
LONDON INTERNET EXCHANGE LIMITED AND ITS SUBSIDIARIES
(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

LONDON INTERNET EXCHANGE LIMITED AND ITS SUBSIDIARIES
(A company limited by guarantee)

CONTENTS

	Page
Company information page	1
Group strategic report	2
Directors' report	3 - 4
Independent auditors' report	5 - 6
Profit and loss account	7
Consolidated balance sheet	8
Consolidated cash flow statement	10
Notes to the financial statements	11 - 21

LONDON INTERNET EXCHANGE LIMITED AND ITS SUBSIDIARIES
(A company limited by guarantee)

COMPANY INFORMATION

The Board of Directors Mr G Davies (resigned 20 May 2014)
 Mr N McRae
 Mr J B Souter
 Mr P W Gilmore
 Mr T Mangin
 Mr S Wright
 Ms N Bargisen
 Mr T S A Lahtinen (appointed 20 May 2014)

REGISTERED NUMBER 03137929

REGISTERED OFFICE Trinity Court
 Trinity Street
 Priestgate
 Peterborough
 PE1 1DA

TRADING ADDRESS Trinity Court
 Trinity Street
 Priestgate
 Peterborough
 Cambridgeshire
 PE1 1DA

INDEPENDENT AUDITORS MHA MacIntyre Hudson
 Chartered Accountants & Statutory Auditors
 8 - 12 Priestgate
 Peterborough
 PE1 1JA

LONDON INTERNET EXCHANGE LIMITED AND ITS SUBSIDIARIES
(A company limited by guarantee)

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The group's principal activity is to provide interconnectivity between members and to promote the interests of its members.

The directors consider that the company has performed well during the financial year, meeting its targets for member growth and income whilst operating within budget.

During the period covered by this report, we have continued the policy of reducing prices - but strong growth has resulted in a satisfactory surplus, which will be re-invested into continued development of our network. New membership applications continued at the high rate established in previous years (more than 100 in 2014), which vindicates this approach. This financial policy has been explicitly endorsed by a membership vote.

The traffic carried at LINX again grew strongly during the trading period, and membership growth has been pleasing. This growth in membership assists all current members, since it provides new peering opportunities - which is the practical method of interconnectivity which LINX facilitates. LINX remains one of the largest and most important Internet Exchanges in the world. LINX continues to attract new members from Europe, the Middle East, Asia, Africa, the Americas and Australasia, having established itself as a key facility on a global scale.

This report was approved by the board and signed on its behalf.

.....
Mr S Wright
Director

Date:

LONDON INTERNET EXCHANGE LIMITED AND ITS SUBSIDIARIES
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group 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 group and of the profit or loss of the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS

The profit for the year, after taxation, amounted to £1,684,257 (2013 - £1,525,839).

DIRECTORS

The directors who served during the year were:

Mr G Davies (resigned 20 May 2014)
Mr N McRae
Mr J B Souter
Mr P W Gilmore
Mr T Mangin
Mr S Wright
Ms N Bargisen
Mr T S A Lahtinen (appointed 20 May 2014)

MATTERS COVERED IN THE STRATEGIC REPORT

Details concerning principal activity, business review and future developments can be found in the Strategic Report.

LONDON INTERNET EXCHANGE LIMITED AND ITS SUBSIDIARIES
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

DISCLOSURE OF INFORMATION TO AUDITORS

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 and the group's auditors are 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 and the group's auditors are aware of that information.

AUDITORS

Under section 487(2) of the Companies Act 2006, MHA MacIntyre Hudson will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.

.....
Mr S Wright
Director

Date:

Trinity Court
Trinity Street
Priestgate
Peterborough
PE1 1DA

LONDON INTERNET EXCHANGE LIMITED AND ITS SUBSIDIARIES

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON INTERNET EXCHANGE LIMITED AND ITS SUBSIDIARIES

We have audited the financial statements of London Internet Exchange Limited and its subsidiaries for the year ended 31 December 2014, which comprise the group Profit and loss account, the group and company Balance sheets, the group Cash flow statement and the related notes. 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 Auditors' 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 AUDITORS

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. 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 group's and the parent 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 Group strategic report and the Directors' report 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 group's and the parent company's affairs as at 31 December 2014 and of the group's 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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

LONDON INTERNET EXCHANGE LIMITED AND ITS SUBSIDIARIES
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON INTERNET EXCHANGE LIMITED AND ITS SUBSIDIARIES

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Stuart Manning FCA (Senior statutory auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

8 - 12 Priestgate
Peterborough
PE1 1JA
Date:

LONDON INTERNET EXCHANGE LIMITED AND ITS SUBSIDIARIES
(A company limited by guarantee)

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £	Restated 2013 £
TURNOVER	1,2	12,610,042	11,579,439
Distribution costs		(301,386)	(291,012)
Administrative expenses		(11,509,664)	(10,551,408)
Other operating income	3	876,828	789,881
OPERATING PROFIT	4	1,675,820	1,526,900
Interest receivable and similar income		10,546	11,528
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,686,366	1,538,428
Tax on profit on ordinary activities	7	(2,109)	(12,589)
PROFIT FOR THE FINANCIAL YEAR	16	1,684,257	1,525,839

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss account.

The notes on pages 11 to 21 form part of these financial statements.

LONDON INTERNET EXCHANGE LIMITED AND ITS SUBSIDIARIES**(A company limited by guarantee)****REGISTERED NUMBER: 03137929**

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2014**

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	8		4,829,703		5,772,101
CURRENT ASSETS					
Debtors	10	2,301,061		1,779,473	
Cash at bank and in hand		6,918,771		4,342,425	
			9,219,832	6,121,898	
CREDITORS: amounts falling due within one year	11	(2,325,047)		(1,853,768)	
NET CURRENT ASSETS			6,894,785		4,268,130
NET ASSETS			11,724,488		10,040,231
CAPITAL AND RESERVES					
Profit and loss account	16		11,724,488		10,040,231
			11,724,488		10,040,231

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

.....
Mr S Wright
Director

Date:

The notes on pages 11 to 21 form part of these financial statements.

LONDON INTERNET EXCHANGE LIMITED AND ITS SUBSIDIARIES**(A company limited by guarantee)****REGISTERED NUMBER: 03137929**

**COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2014**

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	8		4,721,907		5,772,101
Investments	9		1		1
			<hr/>		<hr/>
			4,721,908		5,772,102
CURRENT ASSETS					
Debtors	10	2,646,394		1,779,473	
Cash at bank and in hand		6,839,851		4,342,425	
		<hr/>		<hr/>	
		9,486,245		6,121,898	
CREDITORS: amounts falling due within one year	11	(2,340,137)		(1,853,769)	
		<hr/>		<hr/>	
NET CURRENT ASSETS			7,146,108		4,268,129
			<hr/>		<hr/>
NET ASSETS			11,868,016		10,040,231
			<hr/>		<hr/>
CAPITAL AND RESERVES					
Profit and loss account	16		11,868,016		10,040,231
			<hr/>		<hr/>
			11,868,016		10,040,231
			<hr/>		<hr/>

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

.....
Mr S Wright
Director

Date:

The notes on pages 11 to 21 form part of these financial statements.

LONDON INTERNET EXCHANGE LIMITED AND ITS SUBSIDIARIES
(A company limited by guarantee)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	17	5,414,518	5,143,288
Returns on investments and servicing of finance	18	10,546	11,528
Taxation	18	-	(19,494)
Capital expenditure and financial investment	18	(2,848,718)	(2,901,250)
INCREASE IN CASH IN THE YEAR		2,576,346	2,234,072

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 £	2013 £
Increase in cash in the year	2,576,346	2,234,072
CHANGE IN NET FUNDS RESULTING FROM CASH FLOWS	2,576,346	2,234,072
Other non-cash changes	-	(1)
MOVEMENT IN NET FUNDS IN THE YEAR	2,576,346	2,234,071
Net funds at 1 January 2014	4,342,425	2,108,354
NET FUNDS AT 31 DECEMBER 2014	6,918,771	4,342,425

The notes on pages 11 to 21 form part of these financial statements.

LONDON INTERNET EXCHANGE LIMITED AND ITS SUBSIDIARIES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Basis of consolidation

The financial statements consolidate the accounts of London Internet Exchange Limited and all of its subsidiary undertakings ('subsidiaries').

The company has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit and loss account for the year dealt with in the accounts of the company was £1,827,785 (2013 - £1,525,839).

Group accounts were not prepared in 2013 as both of the company's subsidiaries were permitted to be excluded from group accounts by virtue of sections 402 and 405 of the Companies Act 2006 as when taken together their inclusion was not material for the purpose of giving a true and fair view. The prior year comparative figures therefore present information about the company as an individual undertaking and not about its group.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax, adjusted to take account of any deferred elements.

1.4 Tangible fixed assets and depreciation

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:

Leasehold property improvements-	Over the period of the lease
Plant and machinery	- 3 years straight line

1.5 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.6 Operating leases

Rentals under operating leases are charged to the Profit and Loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

LONDON INTERNET EXCHANGE LIMITED AND ITS SUBSIDIARIES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss account.

Financial statements of overseas subsidiaries are translated at the rate ruling at the balance sheet date. Exchange differences arising are dealt with through reserves.

1.9 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1.10 Comparatives

Comparatives have been restated to reclassify member connection costs amounting to £275,579 from administrative expenses to distribution costs to accurately reflect the costs as sales related expenses.

LONDON INTERNET EXCHANGE LIMITED AND ITS SUBSIDIARIES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group.

A geographical analysis of turnover is as follows:

	2014 £	2013 £
United Kingdom	6,206,295	5,562,401
Rest of European Union	3,885,074	3,481,079
Rest of world	2,518,673	2,535,959
	<u>12,610,042</u>	<u>11,579,439</u>

The analysis of turnover provided has been derived from the Group's accounting records and as such represents the invoicing address of the member. Were income to be analysed based on the operating location of the members it would provide an alternate analysis which would be in line with the continued global expansion referred to in the strategic report.

3. OTHER OPERATING INCOME

	2014 £	2013 £
Other operating income	876,828	789,881

Other operating income consists of recharges of amounts paid on behalf of members, the associated cost has been recognised within administrative expenses.

4. OPERATING PROFIT

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

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the group	3,791,116	3,740,696
Auditors' remuneration	10,500	8,000
Operating lease rentals:		
- other operating leases	189,797	189,797
Difference on foreign exchange	3,650	-

Auditors fees for the company were £10,500 (2013 - £8,000)

LONDON INTERNET EXCHANGE LIMITED AND ITS SUBSIDIARIES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2014	2013
	£	£
Wages and salaries	2,990,306	2,617,255
Social security costs	304,957	255,118
Other pension costs	271,091	185,002
	<u>3,566,354</u>	<u>3,057,375</u>

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

	2014	2013
	No.	No.
Number of administrative staff	42	38
Number of management staff	7	7
	<u>49</u>	<u>45</u>

6. DIRECTORS' REMUNERATION

	2014	2013
	£	£
Remuneration	298,743	271,174
Company pension contributions to defined contribution pension schemes	16,920	13,763

During the year retirement benefits were accruing to 1 director (2013 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £179,567 (2013 - £168,947).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £16,920 (2013 - £13,763).

LONDON INTERNET EXCHANGE LIMITED AND ITS SUBSIDIARIES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

7. TAXATION

	2014	2013
	£	£
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	2,109	12,917
Adjustments in respect of prior periods	-	(328)
	<u>2,109</u>	<u>12,589</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 20% (2013 - 20%). The differences are explained below:

	2014	2013
	£	£
Profit on ordinary activities before tax	1,686,366	1,538,428
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2013 - 20%)	337,273	307,686
Effects of:		
Adjustments to tax charge in respect of prior periods	-	(328)
Profits not subject to corporation tax	(335,164)	(294,769)
Current tax charge for the year (see note above)	<u>2,109</u>	<u>12,589</u>

LONDON INTERNET EXCHANGE LIMITED AND ITS SUBSIDIARIES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

8. TANGIBLE FIXED ASSETS

Group	Leasehold property £	Plant and machinery £	Total £
Cost			
At 1 January 2014	245,215	24,913,126	25,158,341
Additions	-	2,848,718	2,848,718
At 31 December 2014	<u>245,215</u>	<u>27,761,844</u>	<u>28,007,059</u>
Depreciation			
At 1 January 2014	52,156	19,334,084	19,386,240
Charge for the year	126,065	3,665,051	3,791,116
At 31 December 2014	<u>178,221</u>	<u>22,999,135</u>	<u>23,177,356</u>
Net book value			
At 31 December 2014	<u>66,994</u>	<u>4,762,709</u>	<u>4,829,703</u>
At 31 December 2013	<u>193,059</u>	<u>5,579,042</u>	<u>5,772,101</u>
Company	Leasehold property £	Plant and machinery £	Total £
Cost			
At 1 January 2014	245,215	24,913,126	25,158,341
Additions	-	2,605,023	2,605,023
At 31 December 2014	<u>245,215</u>	<u>27,518,149</u>	<u>27,763,364</u>
Depreciation			
At 1 January 2014	52,156	19,334,084	19,386,240
Charge for the year	126,065	3,529,152	3,655,217
At 31 December 2014	<u>178,221</u>	<u>22,863,236</u>	<u>23,041,457</u>
Net book value			
At 31 December 2014	<u>66,994</u>	<u>4,654,913</u>	<u>4,721,907</u>
At 31 December 2013	<u>193,059</u>	<u>5,579,042</u>	<u>5,772,101</u>

LONDON INTERNET EXCHANGE LIMITED AND ITS SUBSIDIARIES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

9. FIXED ASSET INVESTMENTS

Company	Investments in subsidiary companies £
Cost	
At 1 January 2014 and 31 December 2014	<u>1</u>
Net book value	
At 31 December 2014	<u>1</u>
At 31 December 2013	<u>1</u>

Details of the principal subsidiaries can be found under note number 20.

10. DEBTORS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	374,733	386,975	361,880	386,974
Amounts owed by group undertakings	-	-	310,167	-
Other debtors	98,753	291,537	146,772	291,538
Prepayments and accrued income	1,827,575	1,100,961	1,827,575	1,100,961
	<u>2,301,061</u>	<u>1,779,473</u>	<u>2,646,394</u>	<u>1,779,473</u>

11. CREDITORS:
Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	1,528,115	974,833	1,522,197	974,833
Amounts owed to group undertakings	-	-	24,009	-
Corporation tax	15,026	12,917	15,026	12,917
Other taxation and social security	294,609	400,861	294,609	400,861
Other creditors	118,210	119,828	115,209	119,829
Accruals and deferred income	369,087	345,329	369,087	345,329
	<u>2,325,047</u>	<u>1,853,768</u>	<u>2,340,137</u>	<u>1,853,769</u>

LONDON INTERNET EXCHANGE LIMITED AND ITS SUBSIDIARIES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

12. PENSION COMMITMENTS

The group makes contributions to employees' personal pension plans. The assets of the plans are held separately from those of the company in independently administered funds. The pension charge represents contributions payable to the plans and amounted to £271,091 (2013: £185,002). As at the 31 December 2014 the group owed £115,210 (2013: £55,060) to these pension schemes. This amount is included within other creditors.

13. OPERATING LEASE COMMITMENTS

At 31 December 2014 the group had annual commitments under non-cancellable operating leases as follows:

Group	Land and buildings	
	2014	2013
	£	£
Expiry date:		
Within 1 year	105,768	-
Between 2 and 5 years	-	141,024
After more than 5 years	57,400	57,400
	=====	=====

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

Company	Land and buildings	
	2014	2013
	£	£
Expiry date:		
Within 1 year	105,768	-
Between 2 and 5 years	-	141,024
After more than 5 years	57,400	57,400
	=====	=====

LONDON INTERNET EXCHANGE LIMITED AND ITS SUBSIDIARIES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

14. RELATED PARTY TRANSACTIONS

Controlling Parties:

There was no one controlling party during the current year and previous year.

Related Party Transactions:

During the year transactions took place with TPTB Limited, a company in which director Mr G Davies had a significant interest. Purchases from TPTB Limited totalled £17,497 (2013: £31,653). At the balance sheet date there were no outstanding amounts (2013: £2,736) to TPTB Limited. This was included within trade creditors.

During the year transactions took place with Netconnex Broadband Limited, a company in which director Mr T S A Lahtinen has a significant interest. Sales to Netconnex Broadband Limited totalled £12,100 (2013: £16,382). At the balance sheet date there were no amounts outstanding (2013: £nil) from Netconnex Broadband Limited.

During the year the group made sales to Exa Networks Limited, a company in which director Mr T Mangin has a material interest. Sales to Exa Networks Limited totalled £21,427 (2013: £6,491). At the balance sheet date there were no amounts outstanding (2013: £nil) from Exa Networks Limited. During the year the company also made purchases from Exa Networks Limited of £15,203 (2013: £15,379). At the balance sheet date there were no outstanding amounts (2013: £nil) to Exa Networks Limited.

The group has taken exemptions in Financial Reporting Standard 8 from disclosing certain transactions with group companies.

15. COMPANY STATUS

The members' liability is limited. Every member of the group undertakes to contribute to the assets of the group in the event of the same being wound up while he is a member, or within one year after he ceases to be a member, for payments of the debts and liabilities of the group contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such and for the amount as may be required not exceeding one pound.

16. RESERVES

	Profit and loss account £
Group	
At 1 January 2014	10,040,231
Profit for the financial year	1,684,257
	<hr/>
At 31 December 2014	11,724,488
	<hr/> <hr/>

LONDON INTERNET EXCHANGE LIMITED AND ITS SUBSIDIARIES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

16. RESERVES (continued)

Company	Profit and loss account £
At 1 January 2014	10,040,231
Profit for the financial year	1,827,785
	<hr/>
At 31 December 2014	11,868,016
	<hr/> <hr/>

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating profit	1,675,820	1,526,900
Depreciation of tangible fixed assets	3,791,116	3,740,696
Increase in debtors	(521,588)	(282,429)
Increase in creditors	469,170	158,121
	<hr/>	<hr/>
Net cash inflow from operating activities	5,414,518	5,143,288
	<hr/> <hr/>	<hr/> <hr/>

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	10,546	11,528
	<hr/>	<hr/>
Taxation		
Corporation tax repaid/(paid)	-	(19,494)
	<hr/>	<hr/>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(2,848,718)	(2,901,250)
	<hr/> <hr/>	<hr/> <hr/>

LONDON INTERNET EXCHANGE LIMITED AND ITS SUBSIDIARIES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

19. ANALYSIS OF CHANGES IN NET FUNDS

	1 January 2014 £	Cash flow £	Other non-cash changes £	31 December 2014 £
Cash at bank and in hand	4,342,425	2,576,346	-	6,918,771
Net funds	4,342,425	2,576,346	-	6,918,771

20. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
London Internet Exchange Trading Limited	UK	100%	Other telecommunications activities
Linx USA Incorporated	USA	NIL (see note below)	Internet Exchange

The balances and transactions of Linx USA Incorporated have been included in the consolidated financial statements by virtue of the fact that the sole member of Linx USA Incorporated is the company's wholly owned subsidiary, London Internet Exchange Trading Limited. It is therefore deemed to be under the control of the group.