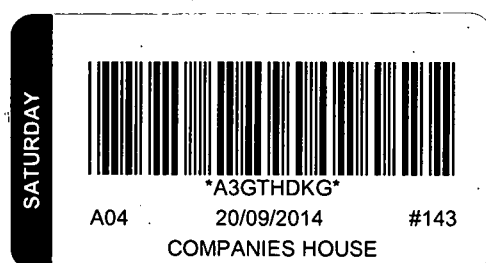


**Virgin Net Limited**  
**Financial Statements**  
**31 December 2013**



# Virgin Net Limited

## Financial Statements

Year ended 31 December 2013

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# Virgin Net Limited

## Company Information

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### The board of directors

R D Dunn  
M O Hifzi  
D M Strong  
T Mockridge

### Company secretary

G E James

### Registered office

Bartley Wood Business Park  
Hook  
Hampshire  
RG27 9UP

### Auditor

KPMG LLP  
Chartered Accountants  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

# Virgin Net Limited

## Strategic Report

Year ended 31 December 2013

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### Principal activities and business review

The principal activity of the company was, and will continue to be, to provide broadband internet and fixed-line telephony services to residential customers outside of Virgin Media group's cable network, over third party telecommunications networks.

During 2014, Virgin Media commenced a sale process to dispose of the residential customer relationships that are used in the trading operations of the company.

At 31 December 2013 the company was a wholly owned subsidiary undertaking of Virgin Media Inc. (Virgin Media). Virgin Media became a wholly-owned subsidiary of Liberty Global plc (Liberty Global) as a result of a series of mergers that were completed on 7 June 2013 (the LG/VM Transaction). This is referred to in more detail in the consolidated financial statements of Virgin Media Inc. which are available from the company secretary at Virgin Media, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

The Virgin Media Inc. consolidated group (the group) operates under the Virgin Media brand in the United Kingdom (U.K.).

The group provides digital cable, broadband internet, fixed-line telephony and mobile services in the U.K. to both residential and business-to-business (B2B) customers. The group is one of the U.K.'s largest providers of residential digital cable, broadband internet and fixed-line telephony services in terms of customers. The group believes its advanced, deep-fibre cable access network enables it to offer faster and higher quality broadband internet services than our digital subscriber line, or DSL competitors. As a result, it provides our customers with a leading next generation broadband internet service and one of the most advanced interactive digital cable services available in the U.K. market.

As of 31 December 2013, the group provided services to approximately 4.9 million residential cable customers on its network. The group is also one of the UK's largest mobile virtual network operators by number of customers, providing mobile telephony services to 1.9 million contract mobile customers and 1.1 million prepay mobile customers over third party networks. As of 31 December 2013, 84% of residential customers on the group's cable network received multiple services from the group, and 66% were "triple play" customers, receiving broadband internet, digital cable and fixed-line telephony services from the group.

In addition the group provides broadband internet, fixed-line and mobile telephony and other connectivity services to businesses, public sector organisations and service providers.

# Virgin Net Limited

## Strategic Report *(continued)*

### Year ended 31 December 2013

#### Key performance indicators (KPI's)

The company's key financial and other performance indicators for the year are considered below.

	2013	2012	Comments
Turnover (£000)	56,675	72,378	Turnover has decreased by 21.7% primarily due to a decrease in the number of national customers, partially offset by selective price increases.
Operating profit before exceptional items (£000)	3,461	6,772	Operating profit before exceptional items has decreased by 48.9%, primarily due to lower gross profit resulting from decreased revenue, partially offset by lower administrative expenses before exceptional items, driven by a decrease in marketing and employee costs.

Selected statistics for residential customers served by the company at 31 December 2013 and 31 December 2012 are shown in the table below:

	2013	2012
Products:		
Fixed-line telephone	98,600	141,400
Broadband	134,800	192,700
Total	233,400	334,100
Total customers	135,200	195,400
Products per customer	1.73	1.71

Each fixed-line telephone and broadband internet subscriber counts as one product. Accordingly, a subscriber who receives both telephone and broadband internet services counts as two products. Products may include subscribers receiving some services for free or at a reduced rate in connection with promotional offers.

The company reported a movement from a net current asset to a net current liability position and a decrease in total assets less current liabilities for the year ended 31 December 2013 as a result of normal operations and exceptional costs totalling £12,979,000 relating to the termination of a project that resulted in the impairment of fixed assets and termination expenses. During the year, no new external finance was arranged and there was no movement in the called up equity share capital of the company. Operations were financed through the company's inter-company balances with fellow group undertakings.

# Virgin Net Limited

## Strategic Report *(continued)*

Year ended 31 December 2013

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### Future outlook

The directors will continue to review management policies in light of changing trading and market conditions. Further detail of the future outlook of the group is provided in Virgin Media Inc.'s financial statements and annual report for 2013, which are available from the company secretary at Virgin Media, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

### Principal risks and uncertainties

Financial and operational risk management is undertaken as part of the group operations as a whole. The company's operations expose it to a variety of operational and financial risks. These are considered in more detail in the financial statements of Virgin Media Inc. which are available from the company secretary at Virgin Media, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

Signed on behalf of the directors



G E James  
Company Secretary

Approved by the directors on 30 June 2014

# Virgin Net Limited

## Directors' Report (continued)

### Year ended 31 December 2013

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The directors present their report and the financial statements of the company for the year ended 31 December 2013.

#### Results and dividends

The loss for the financial year amounted to £8,354,000 (2012 - profit of £9,511,000). The directors have not recommended an ordinary dividend (2012 - £nil).

#### Directors

The directors who served the company during the year and thereafter were as follows:

C B E Withers	(Resigned 31 March 2014)
R D Dunn	(Appointed 7 June 2013)
M O Hifzi	(Appointed 31 March 2014)
D M Strong	(Appointed 22 November 2013)
T Mockridge	(Appointed 7 June 2013)
R C Gale	(Resigned 29 November 2013)

The directors of the company have been indemnified against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision is in force for directors serving during the financial year and as at the date of approving the Directors' Report.

#### Going concern

After making suitable enquiries and obtaining the necessary assurances from Virgin Media Inc., a wholly owned subsidiary of Liberty Global plc and the intermediate holding company which heads the Virgin Media group, that sufficient resources will be made available to meet any liabilities as they fall due should the company's income not be sufficient, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although at the date of approval of these financial statements they have no reason to believe that it will not do so. On this basis the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

#### Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

#### Auditor

On 5 June 2014, Ernst and Young LLP resigned as auditors and subsequently KPMG LLP were appointed.

Signed on behalf of the directors

M O Hifzi  
Director

Approved by the directors on 30 June 2014

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# Virgin Net Limited

## Directors' Responsibilities Statement

Year ended 31 December 2013

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The directors are responsible for preparing the Strategic Report, 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 of the profit or loss of the company for that year.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 Member of Virgin Net Limited**

**Year ended 31 December 2013**

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We have audited the financial statements of Virgin Net Limited for the year ended 31 December 2013 on page 1. 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 member, 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 member 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 member, 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 1, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditor's Report to the Member of Virgin Net Limited (continued)**

**Year ended 31 December 2013**

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**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.



Xavier Timmermans (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

30 June 2014

# Virgin Net Limited

## Profit and Loss Account

Year ended 31 December 2013

	Note	2013 £000	2012 £000
<b>Turnover</b>		<b>56,675</b>	<b>72,378</b>
Cost of sales		(38,173)	(47,362)
<b>Gross profit</b>		<b>18,502</b>	<b>25,016</b>
Administrative expenses		(18,818)	(18,244)
<b>Operating (loss)/profit</b>	<b>2</b>	<b>(316)</b>	<b>6,772</b>
Attributable to:			
Operating profit before exceptional items		3,461	6,772
Operating exceptional items	<b>2</b>	(3,777)	—
		(316)	6,772
Exceptional items	<b>4</b>	(9,202)	—
Interest payable and similar charges	<b>5</b>	(401)	(453)
<b>(Loss)/profit on ordinary activities before tax</b>		<b>(9,919)</b>	<b>6,319</b>
Tax on (loss)/profit on ordinary activities	<b>6</b>	1,565	3,192
<b>(Loss)/profit for the financial year</b>	<b>15</b>	<b>(8,354)</b>	<b>9,511</b>

The company has no other gains or losses and therefore no separate statement of total recognised gains or losses is presented.

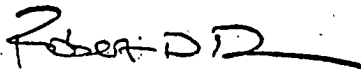
All results relate to continuing operations.

The notes on page 9 form part of these financial statements.

**Virgin Net Limited****Balance Sheet****31 December 2013**

	Note	2013 £000	2012 £000
<b>Fixed assets</b>			
Tangible assets	7	8,722	12,273
<b>Current assets</b>			
Stocks	8	1,091	976
Debtors due after one year - Deferred tax	9,10	4,743	3,178
Debtors due within one year	9	6,274	3,667
		12,108	7,821
<b>Creditors: Amounts falling due within one year</b>	11	(13,746)	(4,656)
<b>Net current (liabilities)/assets</b>		(1,638)	3,165
<b>Total assets less current liabilities</b>		<u>7,084</u>	<u>15,438</u>
<b>Capital and reserves</b>			
Share capital	14	13,318	13,318
Share premium account	15	37,327	37,327
Other reserves	15	7	7
Profit and loss account	15	(43,568)	(35,214)
<b>Shareholder's funds</b>	15	<u>7,084</u>	<u>15,438</u>

These financial statements were approved by the directors on 30 June 2014 and are signed on their behalf by:



R D Dunn  
Director

The notes on page 10 form part of these financial statements.

# Virgin Net Limited

## Notes to the Financial Statements

Year ended 31 December 2013

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### 1. Accounting policies

A summary of the principal accounting policies is set out below. All accounting policies have been applied consistently, unless noted below.

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006, and applicable UK accounting standards.

#### **Fundamental accounting concept**

After making suitable enquiries and obtaining the necessary assurances from Virgin Media Inc., a wholly owned subsidiary of Liberty Global plc and the intermediate holding company which heads the Virgin Media group, that sufficient resources will be made available to meet any liabilities as they fall due should the company's income not be sufficient, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although at the date of approval of these financial statements they have no reason to believe that it will not do so. On this basis the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

#### **Cash flow statement**

The company is exempt from publishing a cash flow statement as permitted by FRS 1 "Cash flow statements (revised 1996)", as it is a wholly owned subsidiary of its ultimate parent company.

#### **Turnover**

Turnover represents the value of services provided, stated net of Value Added Tax, and is attributable to continuing activities, being the provision of fixed-line telephony and internet services, all of which is derived from operations in the United Kingdom. The directors consider this to be a single class of business.

#### **Tangible fixed assets**

Depreciation is provided on all tangible fixed assets, other than land, so as to write off the cost of a tangible fixed asset on a straight line basis over the expected useful economic life of that asset as follows:

Equipment	3 - 12 years
-----------	--------------

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

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Deferred tax**

Deferred tax is recognised, as appropriate, 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 exceptions:

- provision is made for deferred tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold; and

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# Virgin Net Limited

## Notes to the Financial Statements

Year ended 31 December 2013

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### 1. Accounting policies *(continued)*

- deferred tax assets are recognised only to the extent that the directors consider that it is 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.

#### Trade and other debtors

Trade and other debtors are stated at their recoverable amount. Provision is made when the amount receivable is not considered recoverable and the amount is fully written off when the probability for recovery of a balance is assessed as being remote.

### 2. Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	2013 £000	2012 £000
Depreciation of owned tangible fixed assets	4,262	4,732
Termination payments	<u>3,777</u>	<u>—</u>

The termination payments of £3,777,188 are costs directly attributable to the cancellation of a project. The assets associated with this project have also been fully impaired as disclosed within notes 4 and 7 to the financial statements.

Auditor's remuneration of £5,000 (2012 - £7,000) represents costs allocated to the company by fellow group undertakings that pay all auditor's remuneration on behalf of the group.

The directors received remuneration for the year of £10,251 (2012 - £7,041) in relation to qualifying services as directors of this company, all of which was paid by, and is disclosed in the financial accounts of Virgin Media Limited. In 2013 this included an element relating to compensation for loss of office.

Certain expenses are specifically attributable to the company. Where costs are incurred by other group companies on behalf of the company, expenses are allocated to the company on a basis that, in the opinion of the directors, is reasonable.

# Virgin Net Limited

## Notes to the Financial Statements

Year ended 31 December 2013

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### 3. Staff costs

The company does not have any directly employed staff but is charged an allocation of staff costs by the group. Details of staff numbers and staff costs of the group are disclosed in the group accounts of Virgin Media Finance PLC.

### 4. Exceptional items

The non operating exceptional items are made up as follows:

	2013	2012
	£000	£000
Impairment of network assets	<u>(9,202)</u>	<u>-</u>

During the period, an exceptional charge of £9,201,892 was recorded in relation to the impairment of assets associated with a project, which has been terminated.

### 5. Interest payable and similar charges

	2013	2012
	£000	£000
Finance costs	<u>401</u>	<u>453</u>

# Virgin Net Limited

## Notes to the Financial Statements

Year ended 31 December 2013

### 6. Tax on loss on ordinary activities

The tax credit is made up as follows:

	2013 £000	2012 £000
<b>Current tax charge:</b>		
Current tax on profit for the year	-	-
Amounts overprovided in the prior year	-	(14)
Total current tax	-	(14)
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(1,980)	(3,178)
Effect of tax rate change on opening balances	415	-
Total deferred tax (note 10)	(1,565)	(3,178)
Total tax credit on profit on ordinary activities	(1,565)	(3,192)

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than (2012 - lower) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.50%). The differences are explained below:

	2013 £000	2012 £000
(Loss)/profit on ordinary activities before tax	(9,919)	6,319
(Loss)/profit on ordinary activities multiplied by rate of tax	(2,306)	1,548
Effects of:		
Expenses not deductible for tax purposes	2,147	7
Depreciation in excess of capital allowances/(Accelerated capital allowances)	159	(287)
Utilisation of tax losses and other deductions	-	(975)
Group relief claimed without payment	-	(293)
Adjustments in respect of prior years	-	(14)
Total current tax	-	(14)

### Factors affecting current and future tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax assets have been calculated using the enacted rate of 20% (2012: 23%).



# Virgin Net Limited

## Notes to the Financial Statements

Year ended 31 December 2013

### 7. Tangible fixed assets

	Equipment £000
<b>Cost</b>	
At 1 January 2013	22,499
Additions	9,913
Disposals	(10,103)
<b>At 31 December 2013</b>	<b>22,309</b>
<b>Depreciation</b>	
At 1 January 2013	10,226
Charge for the year	4,262
On disposals	(901)
<b>At 31 December 2013</b>	<b>13,587</b>
<b>Net book value</b>	
At 31 December 2013	8,722
At 31 December 2012	12,273

The disposals during the period include £9,201,892 in respect of the impairment of assets relating to a project, which has been terminated.

### 8. Stocks

	2013 £000	2012 £000
Stock	1,091	976

### 9. Debtors

	2013 £000	2012 £000
Trade debtors	4,939	3,130
Prepayments and accrued income	1,335	537
Deferred tax (note 10)	4,743	3,178
	<b>11,017</b>	<b>6,845</b>

The debtors above include the following amounts falling due after more than one year:

	2013 £000	2012 £000
Deferred tax	4,743	3,178

# Virgin Net Limited

## Notes to the Financial Statements

Year ended 31 December 2013

### 10. Deferred tax

The deferred tax included in the balance sheet is as follows:

	2013	2012
	£000	£000
Included in debtors (note 9)	<u>4,743</u>	<u>3,178</u>

The movement in deferred tax during the year was:

	2013	2012
	£000	£000
Balance at 1 January	3,178	-
Profit and loss account movement arising during the year	<u>1,565</u>	<u>3,178</u>
Balance at 31 December	<u>4,743</u>	<u>3,178</u>

The deferred tax balance consists of the tax effect of timing differences in respect of:

	2013	2012
	£000	£000
Depreciation in excess of capital allowances	<u>4,743</u>	<u>3,178</u>
	<u>4,743</u>	<u>3,178</u>

A deferred tax asset has been recognised as it is considered, based upon all available evidence, more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

	2013	2012
	£000	£000
Amounts owed to group undertakings	12,797	2,583
Accruals and deferred income	<u>949</u>	<u>2,073</u>
	<u>13,746</u>	<u>4,656</u>

Amounts owed to group undertakings are unsecured and repayable on demand.

# Virgin Net Limited

## Notes to the Financial Statements

Year ended 31 December 2013

### 12. Contingent liabilities

The company along with fellow group undertakings is party to a senior secured credit facility with a syndicate of banks. As at 31 December 2013, this comprised term facilities that amounted to £2,638 million (2012 - £750 million) and a revolving credit facility of £660 million (2012 - £450 million). With the exception of the revolving credit facility, all available amounts were borrowed under the senior secured credit facility with an equivalent aggregate value of £2,638 million (2012 - £750 million). Borrowings under the facilities are secured against the assets of certain members of the group including those of this company.

In addition, a fellow group undertaking has issued senior secured notes which, subject to certain exceptions, share the same guarantees and security which have been granted in favour of the senior secured credit facility. The amount outstanding under the senior secured notes at 31 December 2013 amounted to £4,081 million (2012 - £2,582 million). Borrowings under the notes are secured against the assets of certain members of the group including those of this company.

During March 2014, a fellow group undertaking of the company, issued (i) \$425 million principal amount of 5.5% senior secured notes due 15 January 2025 (ii) £430 million principal amount of 5.5% senior secured notes due 15 January 2025 and (iii) £225 million principal amount of 6.25% senior secured notes due 28 March 2029. The net proceeds of the issuance of these senior secured notes were used to redeem an equivalent aggregate amount of £875 million of the group's existing senior secured notes.

In April 2014, a fellow group undertaking issued a further £175 million principal amount of 6.25% senior secured notes due 28 March 2029. In addition, fellow group undertakings entered into (i) a new £100 million term loan ("Facility D") that matures on 30 June 2022 and (ii) a new £849.4 million term loan ("Facility E") that matures on 30 June 2023, each under the existing senior secured credit facility, and for which all available amounts were borrowed with an equivalent aggregate value of £949.4 million.

On 22 May 2014, the net proceeds from the issuance of the £175 million senior secured notes, along with borrowings under Facility D and Facility E, were used to fully redeem an equivalent aggregate amount of £592.7 million and £600 million of the group's existing senior secured notes and senior secured credit facility respectively.

Following the refinancing activities detailed above, the amounts borrowed under the senior secured credit facility amounted to £1,324.4 million and \$2,755.0 million and the amounts borrowed under the senior secured notes amounted to £2,558.4 million and \$1,872.9 million.

### 13. Related party transactions

In accordance with the exemptions offered by FRS 8 "Related Party disclosures" there is no disclosure in these financial statements of transactions with entities that are part of Liberty Global plc, and its subsidiaries (see note 16).

### 14. Share capital

Allotted, called up and fully paid:

	2013		2012	
	No	£000	No	£000
Ordinary shares of £1 each	<u>13,317,888</u>	<u>13,318</u>	<u>13,317,888</u>	<u>13,318</u>

# Virgin Net Limited

## Notes to the Financial Statements

Year ended 31 December 2013

### 15. Reconciliation of shareholder's funds and movement on reserves

	Share capital £000	Share premium account £000	Capital contribution account £000	Profit and loss account £000	Total share- holder's funds £000
At 1 January 2012	13,318	37,327	7	(44,725)	5,927
Profit for the year	—	—	—	9,511	9,511
At 31 December 2012 and 1 January 2013	13,318	37,327	7	(35,214)	15,438
Loss for the year	—	—	—	(8,354)	(8,354)
At 31 December 2013	13,318	37,327	7	(43,568)	7,084

### 16. Parent undertaking and controlling party

The company's immediate parent undertaking is ntl Internet Services Limited.

The smallest and largest groups of which the company is a member and in to which the company's accounts were consolidated at 31 December 2013 are Virgin Media Finance PLC and Liberty Global plc., respectively.

On 7 June 2013 Liberty Global, Inc. and Virgin Media Inc. completed a series of mergers, which resulted in the company's ultimate parent and controlling party changing to Liberty Global plc.

The company's ultimate parent undertaking and controlling party at 31 December 2013 was Liberty Global plc.

Copies of group accounts referred to above which include the results of the company are available from the company secretary, Virgin Media, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

In addition copies of the consolidated Liberty Global plc accounts are available on Liberty Global's website at [www.libertyglobal.com](http://www.libertyglobal.com).