Gross profit		4,129	3,456
Administrative expenses		(4,115)	(3,923)
Operating profit/(loss)	3	14	(467)
Interest receivable		70	246
Interest payable		-	(18)
Profit/(loss) on ordinary activities before taxation		84	(239)
Tax on profit/(loss) on ordinary activities	7	(82)	(24)
Profit/(loss) for the financial year	16	2	(263)

All amounts relate to continuing operations.

There are no recognised gains and losses other than the profit attributable to the shareholders of the company of €2,000 in the year ended 31 December 2013 (2012 – loss of €263,000).

Delivery of Advanced Network Technology to Europe Limited
Registered number: 2806796

Balance sheet
as at 31 December 2013

	Note	€000	2013 €000	€000	2012 €000
Fixed assets					
Tangible fixed assets	8		10,791		5,582
Current assets					
Debtors	9	9,128		26,611	
Cash at bank and in hand		27,185		38,241	
		<u>36,313</u>		<u>64,852</u>	
Creditors: amounts falling due within one year	11	(31,292)		(48,452)	
Net current assets			<u>5,021</u>		<u>16,400</u>
Total assets less current liabilities			<u>15,812</u>		<u>21,982</u>
Creditors: amounts falling due after more than one year	12		(8,450)		(14,600)
Provisions for liabilities					
Other provisions	14		(203)		(225)
Net assets			<u>7,159</u>		<u>7,157</u>
Capital and reserves					
Called up share capital	15		1,576		1,576
Capital contributions	16		35		35
Profit and loss account	16		5,548		5,546
Shareholders' funds	17		<u>7,159</u>		<u>7,157</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4/6/14


R A Day
 Director

Delivery of Advanced Network Technology to Europe Limited

Cash flow statement for the year ended 31 December 2013

	Note	2013 €000	2012 €000
Net cash outflow from operating activities	18	(1,278)	(7,443)
Returns on investments and servicing of finance	19	70	228
Taxation	19	107	(830)
Capital expenditure and financial investment	19	(9,955)	(5,039)
Decrease in cash in the year		<u>(11,056)</u>	<u>(13,084)</u>

Reconciliation of net cash flow to movement in net funds for the year ended 31 December 2013

	2013 €000	2012 €000
Decrease in cash in the year	<u>(11,056)</u>	<u>(13,084)</u>
Movement in net funds in the year	(11,056)	(13,084)
Net funds at 1 January 2013	<u>38,241</u>	<u>51,325</u>
Net funds at 31 December 2013	<u>27,185</u>	<u>38,241</u>

The Company has a pooling arrangement on all of its bank accounts to maximise the investment return for the benefit of all projects.

Delivery of Advanced Network Technology to Europe Limited

Notes to the financial statements for the year ended 31 December 2013

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom generally accepted accounting practice ('UK GAAP').

1.2 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short Leasehold Property	-	over the lease term
Furniture	-	over 5 years
Equipment	-	over 3 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

1.3 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception

- Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.4 Foreign currencies

The Company's functional currency is the euro. Transactions in currencies other than the euro are translated at the exchange rate applicable on the first business day in the month in which it is accounted for. Monetary assets and liabilities denominated in currencies other than the euro are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

1.5 Leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.6 Research and development

Research and development expenditure is written off as incurred.

Delivery of Advanced Network Technology to Europe Limited

Notes to the financial statements for the year ended 31 December 2013

1. Accounting policies (continued)

1.7 Pensions

The company makes contributions to personal pension schemes. Pension contributions are charged to the profit and loss account as they become payable.

1.8 Revenue recognition

Revenue represents consideration for services provided and is measured net of VAT.

Where revenue arises from project activity such revenue is recognised in line with project completion, which is assessed by reference to the actual cost to date compared against total budgeted cost.

Other revenue is recognised in the period in which the services are provided.

2. Turnover

Turnover, which is stated net of value added tax and arises from one activity, represents amounts derived from the provision of services which fall within the Company's principal activity.

An analysis of turnover is as follows:

	2013 €000	2012 €000
Europe	37,256	32,117
Outside Europe	12,186	7,039
	<u>49,442</u>	<u>39,156</u>

3. Operating profit/(loss)

The operating profit/(loss) is stated after charging/(crediting):

	2013 €000	2012 €000
Depreciation of tangible fixed assets:		
- owned by the company	4,557	1,915
Operating lease rentals:		
- plant and machinery	21,530	16,703
- land and building	561	543
Difference on foreign exchange	349	(4)
Allowance for doubtful debts	62	919
Provisions - dilapidations	-	184
- staff related	-	41
	<u>-</u>	<u>-</u>

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Notes to the financial statements for the year ended 31 December 2013

4. Auditors' remuneration

	2013 €000	2012 €000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	23	34
Fees payable to the company's auditor and its associates in respect of:		
Taxation compliance services	22	30
All taxation advisory services not included above	38	-
VAT consultancy services	33	38
Grant claims	36	12
All other non-audit services not included above	6	5
	<u> </u>	<u> </u>

5. Directors' remuneration

Directors' remuneration for qualifying services during the year was €nil (2012 - €nil).

No director was a member of a defined benefit or a defined contribution scheme in either the current or prior year. Nor did any director receive shares for qualifying services or have any share options in either the current or prior year.

6. Staff costs

Staff costs were as follows:

	2013 €000	2012 €000
Wages and salaries	4,572	4,552
Social security costs	530	507
Other pension costs	363	149
	<u> </u>	<u> </u>
	<u>5,465</u>	<u>5,208</u>

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

	2013 No.	2012 No.
Network operations	22	22
Management/administration	15	14
Projects	33	33
	<u> </u>	<u> </u>
	<u>70</u>	<u>69</u>

Delivery of Advanced Network Technology to Europe Limited

Notes to the financial statements for the year ended 31 December 2013

7. Taxation

	2013 €000	2012 €000
Analysis of tax charge/(credit) in the year		
Current tax		
UK corporation tax charge/(credit) on profit/(loss) for the year	128	(67)
Adjustments in respect of prior periods	-	(4)
Total current tax	<u>128</u>	<u>(71)</u>
Deferred tax		
Origination and reversal of timing differences	(41)	84
Effect of decreased tax rate on opening liability	(5)	11
Total deferred tax (see note 13)	<u>(46)</u>	<u>95</u>
Tax on profit/(loss) on ordinary activities	<u>82</u>	<u>24</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 €000	2012 €000
Profit/(loss) on ordinary activities before tax	<u>84</u>	<u>(239)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	20	(59)
Effects of:		
Expenses not deductible for tax purposes	23	15
Depreciation in deficit/(excess) of capital allowances	136	(73)
Adjustments in respect of prior periods	-	(4)
Other timing differences	-	8
Unrelieved tax losses carried forward	(39)	28
Differences in tax rates on losses carried back	-	14
Other	(12)	-
Current tax charge/(credit) for the year	<u>128</u>	<u>(71)</u>

Factors that may affect future tax charges

The main rate of UK corporation tax was reduced from 24% to 23% from 1 April 2013. The Finance Act 2013, enacted on 17 July 2013, reduced further the UK main rate of corporation tax to 21% from 1 April 2014 and 20% from 1 April 2015. Deferred tax has been restated accordingly in these financial statements.

The above changes to the rate of corporation tax will impact the amount of future cash tax payments to be made by the company.

Delivery of Advanced Network Technology to Europe Limited

Notes to the financial statements for the year ended 31 December 2013

8. Tangible fixed assets

	Short leasehold property €000	Furniture €000	Equipment €000	Total €000
Cost				
At 1 January 2013	490	190	32,734	33,414
Additions	-	10	10,049	10,059
Disposals	-	-	(10,265)	(10,265)
At 31 December 2013	490	200	32,518	33,208
Depreciation				
At 1 January 2013	250	162	27,420	27,832
Charge for the year	104	11	4,442	4,557
On disposals	-	-	(9,972)	(9,972)
At 31 December 2013	354	173	21,890	22,417
Net book value				
At 31 December 2013	136	27	10,628	10,791
At 31 December 2012	240	28	5,314	5,582

9. Debtors

	2013 €000	2012 €000
Trade debtors	2,737	5,647
VAT recoverable	1,803	772
Corporation tax	111	345
Other debtors	465	16,043
Prepayments and accrued income	3,526	3,364
UK deferred tax (see note 13)	486	440
	9,128	26,611

10. Cash at bank and in hand

On 26 June 2008, Barclays Bank issued a bank guarantee on behalf of the Company to the EC relating to funds transferred to the Company for the TEIN3 project. At 31 December 2013, the balance of cash covered by the guarantee was €173,226 (2012 - €201,209).

On 7 December 2010, Barclays Bank issued a bank guarantee on behalf of the Company to the EC relating to funds transferred to the Company for the CAREN project. At 31 December 2013, the balance of cash covered by the guarantee was €44,498 (2012 - €1,635,031).

Delivery of Advanced Network Technology to Europe Limited

Notes to the financial statements for the year ended 31 December 2013

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

	2013 €000	2012 €000
Trade creditors	6,259	3,657
Rebates in respect of DWS service subscriptions	699	399
Other taxes and social security costs	148	135
Other creditors	13,305	32,616
Accruals and deferred income	10,881	11,645
	<u>31,292</u>	<u>48,452</u>

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

	2013 €000	2012 €000
Deferred income	<u>8,450</u>	<u>14,600</u>

13. Deferred tax asset

	2013 €000	2012 €000
At 1 January	440	535
Increase/(released) during year	23	(76)
Adjustment in respect of prior years	23	(19)
At 31 December	<u>486</u>	<u>440</u>

The deferred tax asset is made up as follows:

	2013 €000	2012 €000
Decelerated capital allowances	476	406
Unrelieved tax losses carried forward	10	27
Other timing differences	-	7
	<u>486</u>	<u>440</u>

Delivery of Advanced Network Technology to Europe Limited

Notes to the financial statements for the year ended 31 December 2013

14. Provisions for liabilities

	Dilapidation provisions €000	Staff related provisions €000	Total €000
At 1 January 2013	184	41	225
Utilisation	-	(22)	(22)
At 31 December 2013	<u>184</u>	<u>19</u>	<u>203</u>

Provisions were established during the year ended 31 December 2012 in respect of dilapidation costs for occupied property for which the lease expires in 2014. Independent professional advisors were used to establish the value of this provision.

The staff related provision predominately relating to the incorrect treatment of historical taxable staff benefits was identified and established during the year ended 31 December 2012. During 2013, €22,000 of the provision has been utilised and a final settlement is expected to be reached with HMRC during 2014.

15. Issued share capital

	2013 €000	2012 €000
Allotted, called up and fully paid		
1,171,500 Ordinary shares of £1 each	<u>1,576</u>	<u>1,576</u>

16. Reserves

	Capital contributions €000	Profit and loss account €000
At 1 January 2013	35	5,546
Profit for the financial year	-	2
At 31 December 2013	<u>35</u>	<u>5,548</u>

17. Reconciliation of movement in shareholders' funds

	2013 €000	2012 €000
Opening shareholders' funds	7,157	7,420
Profit/(loss) for the financial year	<u>2</u>	<u>(263)</u>
Closing shareholders' funds	<u>7,159</u>	<u>7,157</u>

Delivery of Advanced Network Technology to Europe Limited

Notes to the financial statements for the year ended 31 December 2013

18. Net cash outflow from operating activities

	2013 €000	2012 €000
Operating profit/(loss)	14	(467)
Depreciation of tangible fixed assets	4,557	1,915
Decrease/(increase) in debtors	17,483	(12,343)
(Decrease)/increase in creditors	(23,310)	3,227
(Decrease)/increase in provisions	(22)	225
Net cash outflow from operating activities	(1,278)	(7,443)

19. Analysis of cash flows for headings netted in cash flow statement

	2013 €000	2012 €000
Returns on investments and servicing of finance		
Interest received	70	246
Interest paid	-	(18)
Net cash inflow from returns on investments and servicing of finance	70	228
Taxation		
Corporation tax repaid/(paid)	107	(830)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(10,059)	(5,039)
Sale of tangible fixed assets	104	-
Net cash outflow from capital expenditure	(9,955)	(5,039)

Delivery of Advanced Network Technology to Europe Limited

Notes to the financial statements for the year ended 31 December 2013

20. Analysis of changes in net funds

	1 January 2013 €000	Cash flow €000	Other non-cash changes €000	31 December 2013 €000
Cash at bank and in hand	38,241	(11,056)	-	27,185
Net funds	<u>38,241</u>	<u>(11,056)</u>	<u>-</u>	<u>27,185</u>

21. Pension commitments

On 1 October 2012, the Company set up a Group Personal Pension Scheme. At 31 December 2013, the contributions outstanding amounted to €58,441 (2012 - €46,236).

22. Other financial commitments

At 31 December 2013, the Company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Plant and machinery	
	2013 €000	2012 €000	2013 €000	2012 €000
Expiry date:				
Within 1 year	208	-	849	919
Between 2 and 5 years	-	451	-	1,515
After more than 5 years	103	130	2,002	-
	<u>103</u>	<u>130</u>	<u>2,002</u>	<u>-</u>

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Notes to the financial statements for the year ended 31 December 2013

23. Related party transactions

Under UK GAAP, transactions between a company and a significant shareholder with common management, or directly with its shareholders, are deemed to be related party transactions. During the year €19,197,000 (2012 - €19,497,000) of sales and €98,000 (2012 - €190,000) of purchases were made to/from shareholders. Sales during the year and amounts, at the year end, due from/(owed to) shareholders with representation on the board and/or deemed in a position of control as part of the board of directors of the company are as follows:

Related Party	Other relationship besides directorship	Sales to		Amounts due from		Purchases from		Amounts owed to	
		2013 €000	2012 €000	2013 €000	2012 €000	2013 €000	2012 €000	2013 €000	2012 €000
C Toenz, Deputy General Manager of SWITCH	SWITCH holds 110,000 ordinary shares	169	760	99	-	-	72	-	5
R A Day, Chief technology Officer of Janet (UK)	Janet (UK) represents HEFC-E which holds 165,000 ordinary shares	2,036	1,935	391	52	25	72	1	-
I Maric, Deputy Director of University Computing Centre - SRCE, University of Zagreb		370	963	-	151	-	1	-	-
R Buch, Chief Executive Officer of ORDUnet	NORDUnet holds 82,500 ordinary shares	1,293	1,566	1	274	-	1	-	-
J Boland, Chief Executive of HEAnet	HEAnet holds 22,000 ordinary shares	601	954	94	-	2	-	-	103
C Grimm, General Manager of DFN	DFN holds 165,000 ordinary shares	1,222	-	2	-	-	-	-	-
P Donath, Director GIP Renater	GIP Renater holds 165,000 ordinary shares	1,314	-	246	-	-	-	-	-