

Navisite Europe Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2013

FRIDAY



A37IG9HF

A09

09/05/2014

#385

COMPANIES HOUSE

Company Registration No 02329182

Navisite Europe Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P A Lang
G A King

SECRETARY

Business Control Limited

REGISTERED OFFICE

Business Control Limited
Red Lion Yard
Frome Road
Bath
BA2 2PP

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

BANKERS

HSBC Bank PLC
Kingston Upon Thames
Surrey
KT1 1NS

Royal Bank of Scotland PLC
8-9 Quiet Street
Bath
BA1 2JN

Navisite Europe Limited

STRATEGIC REPORT

for the year ended 31 December 2013

REVIEW OF THE BUSINESS

The company is a leading worldwide provider of enterprise-class, cloud-enabling hosting, managed applications and hosting services.

The company works in many markets, focusing across a number of sectors, including financial services, retail, healthcare and pharmaceuticals, manufacturing and distribution, publishing, media services and software

The company provides IT support across a highly resilient platform within its data centre and network infrastructure, supported by highly trained staff providing 24/7 support for the mission critical IT and e-commerce sectors

The company has had a good 12 month period with turnover rising by 21.5% to £12,285,293 (2012 £10,109,726) Gross profit rose by 9.4% to £8,344,064 (2012 £7,626,861)

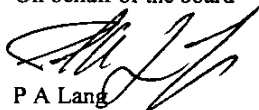
A pre-tax loss of £955,095 arose in the year

The increased turnover was as a direct consequence of organic growth across all service areas and the company is now attracting new national and international customers

PRINCIPAL RISKS AND UNCERTAINTIES AND MATTERS OF STRATEGIC IMPORTANCE

The principal risks facing the company include data centre outage and risk of terrorist attacks due to highly sensitive information being stored. These risks are well mitigated through client systems located in multiple, geographically diverse and highly secure buildings. The company also employs highly trained staff to ensure that the high technology equipment is kept up to date and products continue to be relevant to the target market sectors

On behalf of the board



P A Lang

Director

1st May 2014

Navisite Europe Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Navisite Europe Limited for the year ended 31 December 2013

PRINCIPAL ACTIVITIES

The principal activities of the company during the year was to supply infrastructure, application and cloud hosting services, together with the design and implementation of IT solutions and related consultancy

FUTURE DEVELOPMENTS

The future plans of the company are to continue to expand upon our services offered, in particular cloud services and focus on the mid-tier IT outsource market

With the support of our parent company Time Warner Cable Inc, we are investing heavily in new and upgraded data centres, infrastructure and additional headcount which will see a continued increase in revenue growth

RESULTS AND DIVIDENDS

The loss for the year amounted to £955,095 (2012 - profit £380,161) The directors have not recommended a dividend

DIRECTORS

The directors who served the company during the year were as follows

| | |
|----------------|----------------------------|
| P A Lang | (Appointed 6 May 2013) |
| G A King | (Appointed 6 May 2013) |
| J Pluntze | (Resigned 18 January 2013) |
| R B Borcherdig | (Resigned 6 May 2013) |

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company

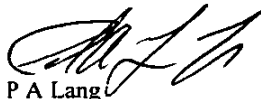
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor

AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office

On behalf of the board



P A Lang

Director

1st May 2014

Navisite Europe Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently;
- b make judgements and accounting estimates that are reasonable and prudent,
- c 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 NAVISITE EUROPE LIMITED

We have audited the financial statements on pages 6 to 14. 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, 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 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 4, 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 (APB'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 [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx).

Opinion on the 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 the Directors' Report for the financial year 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.

Baker Tilly UK Audit LLP

SARAH JOANNIDI (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Hartwell House

55-61 Victoria Street

Bristol BS1 6AD

8TH May 2014

Navisite Europe Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2013

| | | 2013 | 2012 |
|--|-------|-------------|-------------|
| | Notes | £ | £ |
| TURNOVER | 2 | 12,285,293 | 10,109,726 |
| Cost of sales | | (3,941,229) | (2,482,865) |
| Gross profit | | 8,344,064 | 7,626,861 |
| Administrative expenses | | (8,466,316) | (6,408,825) |
| OPERATING (LOSS)/PROFIT | 3 | (122,252) | 1,218,036 |
| Interest receivable | | — | 1 |
| | | (122,252) | 1,218,037 |
| Interest payable and similar charges | 5 | (832,843) | (837,876) |
| (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | (955,095) | 380,161 |
| Taxation | 6 | — | — |
| (LOSS)/PROFIT FOR THE FINANCIAL YEAR | 18 | (955,095) | 380,161 |

The loss/profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

Navisite Europe Limited
BALANCE SHEET
31 December 2013

| | <i>Notes</i> | 2013 £ | 2012 £ |
|--|--------------|--------------------|---------------------|
| FIXED ASSETS | | | |
| Tangible assets | 7 | <u>7,859,212</u> | <u>6,621,211</u> |
| CURRENT ASSETS | | | |
| Debtors | 8 | 4,901,040 | 4,161,653 |
| Cash at bank and in hand | | <u>614,533</u> | <u>2,037,570</u> |
| | | 5,515,573 | 6,199,223 |
| CREDITORS | | | |
| Amounts falling due within one year | 9 | <u>(7,439,964)</u> | <u>(14,995,740)</u> |
| NET CURRENT LIABILITIES | | <u>(1,924,391)</u> | <u>(8,796,517)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 5,934,821 | (2,175,306) |
| CREDITORS | | | |
| Amounts falling due after more than one year | 10 | <u>(4,385,601)</u> | <u>(4,397,452)</u> |
| | | <u>1,549,220</u> | <u>(6,572,758)</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 15 | 1,287 | 1,287 |
| Share premium account | 16 | 124,414 | 124,414 |
| Capital contributions | 17 | 9,077,073 | — |
| Profit and loss account | 18 | <u>(7,653,554)</u> | <u>(6,698,459)</u> |
| SHAREHOLDER'S FUNDS/(DEFICIT) | 19 | <u>1,549,220</u> | <u>(6,572,758)</u> |

The financial statements on pages 6 to 14 were approved by the board of directors and authorised for issue on 1st May 2014 and are signed on their behalf by



P A Lang
 Director

Navisite Europe Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent publishes a consolidated cash flow statement

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services in the ordinary nature of the business. Turnover is shown net of Value Added Tax, of goods and services provided to customers and, in the case of long term contracts, credit is taken appropriate to the stage of completion when the outcome of the contract can be ascertained with reasonable certainty.

FIXED ASSETS

All fixed assets are initially recorded at cost

DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows

| | |
|---------------------------------------|------------------------------|
| Improvements to property | - 20% straight line |
| Leasehold property | - Over the term of the lease |
| Fixtures, fittings & office equipment | - 20% straight line |
| Computer hardware | - 33 33% straight line |
| Computer software | - 33 33% straight line |

LEASING AND HIRE PURCHASE COMMITMENTS

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

OPERATING LEASES

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

PENSION COSTS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Navisite Europe Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

1 ACCOUNTING POLICIES *(continued)*

DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are discounted

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

REVENUE RECOGNITION

The company recognises the revenue for application hosting contracts over the term of the contract. Expenditure, including initial set up costs, are also expended to the Profit and loss account over the contract term

GOING CONCERN

The directors report shareholder's funds of £1,549,220. A shareholder's deficit of £6,572,758 was reported in the previous year.

The return to positive shareholder's funds in the current period is due to the conversion of a loan to the company from Navisite Inc. into equity. This loan balance amounted to £9,077,073.

On the basis of the directors' assessment of the company's financial position, of the enquiries made of the executive management of Navisite Inc and Time Warner Cable Inc and their indication of continued support of the company for a period of at least 12 months from the date of approval of these financial statements to enable the company to meet its obligations for that period, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Navisite Europe Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

2 TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

| | 2013 | 2012 |
|----------------|-------------------|-------------------|
| | £ | £ |
| United Kingdom | <u>12,285,293</u> | <u>10,109,726</u> |

3 OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging/(crediting)

| | 2013 | 2012 |
|--|------------------|------------------|
| | £ | £ |
| Depreciation of owned fixed assets | 1,819,238 | 1,507,009 |
| Depreciation of assets held under finance lease agreements | 834,785 | 725,073 |
| Loss on disposal of fixed assets | 15,963 | 178 |
| Auditor's remuneration for statutory audit | 14,000 | 18,900 |
| Net loss/(profit) on foreign currency translation | 54,919 | (93,167) |
| Operating lease charges Plant and machinery | 365,592 | 365,592 |
| Operating lease charges Other | <u>2,350,844</u> | <u>1,277,172</u> |

4 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year was

| | 2013 | 2012 |
|--|-----------|-----------|
| | No | No |
| Sales, Marketing, HR and UK service delivery | <u>38</u> | <u>32</u> |

The aggregate payroll costs of the above were

| | 2013 | 2012 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 2,007,992 | 1,485,102 |
| Social security costs | 310,902 | 222,058 |
| Other pension costs | 15,042 | 17,957 |
| | <u>2,333,936</u> | <u>1,725,117</u> |

The directors received no remuneration during the year (2012 £nil), these costs were incurred by Navisite Inc

No pension contributions were paid on behalf of the directors during the year (2012 £nil)

5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2013 | 2012 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| On finance leases | 625,700 | 710,301 |
| Interest on inter company loan | 207,143 | 127,575 |
| | <u>832,843</u> | <u>837,876</u> |

Navisite Europe Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

6 TAXATION ON ORDINARY ACTIVITIES

The company has trading losses carried forward of £86,309 (31 December 2012: £1,834,380). There is an unprovided deferred tax asset of £1,075,379 (31 December 2012: £1,104,815). The asset has not been recognised due to uncertainty regarding the timing of future profits.

Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23% (2012 - 25%), as explained below:

| | 2013 £ | 2012 £ |
|---|-----------|-----------|
| (Loss)/profit on ordinary activities before taxation | (955,095) | 380,161 |
| (Loss)/profit on ordinary activities by rate of tax | (219,672) | 95,040 |
| Effects of | | |
| Expenses not deductible for tax purposes | 77,591 | 37,994 |
| Capital allowances for period in excess of depreciation | 565,059 | 130,653 |
| Utilisation of tax losses | (406,366) | (169,734) |
| Sundry tax adjusting items | (16,612) | (93,953) |
| Total current tax | - | - |

7 TANGIBLE FIXED ASSETS

| | Improve- ments to Property £ | Leasehold Property £ | Computer Software £ | Fixtures, Fittings & Office Equipment £ | Computer hardware £ | Total £ |
|-----------------------|---------------------------------------|----------------------------|---------------------------|---|---------------------------|------------|
| Cost | | | | | | |
| At 1 January 2013 | 216,121 | 7,367,070 | 693,203 | 97,654 | 7,778,026 | 16,152,074 |
| Additions | 172,167 | - | 116,428 | 8,335 | 3,608,555 | 3,905,485 |
| Disposals | - | - | - | (389) | (30,437) | (30,826) |
| At | | | | | | |
| 31 December 2013 | 388,288 | 7,367,070 | 809,631 | 105,600 | 11,356,144 | 20,026,733 |
| Depreciation | | | | | | |
| At 1 January 2013 | 106,688 | 3,642,323 | 538,740 | 22,573 | 5,220,539 | 9,530,863 |
| Charge for the year | 42,963 | 834,785 | 103,233 | 30,975 | 1,639,565 | 2,651,521 |
| On disposals | - | - | - | (292) | (14,571) | (14,863) |
| At | | | | | | |
| 31 December 2013 | 149,651 | 4,477,108 | 641,973 | 53,256 | 6,845,533 | 12,167,521 |
| Net book value | | | | | | |
| At | | | | | | |
| 31 December 2013 | 238,637 | 2,889,962 | 167,658 | 52,344 | 4,510,611 | 7,859,212 |
| At | | | | | | |
| 31 December 2012 | 109,433 | 3,724,747 | 154,463 | 75,081 | 2,557,487 | 6,621,211 |

Navisite Europe Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

7 TANGIBLE FIXED ASSETS *(continued)*

Finance lease agreements

Included within the net book value of £7,859,212 is £2,889,962 (2012 - £3,724,747) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £834,785 (2012 - £725,073).

8 DEBTORS

| | 2013 | 2012 |
|--------------------------------|------------------|------------------|
| | £ | £ |
| Trade debtors | 2,859,996 | 2,404,895 |
| Other debtors | 352,979 | 269,000 |
| Prepayments and accrued income | 1,688,065 | 1,487,758 |
| | <u>4,901,040</u> | <u>4,161,653</u> |

Included in prepayments is £93,872 due after more than one year (2012 - £203,000).

9 CREDITORS Amounts falling due within one year

| | 2013 | 2012 |
|--|------------------|-------------------|
| | £ | £ |
| Trade creditors | 1,181,301 | 1,568,713 |
| Amounts owed to group undertakings | 1,955,688 | 10,644,990 |
| PAYE and social security | 83,982 | 74,661 |
| VAT | 18,375 | 48,837 |
| Obligations under finance lease agreements | 845,950 | 705,294 |
| Accruals and deferred income | 3,354,668 | 1,953,245 |
| | <u>7,439,964</u> | <u>14,995,740</u> |

Finance lease creditors are secured on the underlying assets.

10 CREDITORS Amounts falling due after more than one year

| | 2013 | 2012 |
|--|------------------|------------------|
| | £ | £ |
| Obligations under finance lease agreements | 3,474,562 | 4,320,512 |
| Accruals and deferred income | 911,039 | 76,940 |
| | <u>4,385,601</u> | <u>4,397,452</u> |

11 COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

Future commitments under finance lease agreements are as follows:

| | 2013 | 2012 |
|--------------------------------------|------------------|------------------|
| | £ | £ |
| Amounts payable within 1 year | 845,950 | 705,294 |
| Amounts payable between 2 to 5 years | 3,474,562 | 4,320,512 |
| | <u>4,320,512</u> | <u>5,025,806</u> |

Navisite Europe Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

12 PENSIONS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £15,042 (2012: £17,957). Contributions totalling £2,673 (31 December 2012: £nil) were payable to the fund at the balance sheet date and are included in creditors.

13 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below.

| | 2013 | | 2012 | |
|-------------------------------|----------------------------|----------------|----------------------------|----------------|
| | Land and buildings £ | Other £ | Land and buildings £ | Other £ |
| Operating leases which expire | | | | |
| Within 1 year | 1,135,837 | 351,848 | 2,917 | - |
| Within 2 to 5 years | 414,249 | - | 1,280,086 | 351,848 |
| After more than 5 years | 6,140,001 | - | 95,500 | - |
| | <u>7,690,087</u> | <u>351,848</u> | <u>1,378,503</u> | <u>351,848</u> |

14 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions available under FRS 8 and has not disclosed details of transactions or balances with wholly owned group companies.

15 SHARE CAPITAL

| | 2013 £ | 2012 £ |
|------------------------------------|--------------|--------------|
| Allotted, called up and fully paid | | |
| 1,287 Ordinary shares of £1 each | <u>1,287</u> | <u>1,287</u> |

16 SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial year.

17 CAPITAL CONTRIBUTIONS

| | 2013 £ | 2012 £ |
|--|------------------|-----------|
| At the beginning of the year | - | - |
| Capital contribution from group entity | <u>9,077,073</u> | <u>-</u> |
| At the end of the year | <u>9,077,073</u> | <u>-</u> |

The capital contribution represents a cash injection from Navisite Inc, a company incorporated in the United States of America. Navisite Inc is the immediate parent company.

Navisite Europe Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

18 PROFIT AND LOSS ACCOUNT

| | 2013 | 2012 |
|--------------------------------------|--------------------|--------------------|
| | £ | £ |
| At the beginning of the year | (6,698,459) | (7,078,620) |
| (Loss)/profit for the financial year | (955,095) | 380,161 |
| At the end of the year | <u>(7,653,554)</u> | <u>(6,698,459)</u> |

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

| | 2013 | 2012 |
|--|------------------|--------------------|
| | £ | £ |
| (Loss)/profit for the financial year | (955,095) | 380,161 |
| Capital contribution from group entity | 9,077,073 | — |
| Net addition to shareholder's deficit | 8,121,978 | 380,161 |
| Opening shareholder's deficit | (6,572,758) | (6,952,919) |
| Closing shareholder's funds/(deficit) | <u>1,549,220</u> | <u>(6,572,758)</u> |

20 ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Interliant UK Holdings Limited, which is registered in England and Wales

The ultimate controlling party of the company is Time Warner Cable Inc a company incorporated in the U S A.

Copies of the group accounts in which the results of the company are consolidated can be obtained from Navisite Inc, 400 Minuteman Road, Andover, MA 01810, USA