

**Fibernet UK Limited**

*Registered number 2940263*

Financial statements for the year ended 31 December 2012

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## **Fibernet UK Limited**

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## **Fibernet UK Limited**

### **Directors' Report**

The directors present their audited financial statements for the year ended 31 December 2012

### **Principal activities and business review**

Fibernet UK Limited ("Fibernet" or the "Company") is a company registered in England and Wales

On 31 December 2009, the company ceased trading and the trade and net assets of the business were transferred to Level 3 Communications Limited (formerly Global Crossing (UK) Telecommunications Limited) ("L3UK"), at book value. The company is now dormant and expected to remain non-trading for the foreseeable future.

The Company is a member of the Level 3 Group ("The Group"), a facilities based provider of a broad range of integrated communications services. The Group network is an international, facilities based communications network. The Group have designed their network to provide communications services that employ and take advantage of rapidly improving underlying optical, Internet Protocol, computing and storage technologies.

### **Results and dividends**

The Company was dormant throughout the year and no dividend is payable.

### **Directors**

The directors of the Company throughout, and since the end of the period are as follows:

M Gutierrez

J McShane (resigned 12 July 2012)

E Higase (resigned 19 July 2012)

B Keogh (resigned 13 September 2013)

None of the directors or the Company secretary had any interests in the shares of the Company or any other UK registered group company at 31 December 2012 or at any time during the year.

There have been no contracts or arrangements entered into during the financial year in which a director was materially interested and which were significant in relation to the Company's business.

### **Directors' liabilities**

During the year, the Level 3 Group had an indemnity provision in force in respect of the directors of the Company against liability in respect of any proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006 (section 234). Such qualifying third party indemnity provision remains in force at the date of approving the Directors' Report.

## **Fibernet UK Limited**

### **Business Risks**

The directors do not consider that there are any significant risks or uncertainties, due to the dormant nature of the business

By order of the Board,

A handwritten signature in black ink, appearing to read 'M Gutierrez', written over a horizontal line.

**M Gutierrez**  
*Director*

Date 27 September 2013

*Registered office*  
10 Fleet Place  
London  
EC4M 7RB

*Registered number*  
2940263

## **Fibernet UK Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and IFRS as adopted by the European Union

The directors are required to prepare financial statements for each financial year which present fairly the financial position of the Company and the financial performance and cash flows of the Company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies in accordance with International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and then apply them consistently,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements of IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- state that the Company has complied with IFRSs, subject to any material departure disclosed and explained in the financial statements

The directors are responsible for keeping proper accounting records which 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

# Fibernet UK Limited

## Statement of Comprehensive Income

	<b>Year ended 31 December</b>	
	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
<b>Revenue</b>	-	-
Cost of sales	-	-
<b>Gross profit</b>	-	-
Administrative expense	-	-
<b>Operating profit</b>	-	-
Finance revenue	-	-
Finance charges	-	-
<b>Profit before tax</b>	-	-
Tax	-	-
<b>Profit for the year</b>	-	-
<b>Other comprehensive income</b>		
Other comprehensive income for the year, net of tax	-	-
<b>Comprehensive Income for the year</b>	-	-

Following the cessation of trading during December 2009, all operations are now considered to be discontinued

The accompanying notes are an integral part of these financial statements

## Fibernet UK Limited

### Statement of Changes in Equity

	Share capital £000	Capital reserve £000	Accumulated deficit £000	Total equity £000
<b>At 1 January 2011</b>	-	67	35,127	35,194
Result for the year	-	-	-	-
Total expense for the year	-	-	-	-
<b>At 31 December 2011</b>	-	67	35,127	35,194
Result for the year	-	-	-	-
Total expense for the year	-	-	-	-
<b>At 31 December 2012</b>	-	67	35,127	35,194

The accompanying notes are an integral part of these financial statements

## Fibernet UK Limited

### Statement of Financial Position

	Note	31 December	
		2012 £000	2011 £000
<i>Current assets</i>			
Trade and other receivables	2	35,194	35,194
<b>Total assets</b>		<b>35,194</b>	<b>35,194</b>
<b>Net assets</b>		<b>35,194</b>	<b>35,194</b>
<i>Capital and reserves</i>			
Equity share capital (2 shares outstanding at £1 each)	4	-	-
Capital reserve		67	67
Accumulated profit		35,127	35,127
<b>Total equity</b>		<b>35,194</b>	<b>35,194</b>

The directors are satisfied that for the year ended 31 December 2012, the company was entitled to an exemption from audit under section 480 of the Companies Act 2006 (the "Act") relating to dormant companies, and that no member or members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements

The financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime

These financial statements were approved by the Board of Directors on 27 September <sup>2013</sup> and are signed on its behalf by



**M Gutierrez**  
Director

The accompanying notes are an integral part of these financial statements

*Registered number*  
2940263

### Statement of Cash Flows

## Fibernet UK Limited

	<b>Year ended 31 December</b>	
	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
<b>Operating activities</b>		
<i>Net cash used in operating activities</i>	-	-
	<hr/>	<hr/>
<b>Investing activities</b>		
<i>Net cash used in investing activities</i>	-	-
	<hr/>	<hr/>
<b>Financing activities.</b>		
<i>Net cash provided by financing activities</i>	-	-
	<hr/>	<hr/>
<b>Net decrease in cash and cash equivalents</b>	-	-
<b>Cash and cash equivalents at the beginning of year</b>	-	-
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of year</b>	-	-
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements

## Fibernet UK Limited

### Notes to the Financial Statements

#### 1. Description of business and accounting policies

##### *Description of business*

On 31 December 2009, the company ceased trading and the trade and net assets of the business were transferred to Level 3 Communications Limited (formerly Global Crossing (UK) Telecommunications Limited) ("L3UK"), at book value. The company is now dormant and it is expected to remain non-trading for the foreseeable future.

The Company is a member of the Level 3 Group ("The Group"), a facilities based provider of a broad range of integrated communications services. The Group network is an international, facilities based communications network. The Group have designed their network to provide communications services that employ and take advantage of rapidly improving underlying optical, Internet Protocol, computing and storage technologies.

##### *Basis of preparation*

The financial statements are prepared in conformity with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and IFRS as adopted by the European Union ("EU"). IFRS as adopted by the EU differ in certain respects from IFRS as issued by the IASB, however, the differences have no impact on the Company's financial statements for the years presented. References to "IFRS" hereafter should be construed as reference to IFRSs as adopted by the EU.

These financial statements are prepared under the historical cost basis, and in accordance with IFRS.

##### *Going concern*

With effect from close of business on 31 December 2009, L3UK agreed to purchase the business, trade, assets and liabilities of the company for a purchase price equal to the net asset value at close of business, adjusted for the internally generated intangible assets and transferred as a going concern. The purchase price remains outstanding as a non-interest bearing loan with no fixed repayment date. This agreement represents an inter group reorganisation and corporate simplification exercise.

As the company remains solvent with a positive current and net asset position, the financial statements have been prepared on a going concern basis.

#### 2. Other financial assets

##### **Trade and other receivables**

Trade and other receivables consist of

	<b>31 December</b>	
	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
<i>Amounts due within one year</i>		
Amounts owed by Group Companies	<b>35,194</b>	<b>35,194</b>

The amounts owed by Group companies are non interest bearing and have no fixed date of repayment.

## Fibernet UK Limited

### Notes to Financial Statements (continued)

#### 3. Financial instruments

##### *Credit risk*

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from amounts owed by Group Companies.

The maximum exposure to credit risk at the reporting date is the carrying value of amounts owed by Group Companies.

##### *Credit risk related to financial instruments and cash deposits*

Credit risk from balances with banks and financial institutions is conducted primarily by Level 3 Communications Inc. on behalf of the Level 3 Group. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2011 and 2012 is the carrying amounts of such balances as illustrated below.

##### *Treasury policy and risk management*

The Company's treasury management is conducted primarily by Level 3 Communications Inc. on behalf of Level 3 Group Companies. Level 3 is responsible for raising finance for operations, together with associated liquidity management, and the management of foreign exchange and interest rate risk. Treasury operations are conducted within a framework of policies and guidelines authorised and reviewed by the Level 3 Audit Committee, which receives regular updates of treasury activity. Financial instruments are entered into for risk management purposes only. It is the Level 3 Group's policy that all hedging is to cover known risks and that no trading in financial instruments is undertaken.

The Company was party to an Indenture governing the Senior Secured Notes issued by Global Crossing (UK) Finance Limited (then a plc), an affiliated company and fellow subsidiary of L3UK. On 4 November 2011 the Senior Secured Notes were redeemed and the Company was released from the Indenture.

##### *Fair values*

Set out below is a comparison by category of carrying amounts and fair values of all the Company's financial instruments, that are carried in the financial statements.

	Carrying amount		Fair value	
	2012	2011	2012	2011
	£000	£000	£000	£000
<i>Financial assets</i>				
Amounts owed by Group Companies <sup>(1)</sup>	35,194	35,194	35,194	35,194

<sup>(1)</sup> Classified as loan and receivables

The fair value of trade receivables, amounts owed by Group Companies and other receivables approximates to their carrying value due to their short term nature.

## Fibernet UK Limited

### Notes to Financial Statements (continued)

#### 4. Equity share capital

	<b>31 December</b>	
	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
<i>Authorised</i>		
1,000,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Called up, allotted and fully paid</i>		
2 ordinary shares of £1 each	<u>-</u>	<u>-</u>

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

#### Ultimate parent and controlling party

The ultimate parent company of Fibernet UK Limited is Level 3 Communications Inc , a company registered in the United States of America. The smallest and largest group into which the results of the Company are consolidated is that headed by Level 3 Communications Inc , whose accounts can be obtained from Investor Relations, Level 3 communications Inc , 1025 Eldorado Boulevard, Broomfield, CO 80021, USA

#### 5. Related party transactions

The debtor and creditor balances as a result of the transactions with related parties are as follows

	<b>31 December</b>	
	<b>2012</b>	<b>2011</b>
	<b>£000</b>	<b>£000</b>
<i>Debtor balance due in less than one year from</i>		
Level 3 Communications UK Limited	<u>35,194</u>	<u>35,194</u>

#### 6. Financial instruments (continued)

##### *Loans to Group Companies*

The balances described above are unsecured and non-interest bearing

The balance above represents a non-interest bearing loan of £35.2 million owed by L3UK to the Company, due to an asset transfer agreement, with no fixed repayment date (see note 1)

#### 7. Contingent liabilities

##### *Litigation*

From time to time the Company has been a party to various legal proceedings arising in the ordinary course of business. In the opinion of the Company's directors there are currently no proceedings in respect of which there exists a reasonable possibility of an adverse outcome that would have a material effect on the Company's statement of financial position, statement of comprehensive income or statement of cash flows.

## **Fibernet UK Limited**

### **Notes to Financial Statements (continued)**

#### **8. Financial guarantee contracts**

The Company was party to an Indenture governing the Senior Secured Notes issued by Global Crossing (UK) Finance Limited (then a plc) an affiliated company and fellow subsidiary of L3UK. On 4 November 2011 the Senior Secured Notes were redeemed and the Company was released from the Indenture.