

Fibernet UK Limited

Registered number: 2940263

Financial statements for the year ended 31 December 2013

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Fibernet UK Limited

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Fibernet UK Limited

Directors' Report

The directors present their unaudited financial statements for the year ended 31 December 2013.

Principal activities and business review

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

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.

The ultimate parent company of the Company is Level 3 Communications, Inc., a company registered in the United States of America. The results of the Company are consolidated into Level 3 Communications, Inc., whose accounts can be obtained from Investor Relations, Level 3 Communications, Inc., 1025 Eldorado Boulevard, Broomfield, CO 80021, United States of America.

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

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
D. Robinson (appointed 18 July 2014)
B. Keogh (resigned 13 September 2013)

None of the directors had any interests in the shares of the Company or any other UK registered group company at 31 December 2013 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

Directors' Report (*continued*)

Strategic report

In accordance with Section 414B of the Companies Act 2006 the company is entitled to small companies exemption in relation to the strategic report as it would be entitled to prepare accounts for the year in accordance with the small companies regime but for being a member of an ineligible group.

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 'D. Robinson', is written over a horizontal line.

D. Robinson
Director

Date: 12 September 2014

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

	Year ended 31 December	
	2013	2012
	£000	£000
Revenue	-	-
Cost of sales	-	-
Gross profit	-	-
Administrative expense	-	-
Operating profit	-	-
Finance revenue	-	-
Finance charges	-	-
Profit before tax	-	-
Tax	-	-
Profit for the year	-	-
Other comprehensive income		
Other comprehensive income for the year, net of tax	-	-
Comprehensive Income for the year	-	-

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 profit £000	Total equity £000
At 1 January 2012	-	67	35,127	35,194
Result for the year	-	-	-	-
Total expense for the year	-	-	-	-
At 31 December 2012	-	67	35,127	35,194
Result for the year	-	-	-	-
Total expense for the year	-	-	-	-
At 31 December 2013	-	67	35,127	35,194

The accompanying notes are an integral part of these financial statements.

Fibernet UK Limited

Statement of Financial Position

		31 December	
	Note	2013 £000	2012 £000
<i>Current assets</i>			
Trade and other receivables	2	35,194	35,194
Total assets		<u>35,194</u>	<u>35,194</u>
Net assets		<u>35,194</u>	<u>35,194</u>
<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
Total equity		<u>35,194</u>	<u>35,194</u>

The directors are satisfied that for the year ended 31 December 2013, 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.

The accompanying notes are an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 27 August 2014 and are signed on its behalf by:



D. Robinson
Director

Registered number:

2940263

Fibernet UK Limited

Statement of Cash Flows

	Year ended 31 December	
	2013	2012
	£000	£000
Operating activities		
<i>Net cash used in operating activities</i>	-	-
	<hr/>	<hr/>
Investing activities		
<i>Net cash used in investing activities</i>	-	-
	<hr/>	<hr/>
Financing activities:		
<i>Net cash provided by financing activities</i>	-	-
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of year	-	-
	<hr/>	<hr/>
Cash and cash equivalents at the end of year	-	-
	<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, differs 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:

	31 December	
	2013	2012
	£000	£000
<i>Amounts due within one year</i>		
Amounts owed by Group Companies	35,194	35,194

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 2012 and 2013 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.

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	
	2013	2012	2013	2012
	£000	£000	£000	£000
<i>Financial assets</i>				
Amounts owed by Group Companies ⁽¹⁾	35,194	35,194	35,194	35,194

⁽¹⁾ 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.

4. Equity share capital

	31 December	
	2013	2012
	£000	£000
<i>Authorised:</i>		
1,000,000 ordinary shares of £1 each	1,000	1,000
<i>Called up, allotted and fully paid:</i>		
2 ordinary shares of £1 each	-	-

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

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Notes to Financial Statements (*continued*)

5. Related party transactions

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

	31 December	
	2013	2012
	£000	£000
<i>Debtor balance due in less than one year from:</i>		
Level 3 Communications UK Limited	35,194	35,194

6. Financial instruments

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. Ultimate parent and controlling party

The ultimate parent company of the Company 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.

8. 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.