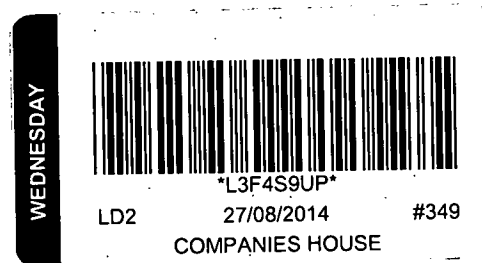


Virgin Mobile USA Holdings Limited

Directors' Report and Financial Statements

Registered number 3349884

31 December 2013



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Directors' Report

The directors present their report and the financial statements for the 9 month period ended 31 December 2013. The previous financial statements were for the 12 month period ended 31 March 2013.

Principal activities

The principal activity of the Company is that of a holding company

Business review

The Company has considerable financial resources, and as a holding company, no significant changes are expected to jeopardise this. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Results and dividends

The profit for the period, after taxation, amounted to £14,064,000 (Year ended 31 March 2013 - £162,054,000).

The directors do not recommend the payment of a dividend (Year ended 31 March 2013: £nil).

Directors

The directors who served during the period were:

R P Blok (appointed 21 June 2013)
N A R Fox (appointed 21 June 2013)
C R Stent (resigned 21 June 2013)
I P Woods (alternate R P Blok)

Provision of information to auditor

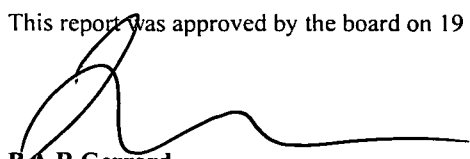
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006 the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the board on 19 August 2014 and signed on its behalf.



B A R Gerrard
Secretary
The Battleship Building
179 Harrow Road
London
W2 6NB

Directors' Responsibilities Statement
For the Period Ended 31 December 2013

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Independent Auditor's Report to the Members of Virgin Mobile USA Holdings Limited

We have audited the financial statements of Virgin Mobile USA Holdings Limited for the period ended 31 December 2013, set out on pages 4 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement on page 2, 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its profit for the period 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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; or
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Sarah Styant (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

19 August 2014

Profit and Loss Account

For the Period Ended 31 December 2013

		9 months ended 31 December 2013 £000	12 months ended 31 March 2013 £000
Administrative expenses		-	149,079
Other operating income		-	4,051
Operating profit	2	-	153,130
Interest receivable and similar income	5	7,748	11,697
Profit on ordinary activities before taxation		7,748	164,827
Tax on profit on ordinary activities	6	6,316	(2,773)
Profit for the financial period		14,064	162,054

All amounts relate to continuing operations.

There were no recognised gains and losses for the current period or the prior year other than those included in the profit and loss account.

The notes on pages 6 to 9 form part of these financial statements.

Balance Sheet
As at 31 December 2013

			31 December		31 March
	<i>Note</i>	£000	2013	£000	2013
			£000	£000	£000
Current assets					
Debtors	7	414,590		406,882	
Creditors: amounts falling due within one year	8	(8,301)		(14,657)	
Net current assets			406,289		392,225
Net assets			406,289		392,225
Capital and reserves					
Called up share capital	9		-		-
Share premium account	10		105,640		105,640
Profit and loss account	10		300,649		286,585
Shareholders' funds	11		406,289		392,225

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 August 2014.



R P Blok
 Director

The notes on pages 6 to 9 form part of these financial statements.

Notes to the Financial Statements

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

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.

The Company is exempt from the requirement to prepare group financial statements by virtue of being subject to the small companies regime of the Companies Act 2006. These financial statements present information about the Company as an individual undertaking and not about its group.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

As the Company is a wholly owned subsidiary of Virgin Group Holdings Limited, the Company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

2. Operating profit

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

	9 months ended 31 December 2013 £000	12 months ended 31 March 2013 £000
Provision released against amounts due from related undertakings	-	(149,119)
Write off of investment in subsidiary	-	40
	=====	=====

3. Auditors' remuneration

Audit fees for the Company for the current period and prior year were borne by another group company.

4. Directors' remuneration

The directors did not receive any remuneration during the period for services to the Company (Year ended 31 March 2013: £nil).

Notes to the Financial Statements

5. Interest receivable and similar income

	9 months ended 31 December 2013 £000	12 months ended 31 March 2013 £000
Interest receivable from group companies	7,748	11,697

6. Taxation

	9 months ended 31 December 2013 £000	12 months ended 31 March 2013 £000
Analysis of tax (credit)/charge in the period/year		
UK corporation tax charge on profit for the period/year	-	2,773
Adjustments in respect of prior periods	(6,316)	-
Tax on profit on ordinary activities	(6,316)	2,773

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (Year ended 31 March 2013 - lower than) the standard rate of corporation tax in the UK of 23% (Year ended 31 March 2013 - 24%). The differences are explained below:

	9 months ended 31 December 2013 £000	12 months ended 31 March 2013 £000
Profit on ordinary activities before tax	7,748	164,827
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (Year ended 31 March 2013 - 24%)	1,782	39,558
Effects of:		
Expenses not deductible for tax purposes	-	10
Adjustments to tax charge in respect of prior periods	(6,316)	-
Non-taxable income	-	(36,795)
Group relief	(1,782)	-
Current tax (credit)/charge for the period/year	(6,316)	2,773

7. Debtors

	31 December 2013 £000	31 March 2013 £000
Amounts owed by group undertakings	414,590	406,882

Notes to the Financial Statements

8. Creditors: Amounts falling due within one year

	31 December	31 March
	2013	2013
	£000	£000
Amounts owed to group undertakings	8,301	8,301
Corporation tax	-	6,316
Other creditors	-	40
	8,301	14,657

9. Share capital

	31 December	31 March
	2013	2013
	£000	£000
Allotted, called up and fully paid		
103 Ordinary shares shares of £1 each	-	-

10. Reserves

	Share premium account	Profit and loss account
	£000	£000
At 1 April 2013	105,640	286,585
Profit for the financial period	-	14,064
At 31 December 2013	105,640	300,649

11. Reconciliation of movement in shareholders' funds

	31 December	31 March
	2013	2013
	£000	£000
Opening shareholders' funds	392,225	230,171
Profit for the financial period/year	14,064	162,054
Closing shareholders' funds	406,289	392,225

Notes to the Financial Statements

12. Related party transactions

At 31 December 2013 the Company's ultimate parent undertaking was Virgin Group Holdings Limited, whose principal shareholders are Sir Richard Branson and certain trusts, none of which individually has a controlling interest in Virgin Group Holdings Limited. The principal beneficiaries of those trusts are Sir Richard Branson and/or his immediate family. The shareholders of Virgin Group Holdings Limited have interests directly or indirectly in certain other companies which are considered to give rise to related party disclosures under Financial Reporting Standard 8.

As a 100% owned subsidiary of Virgin Group Holdings Limited, the Company has taken advantage of the exemption under Financial Reporting Standard 8: Related Party Disclosures, which enables it to exclude disclosure of transactions with Virgin Group Holdings Limited and its wholly owned subsidiaries.

13. Ultimate parent undertaking and controlling party

As at 31 December 2013 the Company is a subsidiary undertaking of Virgin Group Holdings Limited, a company incorporated in the British Virgin Islands.

The largest group in which the results of the Company are consolidated is that of Virgin Wings Limited, a company which is registered in England and Wales. The consolidated accounts for Virgin Wings Limited can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.