

**GIBTELECOM**  
**SMP REGULATED ACCOUNTS**  
**FOR YEAR ENDED 31 DECEMBER 2014**

**Gibtelecom**

**REGULATORY FINANCIAL STATEMENTS**  
*[resubmitted 28 October 2016]*

## Gibtelecom SMP Regulated Accounts

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## Accounting Separation Report

### Introduction

This resubmission of the ASR is based on Gibtelecom's tenth Accounting Separation Report (ASR) prepared since 2001 and covers the financial period 1 January 2014 to 31 December 2014. The original submission was made on 11 December 2015.

Gibtelecom has been designated by the Gibraltar Regulatory Authority (GRA) as having Significant Market Power (SMP) in the wholesale mobile, wholesale fixed and retail fixed markets. Gibtelecom is required to prepare and maintain accounting records to provide information to reflect as closely as possible the performance of these different activities within the business. The GRA has renewed the requirement for audited separated accounts to be provided on an annual basis from 2013, having only required them on a three yearly basis in the period immediately before.

In September 2014, the GRA released Document No 13/14 on 'Accounting Separation, Cost Accounting Systems, Cost Orientation and Retail Price Notification - Compliance under SMP obligations'. This Document was incremental to the high level principles to be applied to accounting separation, the methodology to be used for cost orientation, and the implementation of cost accounting systems put forward in previous GRA Decisions on accounting separation and cost accounting, including additional reporting requirements.

In June 2015, the GRA released Decision Notice C01/15 on 'Accounting Separation, Cost Accounting Systems, Cost Orientation and Retail Price Notification'. This Decision Notice consolidated documents 13/14, 01/11 and 07/08 and provided the high level principles to be applied to accounting separation, the methodology to be used for cost orientation, and the implementation of cost accounting systems. Gibtelecom has used these principles as the basis for the production of its separated accounts. Gibtelecom's first two ASRs (July 2001 and March 2004) had been prepared by external consultants in line with Historical Cost Accounting (HCA) principles. The third submission (November 2004) was prepared using the available in-house expertise and produced, for the first time, applying Current Cost Accounting (CCA) methodologies.

Gibtelecom submitted a fourth iteration of the ASR, also using CCA methodologies, in March 2009. In order to meet the new SMP requirements, in particular to provide separated financial information on wholesale fixed services, Gibtelecom contracted the services of external consultants to set-up and populate a completely new complex ASR costing model. A further ASR was submitted in September 2009. That report (the fixed services ASR) focused on fixed line services and identified the mobile profit and loss unit as a whole. An additional ASR (the sixth to that date), disaggregating wholesale mobile services, was subsequently submitted to the GRA in April 2010. The information contained in this later ASR was not available at the time the fixed services ASR was submitted. A seventh ASR, combining both fixed and mobile services for the first time, was submitted in September 2010. This submission was represented in December of the same year following some additional reporting requirements set by the GRA.

An eighth ASR, which again was produced entirely in-house, was submitted in September 2011, with an additional resubmission following in April 2012 with some revisions. The fixed ASR costing model was populated and used to separate the various wholesale and retail fixed business streams, together with calculating the mobile business as a unitary whole. A separate costing model was subsequently employed to disaggregate this business into wholesale mobile services. As from the 2009 financial data ASR (first submitted in September 2010), the ASR presents the combined results of each separate ASR exercise.

This ASR is titled "GIBTELECOM ASR 2014 FINANCIAL STATEMENTS". It contains the financial statements resulting from the ASR exercise. Two other documents; "GIBTELECOM ASR 2014 ACCOUNTING DOCUMENTS"; and "GIBTELECOM ASR 2014 ATTRIBUTION METHODOLOGY DOCUMENT" provide further supportive information on the work underpinning these financial statements. The separation of this information into three separate documents was a new requirement of a GRA Decision Notice issued in November 2011.

This resubmission includes added clarity and modifications following an extensive review carried out by the GRA, including the GRA's requirements set out in their Direction C06/15 of 1 September 2015. This Direction, amongst other things, required Gibtelecom to submit a revised ASR by 15 December 2015 (as well as the submission of Gibtelecom's 2013 financial data ASR by 15 February 2016). Following the resubmission of a revised ASR for the financial year 2013 in February 2016, the GRA informed Gibtelecom that further modifications were still needed. This particular resubmission of 28 October 2016 now being enclosed herein, contains those refinements, including basing the ASR on HCA methodologies (as well as for the 2013 ASR also being submitted separately on 28 October 2016)

Separated financial statements have been prepared for the following wholesale mobile and wholesale and retail fixed activities:

## Activities

Wholesale Core Network	Fixed origination Fixed termination Leased lines Remaining activities Total core network
Wholesale Access Network	Unbundled access Broadband access Remaining activities Total access network
Retail	Fixed access Fixed domestic calling Fixed international calling Remaining activities Total retail
Wholesale mobile Network	Voice termination Remaining activities

The mobile separated accounts deal with the disaggregation of the wholesale mobile activities recorded in the fixed services ASR 2014 that covered wholesale core and access networks and retail services. As with the previous ASR submissions, the cost of Gibtelecom carrying Universal Service Obligations has not been factored into the interconnection charge.

The separated accounts are prepared in accordance with the accounting documents which set out the framework under which the statements are to be prepared.

1. REGULATORY FINANCIAL STATEMENTS – This document herein shows the separated accounts and includes new reporting statements required by the GRA through their Decision Notice C01/15. These include a Wholesale Service Statement; Network Statement of Costs; Service Cost Statement; and a Retail Price Compliance Statement. The Regulatory Financial Statements also show a Statement of Transfer Charges explaining how charges are raised and revenue recorded from Gibtelecom's various regulated businesses / activities, as well as a detailed routing factor matrix. For presentational purposes, the separated accounts shown herein may show minor rounding totalling differences.
2. ACCOUNTING DOCUMENT – This document explains the following: Regulatory accounting principles, which lay out the general rules by which the separated accounts should be prepared; accounting policies, which detail the accounting policies adopted in preparing the underlying financial information; description of the costing model; methods of revaluation; and a detailed description of the weighted average cost of capital (WACC) calculation.
3. ATTRIBUTION METHODOLOGY DOCUMENT – This document explains how revenue, costs, assets and liabilities are attributed to the network elements and activities. It also includes a description of each network element used for the regulated services and a description of the routing factors methodology, with a reference to the detailed routing factors matrix found in the Regulatory Financial Statements.

## Statement of responsibility

The GRA has imposed SMP accounting separation obligations on Gibtelecom in the wholesale mobile voice termination market and a number of relevant fixed wholesale and retail markets. These obligations require Gibtelecom to compile profit and loss accounts, and associated statements of capital employed (balance sheets) for these relevant markets. These are known as SMP Regulated Accounts and are contained within the following three separate documents.

1. **FINANCIAL STATEMENTS** – This document herein shows the separated accounts and includes a Wholesale Service Statement; Network Statement of Costs; Service Cost Statement; and a Retail Price Compliance Statement. The Regulatory Financial Statements also show a Statement of Transfer Charges explaining how charges are raised and revenue recorded from Gibtelecom's various regulated businesses / activities, as well as a detailed routing factor matrix.
2. **ACCOUNTING DOCUMENT** – This document explains the following: Regulatory accounting principles, which lay out the general rules by which the separated accounts should be prepared; accounting policies, which detail the accounting policies adopted in preparing the underlying financial information; description of the costing model; methods of revaluation; and a detailed description of the weighted average cost of capital (WACC) calculation.
3. **ATTRIBUTION METHODOLOGY DOCUMENT** – This document explain how revenue, costs including transfer charges, assets and liabilities are attributed to the network elements and activities. It also contains a description of each network element used for the regulated services and a description of the routing factors methodology, with a reference to the detailed routing factors matrix found in the Regulatory Financial Statements.

The SMP Regulated Accounts for the year ended 31 December 2014 comprise for each relevant market:

1. a profit and loss account; and
2. a statement of mean capital employed (balance sheet).

They also include:

3. a consolidation and reconciliation with the statutory accounts 2014;
4. descriptions of the costing methodologies used, including references to cost bases and standards, allocated and valuation methodologies, identification and treatment of indirect costs;
5. non-discrimination notes (transfer charges statement);
6. a routing factor matrix, as well as other related wholesale and retail service statements service statements, and
7. a description of accounting policies and regulatory accounting principles.

Gibtelecom confirms that the SMP Regulated Accounts for the year ended 31 December 2014 contained herein have been reconciled to the Gibtelecom audited statutory accounts and to the best of its knowledge and commitment have been prepared in accordance with the requirements of the relevant governing EU and Gibraltar communications legislation.

**Tim Bristow**  
Board Director and Chief Executive Officer  
28 October 2016

**Dwayne Lara**  
Corporate & Regulatory Manager  
28 October 2016









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## **SMP Regulated Financial Statements for the Year Ended 31 December 2014** *[resubmitted 28 October 2016]*

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## 1. Separated Accounts Schedules

1.1. The schedules for the various separated accounts are found below.

### 1.1.1 Wholesale Core Network Fixed Origination Profit and Loss

<b>PROFIT AND LOSS ACCOUNT</b>		
	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Turnover</b>		
Internal sales	35	62.1
External sales	-	0.6
Regulated rate of return adjustment	-	-
<b>Total turnover</b>	<b>35</b>	<b>63</b>
Operating costs specific to service		
Depreciation	17	17
Employee related	31	30
Property related	47	54
Network & Maintenance, Regulator	46	34
Others	43	66
Exceptional operating costs specific to service	-	-
Exceptional charges from other services	-	-
<b>Total HCA operating costs</b>	<b>185</b>	<b>202</b>
Other Adjustments		
Other 1	-	-
Other 2	-	-
<b>Total Other Adjustments</b>	<b>0</b>	<b>0</b>
<b>Return</b>	<b>(149)</b>	<b>(139)</b>

**1.1.2 Wholesale Core Network  
Fixed Origination Mean Capital Employed**

**STATEMENT OF MEAN CAPITAL EMPLOYED**

	as at 31-Dec-14 £000s	as at 31-Dec-13 £000s
<b>Fixed assets</b>		
Tangible fixed assets		
Access Infrastructure	-	-
Access Equipment	-	-
Transmission Infrastructure	3	3
Transmission Equipment	1	1
Switching	54	66
Buildings	74	63
Other	20	22
Intangible fixed assets	-	-
Investments	-	-
<b>Total fixed assets</b>	<b>152</b>	<b>155</b>
<b>Current assets</b>		
Stock	1	2
Debtors	59	57
Other	23	28
<b>Total current assets</b>	<b>83</b>	<b>86</b>
<b>Creditors</b>	<b>(75)</b>	<b>(74)</b>
<b>Provisions for liabilities and charges</b>	<b>(6)</b>	<b>(5)</b>
<b>Mean capital employed</b>	<b>154</b>	<b>163</b>

**RETURN ON MEAN CAPITAL EMPLOYED**

	12 months to 31-Dec-14 £000s	12 months to 31-Dec-13 £000s
<b>Return</b>	<b>(149)</b>	<b>(139)</b>
<b>Mean capital employed</b>	<b>154</b>	<b>163</b>
<b>Return on mean capital employed</b>	<b>-97.14%</b>	<b>-85.17%</b>

**1.1.3 Wholesale Core Network  
Fixed Termination Profit and Loss**

<b>PROFIT AND LOSS ACCOUNT</b>	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Turnover</b>		
Internal sales	15	25.3
External sales	0.2	0.3
Regulated rate of return adjustment	-	-
<b>Total turnover</b>	<b>15</b>	<b>26</b>
Operating costs specific to service		
Depreciation	7	7
Employee related	14	12
Property related	20	22
Network & Maintenance, Regulator	20	14
Others	19	27
Exceptional operating costs specific to service	-	-
Exceptional charges from other services	-	-
<b>Total HCA operating costs</b>	<b>80</b>	<b>83</b>
Other Adjustments		
Other 1	-	-
Other 2	-	-
<b>Total Other Adjustments</b>	<b>0</b>	<b>0</b>
<b>Return</b>	<b>(65)</b>	<b>(57)</b>

**1.1.4 Wholesale Core Network  
Fixed Termination Mean Capital Employed**

<b>STATEMENT OF MEAN CAPITAL EMPLOYED</b>		
	<b>as at 31-Dec-14 £000s</b>	<b>as at 31-Dec-13 £000s</b>
<b>Fixed assets</b>		
Tangible fixed assets		
Access Infrastructure	-	-
Access Equipment	-	-
Transmission Infrastructure	1	1
Transmission Equipment	0	0
Switching	23	27
Buildings	32	26
Other	9	9
Intangible fixed assets	-	-
Investments	-	-
<b>Total fixed assets</b>	<b>66</b>	<b>64</b>
<b>Current assets</b>		
Stock	0	1
Debtors	25	23
Other	10	11
<b>Total current assets</b>	<b>36</b>	<b>35</b>
<b>Creditors</b>	<b>(33)</b>	<b>(30)</b>
<b>Provisions for liabilities and charges</b>	<b>(3)</b>	<b>(2)</b>
<b>Mean capital employed</b>	<b>67</b>	<b>67</b>

<b>RETURN ON MEAN CAPITAL EMPLOYED</b>		
	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Return</b>	<b>(65)</b>	<b>(57)</b>
<b>Mean capital employed</b>	<b>67</b>	<b>67</b>
<b>Return on mean capital employed</b>	<b>-96.96%</b>	<b>-85.36%</b>



**1.1.5 Wholesale Core Network  
Leased Lines Profit and Loss**

<b>PROFIT AND LOSS ACCOUNT</b>	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Turnover</b>		
Internal sales	956	1,075
External sales	12	13
Regulated rate of return adjustment	-	-
<b>Total turnover</b>	<b>968</b>	<b>1,088</b>
Operating costs specific to service		
Depreciation	618	626
Employee related	137	149
Property related	3	2
Network & Maintenance, Regulator	1	1
Others	32	39
Exceptional operating costs specific to service	-	-
Exceptional charges from other services	-	-
<b>Total HCA operating costs</b>	<b>792</b>	<b>816</b>
Other Adjustments		
Other 1	-	-
Other 2	-	-
<b>Total Other Adjustments</b>	<b>0</b>	<b>0</b>
<b>Return</b>	<b>176</b>	<b>272</b>

**1.1.6 Wholesale Core Network  
Leased Lines Mean Capital Employed**

<b>STATEMENT OF MEAN CAPITAL EMPLOYED</b>		
	<b>as at 31-Dec-14 £000s</b>	<b>as at 31-Dec-13 £000s</b>
<b>Fixed assets</b>		
Tangible fixed assets		
Access Infrastructure	-	-
Access Equipment	-	-
Transmission Infrastructure	4,944	4,912
Transmission Equipment	1,935	1,513
Switching	-	-
Buildings	8	11
Other	34	39
Intangible fixed assets	-	-
Investments	-	-
<b>Total fixed assets</b>	<b>6,922</b>	<b>6,474</b>
<b>Current assets</b>		
Stock	2	3
Debtors	19	23
Other	797	834
<b>Total current assets</b>	<b>819</b>	<b>860</b>
<b>Creditors</b>	<b>(2,377)</b>	<b>(2,071)</b>
<b>Provisions for liabilities and charges</b>	<b>(212)</b>	<b>(147)</b>
<b>Mean capital employed</b>	<b>5,151</b>	<b>5,116</b>

<b>RETURN ON MEAN CAPITAL EMPLOYED</b>		
	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Return</b>	<b>176</b>	<b>272</b>
<b>Mean capital employed</b>	<b>5,151</b>	<b>5,116</b>
<b>Return on mean capital employed</b>	<b>3.42%</b>	<b>5.31%</b>

**1.1.7 Wholesale Core Network  
Remaining Activities Profit and Loss**

<b>PROFIT AND LOSS ACCOUNT</b>	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Turnover</b>		
Internal sales	11,369	12,330
External sales	1.6	2.0
Regulated rate of return adjustment	-	-
<b>Total turnover</b>	<b>11,370</b>	<b>12,332</b>
Operating costs specific to service		
Depreciation	3,261	3,268
Employee related	1,915	2,213
Property related	863	813
Network & Maintenance, Regulator	598	662
Others	2,315	3,147
Exceptional operating costs specific to service	-	-
Exceptional charges from other services	-	-
<b>Total HCA operating costs</b>	<b>8,952</b>	<b>10,102</b>
Other Adjustments		
Other 1	-	-
Other 2	-	-
<b>Total Other Adjustments</b>	<b>0</b>	<b>0</b>
<b>Return</b>	<b>2,418</b>	<b>2,230</b>

**1.1.8 Wholesale Core Network  
Remaining Activities Mean Capital Employed**

<b>STATEMENT OF MEAN CAPITAL EMPLOYED</b>		
	<b>as at 31-Dec-14 £000s</b>	<b>as at 31-Dec-13 £000s</b>
<b>Fixed assets</b>		
Tangible fixed assets		
Access Infrastructure	-	-
Access Equipment	-	-
Transmission Infrastructure	11,534	12,020
Transmission Equipment	4,754	3,844
Switching	5,913	4,870
Buildings	722	693
Other	1,458	918
Intangible fixed assets	-	-
Investments	-	-
<b>Total fixed assets</b>	<b>24,381</b>	<b>22,346</b>
<b>Current assets</b>		
Stock	20	145
Debtors	704	754
Other	2,463	3,069
<b>Total current assets</b>	<b>3,187</b>	<b>3,968</b>
<b>Creditors</b>	<b>(7,489)</b>	<b>(7,861)</b>
<b>Provisions for liabilities and charges</b>	<b>(654)</b>	<b>(541)</b>
<b>Mean capital employed</b>	<b>19,425</b>	<b>17,912</b>
<b>RETURN ON MEAN CAPITAL EMPLOYED</b>		
	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Return</b>	<b>2,418</b>	<b>2,230</b>
<b>Mean capital employed</b>	<b>19,425</b>	<b>17,912</b>
<b>Return on mean capital employed</b>	<b>12.45%</b>	<b>12.45%</b>

1.1.9 Wholesale Core Network  
TOTAL Activities Profit and Loss

<b>PROFIT AND LOSS ACCOUNT</b>	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Turnover</b>		
Internal sales	12,375	13,493
External sales	14	16
Regulated rate of return adjustment	-	-
<b>Total turnover</b>	<b>12,389</b>	<b>13,508</b>
Operating costs specific to service		
Depreciation	3,903	3,917
Employee related	2,097	2,405
Property related	933	891
Network & Maintenance, Regulator	665	711
Others	2,409	3,279
Exceptional operating costs specific to service	-	-
Exceptional charges from other services	-	-
<b>Total HCA operating costs</b>	<b>10,008</b>	<b>11,203</b>
Other Adjustments		
Other 1	-	-
Other 2	-	-
<b>Total Other Adjustments</b>	<b>0</b>	<b>0</b>
<b>Return</b>	<b>2,381</b>	<b>2,306</b>

**1.1.10 Wholesale Core Network**  
**TOTAL Activities Mean Capital Employed**

<b>STATEMENT OF MEAN CAPITAL EMPLOYED</b>		
	<b>as at 31-Dec-14 £000s</b>	<b>as at 31-Dec-13 £000s</b>
<b>Fixed assets</b>		
Tangible fixed assets		
Access Infrastructure	-	-
Access Equipment	-	-
Transmission Infrastructure	16,482	16,936
Transmission Equipment	6,691	5,358
Switching	5,990	4,962
Buildings	837	793
Other	1,521	989
Intangible fixed assets	-	-
Investments	-	-
<b>Total fixed assets</b>	<b>31,521</b>	<b>29,038</b>
<b>Current assets</b>		
Stock	24	150
Debtors	808	856
Other	3,294	3,943
<b>Total current assets</b>	<b>4,125</b>	<b>4,950</b>
<b>Creditors</b>	<b>(9,974)</b>	<b>(10,035)</b>
<b>Provisions for liabilities and charges</b>	<b>(875)</b>	<b>(694)</b>
<b>Mean capital employed</b>	<b>24,797</b>	<b>23,258</b>

<b>RETURN ON MEAN CAPITAL EMPLOYED</b>		
	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Return</b>	<b>2,381</b>	<b>2,306</b>
<b>Mean capital employed</b>	<b>24,797</b>	<b>23,258</b>
<b>Return on mean capital employed</b>	<b>9.60%</b>	<b>9.91%</b>

**1.1.11 Wholesale Access Network  
Unbundled Access Profit and Loss**

<b>PROFIT AND LOSS ACCOUNT</b>	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Turnover</b>		
Internal sales	2,056	2,271
External sales	-	-
Regulated rate of return adjustment	-	-
<b>Total turnover</b>	<b>2,056</b>	<b>2,271</b>
Operating costs specific to service		
Depreciation	229	209
Employee related	1,248	1,486
Property related	29	7
Network & Maintenance, Regulator	9	4
Others	336	366
Exceptional operating costs specific to service	-	-
Exceptional charges from other services	-	-
<b>Total HCA operating costs</b>	<b>1,850</b>	<b>2,073</b>
Other Adjustments		
Other 1	-	-
Other 2	-	-
<b>Total Other Adjustments</b>	<b>0</b>	<b>0</b>
<b>Return</b>	<b>206</b>	<b>199</b>

**1.1.12 Wholesale Access Network  
Unbundled Access Mean Capital Employed**

<b>STATEMENT OF MEAN CAPITAL EMPLOYED</b>		
	<b>as at 31-Dec-14 £000s</b>	<b>as at 31-Dec-13 £000s</b>
<b>Fixed assets</b>		
Tangible fixed assets		
Access Infrastructure	1,932	2,041
Access Equipment	18	22
Transmission Infrastructure	-	-
Transmission Equipment	-	-
Switching	-	-
Buildings	56	39
Other	92	116
Intangible fixed assets	-	-
Investments	-	-
<b>Total fixed assets</b>	<b>2,098</b>	<b>2,218</b>
<b>Current assets</b>		
Stock	0	0
Debtors	102	75
Other	183	274
<b>Total current assets</b>	<b>286</b>	<b>349</b>
<b>Creditors</b>	<b>(684)</b>	<b>(923)</b>
<b>Provisions for liabilities and charges</b>	<b>(49)</b>	<b>(48)</b>
<b>Mean capital employed</b>	<b>1,651</b>	<b>1,596</b>

<b>RETURN ON MEAN CAPITAL EMPLOYED</b>		
	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Return</b>	<b>206</b>	<b>199</b>
<b>Mean capital employed</b>	<b>1,651</b>	<b>1,596</b>
<b>Return on mean capital employed</b>	<b>12.45%</b>	<b>12.45%</b>



**1.1.13 Wholesale Access Network  
Broadband Access Profit and Loss**

<b>PROFIT AND LOSS ACCOUNT</b>	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Turnover</b>		
Internal sales	4,190	3,567
External sales	-	-
Regulated rate of return adjustment	-	-
<b>Total turnover</b>	<b>4,190</b>	<b>3,567</b>
Operating costs specific to service		
Depreciation	847	638
Employee related	2,206	1,781
Property related	113	41
Network & Maintenance, Regulator	144	172
Others	509	543
Exceptional operating costs specific to service	-	-
Exceptional charges from other services	-	-
<b>Total HCA operating costs</b>	<b>3,819</b>	<b>3,176</b>
Other Adjustments		
Other 1	-	-
Other 2	-	-
<b>Total Other Adjustments</b>	<b>0</b>	<b>0</b>
<b>Return</b>	<b>370</b>	<b>391</b>

**1.1.14 Wholesale Access Network  
Broadband Access Mean Capital Employed**

<b>STATEMENT OF MEAN CAPITAL EMPLOYED</b>		
	<b>as at 31-Dec-14 £000s</b>	<b>as at 31-Dec-13 £000s</b>
<b>Fixed assets</b>		
Tangible fixed assets		
Access Infrastructure	720	714
Access Equipment	2,740	2,806
Transmission Infrastructure	-	-
Transmission Equipment	-	-
Switching	-	-
Buildings	114	70
Other	124	305
Intangible fixed assets	-	-
Investments	-	-
<b>Total fixed assets</b>	<b>3,698</b>	<b>3,894</b>
<b>Current assets</b>		
Stock	3	7
Debtors	207	138
Other	324	369
<b>Total current assets</b>	<b>534</b>	<b>514</b>
<b>Creditors</b>	<b>(1,171)</b>	<b>(1,201)</b>
<b>Provisions for liabilities and charges</b>	<b>(86)</b>	<b>(65)</b>
<b>Mean capital employed</b>	<b>2,975</b>	<b>3,142</b>

<b>RETURN ON MEAN CAPITAL EMPLOYED</b>		
	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Return</b>	<b>370</b>	<b>391</b>
<b>Mean capital employed</b>	<b>2,975</b>	<b>3,142</b>
<b>Return on mean capital employed</b>	<b>12.45%</b>	<b>12.45%</b>

**1.1.15 Wholesale Access Network  
Remaining Activities Profit and Loss**

<b>PROFIT AND LOSS ACCOUNT</b>	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Turnover</b>		
Internal sales	27	26
External sales	-	-
Regulated rate of return adjustment	-	-
<b>Total turnover</b>	<b>27</b>	<b>26</b>
Operating costs specific to service		
Depreciation	1	0
Employee related	10	12
Property related	1	-
Network & Maintenance, Regulator	-	-
Others	15	13
Exceptional operating costs specific to service	-	-
Exceptional charges from other services	-	-
<b>Total HCA operating costs</b>	<b>27</b>	<b>26</b>
Other Adjustments		
Other 1	-	-
Other 2	-	-
<b>Total Other Adjustments</b>	<b>0</b>	<b>0</b>
<b>Return</b>	<b>0.3</b>	<b>0.2</b>

**1.1.16 Wholesale Access Network  
Remaining Activities Mean Capital Employed**

<b>STATEMENT OF MEAN CAPITAL EMPLOYED</b>		
	<b>as at 31-Dec-14 £000s</b>	<b>as at 31-Dec-13 £000s</b>
<b>Fixed assets</b>		
Tangible fixed assets		
Access Infrastructure	-	-
Access Equipment	-	-
Transmission Infrastructure	-	-
Transmission Equipment	-	-
Switching	-	-
Buildings	-	-
Other	3	3
Intangible fixed assets	-	-
Investments	-	-
<b>Total fixed assets</b>	<b>3</b>	<b>3</b>
<b>Current assets</b>		
Stock	0	0
Debtors	1	1
Other	0	0
<b>Total current assets</b>	<b>1</b>	<b>1</b>
<b>Creditors</b>	<b>(1)</b>	<b>(2)</b>
<b>Provisions for liabilities and charges</b>	<b>(0)</b>	<b>(0)</b>
<b>Mean capital employed</b>	<b>2</b>	<b>1</b>
<b>RETURN ON MEAN CAPITAL EMPLOYED</b>		
	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Return</b>	<b>0.3</b>	<b>0.2</b>
<b>Mean capital employed</b>	<b>2</b>	<b>1</b>
<b>Return on mean capital employed</b>	<b>12.45%</b>	<b>12.45%</b>

**1.1.17 Wholesale Access Network  
TOTAL Activities Profit and Loss**

<b>PROFIT AND LOSS ACCOUNT</b>	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Turnover</b>		
Internal sales	6,273	5,864
External sales	-	-
Regulated rate of return adjustment	-	-
<b>Total turnover</b>	<b>6,273</b>	<b>5,864</b>
Operating costs specific to service		
Depreciation	1,077	848
Employee related	3,465	3,280
Property related	143	48
Network & Maintenance, Regulator	153	176
Others	859	922
Exceptional operating costs specific to service	-	-
Exceptional charges from other services	-	-
<b>Total HCA operating costs</b>	<b>5,696</b>	<b>5,274</b>
Other Adjustments		
Other 1	-	-
Other 2	-	-
<b>Total Other Adjustments</b>	<b>0</b>	<b>0</b>
<b>Return</b>	<b>576</b>	<b>590</b>

**1.1.18 Wholesale Access Network**  
**TOTAL Activities Mean Capital Employed**

**STATEMENT OF MEAN CAPITAL EMPLOYED**

	as at 31-Dec-14 £000s	as at 31-Dec-13 £000s
<b>Fixed assets</b>		
Tangible fixed assets		
Access Infrastructure	2,652	2,755
Access Equipment	2,757	2,828
Transmission Infrastructure	-	-
Transmission Equipment	-	-
Switching	-	-
Buildings	170	109
Other	219	424
Intangible fixed assets	-	-
Investments	-	-
<b>Total fixed assets</b>	<b>5,799</b>	<b>6,115</b>
<b>Current assets</b>		
Stock	4	7
Debtors	311	213
Other	506	643
<b>Total current assets</b>	<b>821</b>	<b>864</b>
<b>Creditors</b>	<b>(1,857)</b>	<b>(2,126)</b>
<b>Provisions for liabilities and charges</b>	<b>(135)</b>	<b>(113)</b>
<b>Mean capital employed</b>	<b>4,628</b>	<b>4,739</b>

**RETURN ON MEAN CAPITAL EMPLOYED**

	12 months to 31-Dec-14 £000s	12 months to 31-Dec-13 £000s
<b>Return</b>	<b>576</b>	<b>590</b>
<b>Mean capital employed</b>	<b>4,628</b>	<b>4,739</b>
<b>Return on mean capital employed</b>	<b>12.45%</b>	<b>12.45%</b>

**1.1.19 Wholesale Mobile Network  
Voice Termination Profit and Loss**

<b>PROFIT AND LOSS ACCOUNT</b>	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Turnover</b>		
Internal sales	148	427
External sales	1.6	2
Regulated rate of return adjustment	-	-
<b>Total turnover</b>	<b>150</b>	<b>429</b>
Operating costs specific to service		
Depreciation	254	257
Employee related	5	6
Property related	24	19
Network & Maintenance, Regulator	7	3
Others	32	179
Exceptional operating costs specific to service	-	-
Exceptional charges from other services	-	-
<b>Total HCA operating costs</b>	<b>322</b>	<b>464</b>
Other Adjustments		
Other 1	-	-
Other 2	-	-
<b>Total Other Adjustments</b>	<b>-</b>	<b>-</b>
<b>Return</b>	<b>(172)</b>	<b>(35)</b>

**1.1.20 Wholesale Mobile Network  
Voice Termination Mean Capital Employed**

<b>STATEMENT OF MEAN CAPITAL EMPLOYED</b>		
	<b>as at 31-Dec-14 £000s</b>	<b>as at 31-Dec-13 £000s</b>
<b>Fixed assets</b>		
Tangible fixed assets	-	-
	-	-
	-	-
Mobile Access	701	711
Mobile Core	965	978
Buildings	19	21
Other	30	31
Intangible fixed assets	-	-
Investments	-	-
<b>Total fixed assets</b>	<b>1,715</b>	<b>1,741</b>
<b>Current assets</b>		
Stock	0	0
Debtors	44	48
Other	22	89
<b>Total current assets</b>	<b>65</b>	<b>137</b>
<b>Creditors</b>	<b>(68)</b>	<b>(222)</b>
<b>Provisions for liabilities and charges</b>	<b>(6)</b>	<b>(16)</b>
<b>Mean capital employed</b>	<b>1,707</b>	<b>1,640</b>
<b>RETURN ON MEAN CAPITAL EMPLOYED</b>		
	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Return</b>	<b>(172)</b>	<b>(35)</b>
<b>Mean capital employed</b>	<b>1,707</b>	<b>1,640</b>
<b>Return on mean capital employed</b>	<b>-10.07%</b>	<b>-2.11%</b>



**1.1.21 Wholesale Mobile Network  
Remaining Activities Profit and Loss**

<b>PROFIT AND LOSS ACCOUNT</b>	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Turnover</b>		
Internal sales	1,288	1,538
External sales	-	-
Regulated rate of return adjustment	-	-
<b>Total turnover</b>	<b>1,288</b>	<b>1,538</b>
Operating costs specific to service		
Depreciation	595	575
Employee related	13	13
Property related	56	41
Network & Maintenance, Regulator	15	8
Others	76	400
Exceptional operating costs specific to service	-	-
Exceptional charges from other services	-	-
<b>Total HCA operating costs</b>	<b>754</b>	<b>1,037</b>
Other Adjustments		
Other 1	-	-
Other 2	-	-
<b>Total Other Adjustments</b>	<b>-</b>	<b>-</b>
<b>Return</b>	<b>534</b>	<b>501</b>

**1.1.22 Wholesale Mobile Network  
Remaining Activities Mean Capital Employed**

<b>STATEMENT OF MEAN CAPITAL EMPLOYED</b>		
	<b>as at 31-Dec-14 £000s</b>	<b>as at 31-Dec-13 £000s</b>
<b>Fixed assets</b>		
Tangible fixed assets	-	-
	-	-
	-	-
Mobile Access	1,743	1,712
Mobile Core	2,398	2,356
Buildings	48	51
Other	75	74
Intangible fixed assets	-	-
Investments	-	-
<b>Total fixed assets</b>	<b>4,264</b>	<b>4,193</b>
<b>Current assets</b>		
Stock	0	0
Debtors	105	108
Other	35	146
<b>Total current assets</b>	<b>140</b>	<b>254</b>
<b>Creditors</b>	<b>(110)</b>	<b>(364)</b>
<b>Provisions for liabilities and charges</b>	<b>(9)</b>	<b>(26)</b>
<b>Mean capital employed</b>	<b>4,285</b>	<b>4,057</b>
<b>RETURN ON MEAN CAPITAL EMPLOYED</b>		
	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Return</b>	<b>534</b>	<b>501</b>
<b>Mean capital employed</b>	<b>4,285</b>	<b>4,057</b>
<b>Return on mean capital employed</b>	<b>12.45%</b>	<b>12.35%</b>

**1.1.23 Retail**  
**Fixed Access Profit and Loss**

<b>PROFIT AND LOSS ACCOUNT</b>		
	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Turnover</b>		
Internal	-	-
External	6,929	7,046
<b>Total turnover</b>	<b>6,929</b>	<b>7,046</b>
<b>Operating costs</b>		
Operating costs specific to Retail		
Cost of Sales	(6)	37
Employee Costs	434	403
Retail Operations	493	547
HCA Depreciation	61	39
Common Costs	87	92
Transfer charges from Core Network	-	-
Transfer charges from Local Access Network	6,273	5,864
Exceptional operating costs specific to Retail	-	-
Exceptional transfer charges from Core Network	-	-
Exceptional transfer charges from Local Access Network	-	-
<b>Total HCA operating costs</b>	<b>7,341</b>	<b>6,983</b>
<b>Other Adjustments</b>		
Other 1	-	-
Other 2	-	-
<b>Total Other Adjustments</b>	<b>0</b>	<b>0</b>
<b>Return</b>	<b>(412)</b>	<b>64</b>

**1.1.24 Retail**  
**Fixed Access Mean Capital Employed**

<b>STATEMENT OF MEAN CAPITAL EMPLOYED</b>		
	<b>as at 31-Dec-14 £000s</b>	<b>as at 31-Dec-13 £000s</b>
<b>Fixed assets</b>		
Tangible fixed assets		
Buildings	286	210
Vehicles	7	4
Computers	39	17
Furniture/Office equipment	13	13
Other	29	34
Intangible fixed assets	-	-
Investments	-	-
<b>Total fixed assets</b>	<b>374</b>	<b>278</b>
<b>Current assets</b>		
Stock	3	3
Debtors	1,712	1,331
Other	123	171
<b>Total current assets</b>	<b>1,839</b>	<b>1,505</b>
<b>Creditors</b>	<b>(3,574)</b>	<b>(3,461)</b>
<b>Provisions for liabilities and charges</b>	<b>(33)</b>	<b>(30)</b>
<b>Mean capital employed</b>	<b>(1,394)</b>	<b>(1,708)</b>
<b>RETURN ON MEAN CAPITAL EMPLOYED</b>		
	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Return</b>	<b>(412)</b>	<b>64</b>
<b>Mean capital employed</b>	<b>(1,394)</b>	<b>(1,708)</b>
<b>Return on mean capital employed</b>	<b>N/A</b>	<b>N/A</b>

**1.1.25 Retail**  
**Fixed Domestic Calling Profit and Loss**

<b>PROFIT AND LOSS ACCOUNT</b>		
	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Turnover</b>		
Internal	-	-
External	1,914	2,025
<b>Total turnover</b>	<b>1,914</b>	<b>2,025</b>
<b>Operating costs</b>		
Operating costs specific to Retail		
Cost of Sales	111	360
Employee Costs	228	281
Retail Operations	176	188
HCA Depreciation	20	27
Common Costs	38	45
Transfer charges from Core Network	1,046	1,118
Transfer charges from Local Access Network	-	-
Exceptional operating costs specific to Retail	-	-
Exceptional transfer charges from Core Network	-	-
Exceptional transfer charges from Local Access Network	-	-
<b>Total HCA operating costs</b>	<b>1,619</b>	<b>2,020</b>
<b>Other Adjustments</b>		
Other 1	-	-
Other 2	-	-
<b>Total Other Adjustments</b>	<b>0</b>	<b>0</b>
<b>Return</b>	<b>295</b>	<b>5</b>

**1.1.26 Retail**  
**Fixed Domestic Calling Mean Capital Employed**

<b>STATEMENT OF MEAN CAPITAL EMPLOYED</b>		
	<b>as at 31-Dec-14 £000s</b>	<b>as at 31-Dec-13 £000s</b>
<b>Fixed assets</b>		
Tangible fixed assets		
Buildings	85	141
Vehicles	2	2
Computers	14	12
Furniture/Office equipment	6	10
Other	9	23
Intangible fixed assets	-	-
Investments	-	-
<b>Total fixed assets</b>	<b>116</b>	<b>188</b>
<b>Current assets</b>		
Stock	2	2
Debtors	2,598	2,063
Other	54	84
<b>Total current assets</b>	<b>2,654</b>	<b>2,148</b>
<b>Creditors</b>	<b>(1,655)</b>	<b>(1,820)</b>
<b>Provisions for liabilities and charges</b>	<b>(14)</b>	<b>(15)</b>
<b>Mean capital employed</b>	<b>1,100</b>	<b>502</b>
<b>RETURN ON MEAN CAPITAL EMPLOYED</b>		
	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Return</b>	<b>295</b>	<b>5</b>
<b>Mean capital employed</b>	<b>1,100</b>	<b>502</b>
<b>Return on mean capital employed</b>	<b>27%</b>	<b>1%</b>

**1.1.27 Retail**  
**Fixed International Calling Profit and Loss**

<b>PROFIT AND LOSS ACCOUNT</b>	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Turnover</b>		
Internal	-	-
External	1,425	1,672
<b>Total turnover</b>	<b>1,425</b>	<b>1,672</b>
<b>Operating costs</b>		
Operating costs specific to Retail		
Cost of Sales	906	1,029
Employee Costs	132	162
Retail Operations	104	121
HCA Depreciation	12	15
Common Costs	108	122
Transfer charges from Core Network	173	208
Transfer charges from Local Access Network	-	-
Exceptional operating costs specific to Retail	-	-
Exceptional transfer charges from Core Network	-	-
Exceptional transfer charges from Local Access Network	-	-
<b>Total HCA operating costs</b>	<b>1,434</b>	<b>1,657</b>
<b>Other Adjustments</b>		
Other 1	-	-
Other 2	-	-
<b>Total Other Adjustments</b>	<b>0</b>	<b>0</b>
<b>Return</b>	<b>(10)</b>	<b>15</b>

**1.1.28 Retail**  
**Fixed International Calling Mean Capital Employed**

<b>STATEMENT OF MEAN CAPITAL EMPLOYED</b>		
	<b>as at 31-Dec-14 £000s</b>	<b>as at 31-Dec-13 £000s</b>
<b>Fixed assets</b>		
Tangible fixed assets		
Buildings	49	79
Vehicles	1	1
Computers	8	7
Furniture/Office equipment	3	5
Other	5	13
Intangible fixed assets	-	-
Investments	-	-
<b>Total fixed assets</b>	<b>67</b>	<b>105</b>
<b>Current assets</b>		
Stock	1	1
Debtors	1,774	1,454
Other	151	225
<b>Total current assets</b>	<b>1,926</b>	<b>1,681</b>
<b>Creditors</b>	<b>(1,253)</b>	<b>(1,416)</b>
<b>Provisions for liabilities and charges</b>	<b>(40)</b>	<b>(40)</b>
<b>Mean capital employed</b>	<b>700</b>	<b>330</b>
<b>RETURN ON MEAN CAPITAL EMPLOYED</b>		
	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Return</b>	<b>(10)</b>	<b>15</b>
<b>Mean capital employed</b>	<b>700</b>	<b>330</b>
<b>Return on mean capital employed</b>	<b>-1%</b>	<b>5%</b>



**1.1.29 Retail**  
**Remaining Activities Profit and Loss**

<b>PROFIT AND LOSS ACCOUNT</b>		
	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Turnover</b>		
Internal	-	-
External	31,697	31,196
<b>Total turnover</b>	<b>31,697</b>	<b>31,196</b>
<b>Operating costs</b>		
Operating costs specific to Retail		
Cost of Sales	2,924	2,827
Employee Costs	1,644	2,071
Retail Operations	5,492	3,795
HCA Depreciation	209	200
Common Costs	962	843
Transfer charges from Core Network	12,594	14,135
Transfer charges from Local Access Network	-	-
Exceptional operating costs specific to Retail	-	-
Exceptional transfer charges from Core Network	-	-
Exceptional transfer charges from Local Access Network	-	-
<b>Total HCA operating costs</b>	<b>23,823</b>	<b>23,872</b>
<b>Other Adjustments</b>		
Other 1	-	-
Other 2	-	-
<b>Total Other Adjustments</b>	<b>0</b>	<b>0</b>
<b>Return</b>	<b>7,873</b>	<b>7,324</b>

**1.1.30 Retail**  
**Remaining Activities Mean Capital Employed**

**STATEMENT OF MEAN CAPITAL EMPLOYED**

	<b>as at 31-Dec-14 £000s</b>	<b>as at 31-Dec-13 £000s</b>
<b>Fixed assets</b>		
Tangible fixed assets		
Buildings	1,138	1,083
Vehicles	30	33
Computers	94	75
Furniture/Office equipment	38	62
Other	95	174
Intangible fixed assets	-	-
Investments	-	-
<b>Total fixed assets</b>	<b>1,395</b>	<b>1,427</b>
<b>Current assets</b>		
Stock	992	944
Debtors	3,439	3,982
Other	1,347	1,560
<b>Total current assets</b>	<b>5,779</b>	<b>6,485</b>
<b>Creditors</b>	<b>(6,276)</b>	<b>(6,300)</b>
<b>Provisions for liabilities and charges</b>	<b>(358)</b>	<b>(275)</b>
<b>Mean capital employed</b>	<b>540</b>	<b>1,338</b>

**RETURN ON MEAN CAPITAL EMPLOYED**

	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Return</b>	<b>7,873</b>	<b>7,324</b>
<b>Mean capital employed</b>	<b>540</b>	<b>1,338</b>
<b>Return on mean capital employed</b>	<b>1457%</b>	<b>547%</b>

**1.1.31 Retail**  
**TOTAL Activities Profit and Loss**

<b>PROFIT AND LOSS ACCOUNT</b>		
	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Turnover</b>		
Internal	-	-
External	41,964	41,939
<b>Total turnover</b>	<b>41,964</b>	<b>41,939</b>
<b>Operating costs</b>		
Operating costs specific to Retail		
Cost of Sales	3,935	4,253
Employee Costs	2,437	2,918
Retail Operations	6,265	4,652
HCA Depreciation	301	281
Common Costs	1,195	1,102
Transfer charges from Core Network	13,813	15,461
Transfer charges from Local Access Network	6,273	5,864
Exceptional operating costs specific to Retail	-	-
Exceptional transfer charges from Core Network	-	-
Exceptional transfer charges from Local Access Network	-	-
<b>Total HCA operating costs</b>	<b>34,218</b>	<b>34,532</b>
<b>Other Adjustments</b>		
Other 1	-	-
Other 2	-	-
<b>Total Other Adjustments</b>	<b>0</b>	<b>0</b>
<b>Return</b>	<b>7,746</b>	<b>7,407</b>

**1.1.32 Retail**  
**TOTAL Activities Mean Capital Employed**

<b>STATEMENT OF MEAN CAPITAL EMPLOYED</b>		
	<b>as at 31-Dec-14 £000s</b>	<b>as at 31-Dec-13 £000s</b>
<b>Fixed assets</b>		
Tangible fixed assets		
Buildings	1,558	1,513
Vehicles	39	40
Computers	155	111
Furniture/Office equipment	60	91
Other	138	243
Intangible fixed assets	-	-
Investments	-	-
<b>Total fixed assets</b>	<b>1,951</b>	<b>1,998</b>
<b>Current assets</b>		
Stock	998	950
Debtors	9,524	8,830
Other	1,675	2,040
<b>Total current assets</b>	<b>12,198</b>	<b>11,820</b>
<b>Creditors</b>	<b>(12,757)</b>	<b>(12,997)</b>
<b>Provisions for liabilities and charges</b>	<b>(445)</b>	<b>(359)</b>
<b>Mean capital employed</b>	<b>947</b>	<b>462</b>
<b>RETURN ON MEAN CAPITAL EMPLOYED</b>		
	<b>12 months to 31-Dec-14 £000s</b>	<b>12 months to 31-Dec-13 £000s</b>
<b>Return</b>	<b>7,746</b>	<b>7,407</b>
<b>Mean capital employed</b>	<b>947</b>	<b>462</b>
<b>Return on mean capital employed</b>	<b>818%</b>	<b>1604%</b>

## 2. Reconciliation with statutory accounts statement

### 2.1. Reconciliation Statement

	Turnover (£)	Cost (£)	Return (£)
<b>Wholesale Core Network</b>			
Fixed Origination	35,209	184,573	-149,364
Fixed Termination	15,374	79,963	-64,589
Leased Lines	968,484	792,076	176,408
Remaining activities	11,370,164	8,951,748	2,418,417
<b>Wholesale Access Network</b>			
Unbundled Access	2,055,910	1,850,336	205,574
Broadband Access	4,189,617	3,819,236	370,381
Remaining activities	27,083	26,792	291
<b>Wholesale Mobile Network</b>			
	1,437,681	1,075,911	361,770
<b>Retail</b>			
Fixed Access	6,928,726	7,340,879	-412,153
Fixed Domestic calling	1,914,146	1,619,453	294,693
Fixed International calling	1,424,820	1,434,387	-9,567
Remaining activities	31,696,558	23,823,269	7,873,289
<i>Retail Mobile Network</i>	<i>9,861,999</i>	<i>5,440,157</i>	<i>4,421,842</i>
<i>Remaining Activities</i>	<i>21,834,559</i>	<i>18,383,112</i>	<i>3,451,447</i>
<b>Total</b>	<b>62,063,773</b>	<b>50,998,624</b>	<b>11,065,150</b>
Adjustments:			
Elimination of transfer charges	20,085,208	20,085,208	0
Dividends payable			5,900,000
Corporation Tax			1,531,330
Interest receivable			-7,056
Interest payable			517,073
Other finance adjustments			-7,000
Impairments			981,355
Other statutory adjustments			-5,192
Other Adjustments 1		0	0
Other Adjustments 2 (roundings)	28	31	-3
<b>Total adjustments</b>	<b>20,085,236</b>	<b>20,085,240</b>	<b>8,910,507</b>
<b>As per statutory accounts</b>	<b>41,978,537</b>	<b>30,913,384</b>	<b>2,154,643</b>

Note: it is possible that some values on this page do not cross-cast exactly, due to minor rounding differences

## 3. Wholesale Service Statements

### Access Network - Unbundled Network

Market Summary

	Revenue			Total Operating Costs £'000	Return £'000	Mean Capital Employed £'000	ROCE
	External £'000	Internal £'000	Total £'000				
Current year	-	2,056	2,056	1,850	206	1,651	12.45%
Prior year	-	2,271	2,271	2,073	199	1,596	12.45%

Service Current Year	Revenue			Volume			Total Operating Costs £'000	Unit	Average revenue		Ceiling FAC per unit £	Average revenue per unit /FAC £
	External £'000	Internal £'000	Total £'000	External N°	Internal N°	Total N°			per unit External £	per unit Internal £		
Access loop	-	2,056	2,056	-	23,712	23,712	1,850	Lines	-	87	87	1.00
<i>Totals</i>	-	<u>2,056</u>										

Service Prior Year	Revenue			Volume			Total Operating Costs £'000	Unit	Average revenue		Ceiling FAC per unit £	Average revenue per unit /FAC £
	External £'000	Internal £'000	Total £'000	External N°	Internal N°	Total N°			per unit External £	per unit Internal £		
Access loop	-	2,271	2,271	-	23,497	23,497	2,073	Lines	-	97	97	1.00
<i>Totals</i>	-	<u>2,271</u>										

## Access Network - Broadband Access

### Market Summary

	Revenue			Total Operating Costs £'000	Return £'000	Mean Capital Employed £'000	ROCE
	External £'000	Internal £'000	Total £'000				
Current year	-	4,190	4,190	3,819	370	2,975	12.45%
Prior year	-	3,567	3,567	3,176	391	3,142	12.45%

Service Current Year	Revenue			Volume			Total Operating Costs £'000	Unit	Average revenue per unit		Ceiling FAC per unit £	Average revenue per unit /FAC £
	External £'000	Internal £'000	Total £'000	External N°	Internal N°	Total N°			External £	Internal £		
DSL Lines	-	4,190	4,190	-	12,873	12,873	3,819	Lines	-	325	325	1.00
Totals	-	<u>4,190</u>										

Service Prior Year	Revenue			Volume			Total Operating Costs £'000	Unit	Average revenue per unit		Ceiling FAC per unit £	Average revenue per unit /FAC £
	External £'000	Internal £'000	Total £'000	External N°	Internal N°	Total N°			External £	Internal £		
DSL Lines	-	3,567	3,567	-	12,175	12,175	3,176	Lines	-	293	293	1.00
Totals	-	<u>3,567</u>										

## Core Network - Fixed origination

### Market Summary

	Revenue			Total Operating Costs £'000	Return £'000	Mean Capital Employed £'000	ROCE
	External £'000	Internal £'000	Total £'000				
Current year	-	35	35	185	-149	154	-97.14%
Prior year	0.6	62	63	202	-139	163	-85.17%

Service Current Year	Revenue			Volume			Total Operating Costs £'000	Unit	Average revenue per unit		Ceiling FAC per unit £	Average revenue per unit /FAC £
	External £'000	Internal £'000	Total £'000	External N°	Internal N°	Total N°			External £	Internal £		
National fixed call origination	-	35	35	-	7	7	185	Mbps	-	5,357	31,184	0.17
				-	11,357,608	11,357,608		mins	-	0.0031	0.018	
<b>Totals</b>	<b>-</b>	<b>35</b>										

Service Prior Year	Revenue			Volume			Total Operating Costs £'000	Unit	Average revenue per unit		Ceiling FAC per unit £	Average revenue per unit /FAC £
	External £'000	Internal £'000	Total £'000	External N°	Internal N°	Total N°			External £	Internal £		
National fixed call origination	0.6	62	63	0.070	7	7	202	Mbps	9,158	9,158	32,920	0.28
				121,802	11,714,969	11,836,771		mins	0.0053	0.0053	0.019	
<b>Totals</b>	<b>0.6</b>	<b>62</b>										



## Core Network - Fixed termination

### Market Summary

	Revenue			Total Operating Costs £'000	Return £'000	Mean Capital Employed £'000	ROCE
	External £'000	Internal £'000	Total £'000				
Current year	0.22	15	15	80	-65	67	-96.96%
Prior year	0.3	25	26	83	-57	67	-85.36%

Service Current Year	Revenue			Volume			Total Operating Costs £'000	Unit	Average revenue		Ceiling FAC per unit £	Average revenue per unit /FAC £
	External £'000	Internal £'000	Total £'000	External N°	Internal N°	Total N°			per unit External £	per unit Internal £		
National fixed call termination	0.21	15	15	0.04	3	3	80	Mbps	5,357	5,357	31,184	0.17
				68,762	4,890,623	4,959,385		mins	0.0031	0.0031	0.018	
<b>Totals</b>	<b>0.21</b>	<b>15</b>										

  

Service Prior Year	Revenue			Volume			Total Operating Costs £'000	Unit	Average revenue		Ceiling FAC per unit £	Average revenue per unit /FAC £
	External £'000	Internal £'000	Total £'000	External N°	Internal N°	Total N°			per unit External £	per unit Internal £		
National fixed call termination	0.3	25	26	0.030	3	3	83	Mbps	9,158	9,158	32,920	0.28
				51,359	4,773,702	4,825,061		mins	0.0053	0.0053	0.019	
<b>Totals</b>	<b>0.3</b>	<b>25</b>										

## Core Network - Leased lines

### Market Summary

	Revenue			Total Operating Costs £'000	Return £'000	Mean Capital Employed £'000	ROCE
	External £'000	Internal £'000	Total £'000				
Current year	12.5	956	968	792	176	5,151	3.42%
Prior year	12.8	1,075	1,088	816	272	5,116	5.31%

Service Current Year	Revenue			Volume			Total Operating Costs £'000	Unit	Weighted Average revenue per unit		Ceiling FAC per unit £	Average revenue per unit /FAC £
	External £'000	Internal £'000	Total £'000	External N°	Internal N°	Total N°			External £	Internal £		
National leased circuit	12.5	956	968	6.00	1,972	1,978	792	Mbps	2,077	485	721	0.68
<i>Totals</i>	<u>12.5</u>	<u>956</u>										

Service Prior Year	Revenue			Volume			Total Operating Costs £'000	Unit	Average revenue per unit		Ceiling FAC per unit £	Average revenue per unit /FAC £
	External £'000	Internal £'000	Total £'000	External N°	Internal N°	Total N°			External £	Internal £		
National leased circuit	12.8	1,075	1,088	6.08	1,999	2,005	816	Mbps	2,102	538	720	0.75
<i>Totals</i>	<u>12.8</u>	<u>1,075</u>										

## Mobile voice termination

### Market Summary

	Revenue			Total Operating Costs £'000	Return £'000	Mean Capital Employed £'000	ROCE
	External £'000	Internal £'000	Total £'000				
Current year	1.6	148	150	322	-172	1,707	-10.07%
Prior year	2.0	427	429	464	-35	1,640	-2.11%

Service Current Year	Revenue			Volume			Total Operating Costs £'000	Unit	Average revenue per unit		Ceiling FAC per unit £	Average revenue per unit /FAC £
	External £'000	Internal £'000	Total £'000	External N°	Internal N°	Total N°			External £	Internal £		
Mobile voice termination	1.6	148	150	161,305	14,827,768	14,989,073	322	Mins	0.01	0.01	0.04	0.27
<i>Totals</i>	<u>1.6</u>	<u>148</u>										

Service Prior Year	Revenue			Volume			Total Operating Costs £'000	Unit	Average revenue per unit		Ceiling FAC per unit £	Average revenue per unit /FAC £
	External £'000	Internal £'000	Total £'000	External N°	Internal N°	Total N°			External £	Internal £		
Mobile voice termination	2.0	427	429	66,855,000	14,233,134	14,299,989	464	Mins	0.03	0.03	0.05	0.64
<i>Totals</i>	<u>2.0</u>	<u>427</u>										

## 4. Network Statement of Costs

For the current year

Network component	HCA Operating Cost	HCA Depreciation	Other Adjustments	Total HCA Operating Costs	HCA Mean Capital Employed	Applicable Rate of Return	Capital Cost	Total of Operating & Capital Costs	Volume	Unit	Average Cost Per Unit
Access Loops	2,220,119	314,326	-	2,534,445	2,298,808	12.45%	286,202	2,820,646	24,120	Lines	117
DSLAM	2,377,127	762,960	-	3,140,087	2,361,138	12.45%	293,962	3,434,048	12,873	Lines	267
Line Cards	33,827	4,033	-	37,860	5,038	12.45%	627	38,487	25,633	Lines	2
National transmission equipment	161,564	357,178	-	518,741	2,145,308	12.45%	267,091	785,832	11,720	Mbps	67
National transmission infrastructure	118,791	1,271,773	-	1,390,564	10,606,954	12.45%	1,320,566	2,711,130	5,051	Mbps	537
National transmission ducts & cables	189,701	156,110	-	345,811	1,642,962	12.45%	204,549	550,359	5,051	Mbps	109
Remote Concentrators	617,196	64,039	-	681,235	899,136	12.45%	111,942	793,177	70	Mbps	11,408
Switching	789,489	65,917	-	855,407	378,904	12.45%	47,174	902,580	47	Mbps	19,065
Mobile	227,504	845,708	-	1,073,212	5,987,819	12.45%	745,483	1,818,695	14,989,073	min	0.12
<b>TOTAL</b>	<b>6,735,317</b>	<b>3,842,044</b>	<b>-</b>	<b>10,577,361</b>	<b>26,326,069</b>		<b>3,277,596</b>	<b>13,854,956</b>			

**For the prior year**

Network component	HCA Operating Cost	HCA Depreciation	Other Adjustments	Total HCA Operating Costs	HCA Mean Capital Employed	Applicable Rate of Return	Capital Cost	Total of Operating & Capital Costs	Volume	Unit	Average Cost Per Unit
Access Loops	2,511,981	279,572	-	2,791,552	2,184,510	12.45%	271,971	3,063,524	23,935	Lines	128
DSLAM	1,895,572	566,776	-	2,462,348	2,585,926	12.45%	321,948	2,784,296	12,175	Lines	229
Line Cards	38,737	6,553	-	45,289	7,437	12.45%	926	46,215	25,313	Lines	2
National transmission equipment	152,769	343,672	-	496,442	1,473,517	12.45%	183,453	679,895	8,926	Mbps	76
National transmission infrastructure	138,510	1,282,130	-	1,420,640	10,643,367	12.45%	1,325,099	2,745,739	5,197	Mbps	528
National transmission ducts & cables	183,894	148,698	-	332,592	1,783,018	12.45%	221,986	554,577	5,197	Mbps	107
Remote Concentrators	544,191	61,864	-	606,056	966,480	12.45%	120,327	726,383	73	Mbps	9,949
Switching	989,779	68,612	-	1,058,391	419,201	12.45%	52,191	1,110,581	50	Mbps	22,262
Mobile	668,725	828,592	-	1,497,317	5,685,756	12.45%	707,877	2,205,193	14,299,989	min	0.15
<b>TOTAL</b>	<b>7,124,158</b>	<b>3,586,469</b>	<b>-</b>	<b>10,710,627</b>	<b>25,749,214</b>		<b>3,205,777</b>	<b>13,916,404</b>			

## 5. Service Cost Statement

For the current year

Network component	Unit	Average Cost Per Unit	Unbundled Network	Broadband Access	Fixed Origination	Fixed Termination	Leased Lines	Mobile
			Full access loop	DSL Line	National Fixed Origination	National Fixed Termination	National Leased Circuits	Mobile Voice Termination
Routing Factors								
Access Loops	Lines	116.94	0.7286	0.5000	-	-	0.1008	-
DSLAM	Lines	266.77	-	1.0000	-	-	-	-
Line Cards	Lines	1.50	1.0000	0.1492	-	-	-	-
National transmission equipment	Mbps	67.05	-	-	0.9700	0.9700	0.9437	-
National transmission infrastructure	Mbps	536.72	-	-	1.0000	1.0000	1.0000	-
National transmsion ducts & cables	Mbps	108.96	-	-	1.0000	1.0000	1.0000	-
Remote Concentrators	Mbps	11,407.67	-	-	1.0000	1.0000	-	-
Switching	Mbps	19,065.48	-	-	1.0000	1.0000	-	-
Mobile	min	0.12	-	-	-	-	-	0.3028

**For the prior year**

Network component	Unit	Average Cost Per Unit	Unbundled Network	Broadband Access	Fixed Origination	Fixed Termination	Leased Lines	Mobile
			Full access loop	DSL Line	National Fixed Origination	National Fixed Termination	National Leased Circuits	Mobile Voice Termination
Routing Factors								
Access Loops	Lines	128.00	0.7409	0.5000	-	-	0.1149	-
DSLAM	Lines	228.69	-	1.0000	-	-	-	-
Line Cards	Lines	1.83	1.0000	0.1492	-	-	-	-
National transmission equipment	Mbps	76.17	-	-	0.9735	0.9735	0.9272	-
National transmission infrastructure	Mbps	528.35	-	-	1.0000	1.0000	1.0000	-
National transmssion ducts & cables	Mbps	106.72	-	-	1.0000	1.0000	1.0000	-
Remote Concentrators	Mbps	9,948.83	-	-	1.0000	1.0000	-	-
Switching	Mbps	22,261.55	-	-	1.0000	1.0000	-	-
Mobile	min	0.15	-	-	-	-	-	0.3035

## Service cost statement – costing of services using routing factors

### For the current year

Network component	Unit	Average Cost Per Unit	Unbundled Network	Broadband Access	Fixed Origination	Fixed Termination	Leased Lines	Mobile
			Full access loop	DSL Line	National Fixed Origination	National Fixed Termination	National Leased Circuits	Mobile Voice Termination
			£/unit					
Access Loops	Lines	116.94	85.20	58.47	-	-	11.79	-
DSLAM	Lines	266.77	-	266.77	-	-	-	-
Line Cards	Lines	1.50	1.50	0.22	-	-	-	-
National transmission equipment	Mbps	67.05	-	-	65.04	65.04	63.27	-
National transmission infrastructure	Mbps	536.72	-	-	536.72	536.72	536.72	-
National transmssion ducts & cables	Mbps	108.96	-	-	108.96	108.96	108.96	-
Remote Concentrators	Mbps	11,407.67	-	-	11,407.67	11,407.67	-	-
Switching	Mbps	19,065.48	-	-	19,065.48	19,065.48	-	-
Mobile	min	0.12	-	-	-	-	-	0.04
<b>TOTAL FAC</b>			86.70	325.47	31,183.87	31,183.87	720.74	0.04



**For the prior year**

Network component	Unit	Average Cost Per Unit	Unbundled Network	Broadband Access	Fixed Origination	Fixed Termination	Leased Lines	Mobile
			Full access loop	DSL Line	National Fixed Origination	National Fixed Termination	National Leased Circuits	Mobile Voice Termination
			£/unit					
Access Loops	Lines	128.00	94.84	64.00	-	-	14.71	-
DSLAM	Lines	228.69	-	228.69	-	-	-	-
Line Cards	Lines	1.83	1.83	0.27	-	-	-	-
National transmission equipment	Mbps	76.17	-	-	74.15	74.15	70.62	-
National transmission infrastructure	Mbps	528.35	-	-	528.35	528.35	528.35	-
National transmssion ducts & cables	Mbps	106.72	-	-	106.72	106.72	106.72	-
Remote Concentrators	Mbps	9,948.83	-	-	9,948.83	9,948.83	-	-
Switching	Mbps	22,261.55	-	-	22,261.55	22,261.55	-	-
Mobile	min	0.15	-	-	-	-	-	0.05
<b>TOTAL FAC</b>			96.66	292.96	32,919.60	32,919.60	720.40	0.05

## 6. Routing Factor Matrix

For the current year

Network component	National fixed call origination	National fixed call termination	National fixed call delivery (on-net call)	Wholesale Access Loops	Wholesale DSL Loop	Bitstream broadband	Gateway access	National leased circuit	International leased circuit	Mobile Wholesale	Mobile Voice Termination
Access loops	-	-	-	0.7286	0.5000	-	-	2.0000	-	-	-
DSLAM	-	-	-	-	1.0000	-	-	-	-	-	-
Line Card	-	-	-	1.0000	0.1492	-	-	-	-	-	-
CPE	-	-	-	-	-	-	-	-	-	-	-
National Transmission Equipment	0.9700	0.9700	1.9401	-	-	0.8911	-	0.9437	-	-	-
National Transmission Infrastructure	1.0000	1.0000	2.0000	-	-	-	-	1.0000	-	-	-
National Transmission Ducts and Cables	1.0000	1.0000	2.0000	-	-	-	-	1.0000	-	-	-
International Transmission Equipment	-	-	-	-	-	-	-	-	1.0000	-	-
International Transmission Infrastructure	-	-	-	-	-	-	-	-	1.0000	-	-
International Transmission Ducts and Cables	-	-	-	-	-	-	-	-	1.0000	-	-
RCU	1.0000	1.0000	2.0000	-	-	-	-	-	-	-	-
Switching	1.0000	1.0000	1.0000	-	-	-	-	-	-	-	-
VAS platforms	-	-	-	-	-	-	1.0000	-	-	-	-
Core IP network equipment	-	-	-	-	-	-	1.0000	-	-	-	-
Mobile	-	-	-	-	-	-	-	-	-	1.0000	0.3028

**For the prior year**

Network component	National fixed call origination	National fixed call termination	National fixed call delivery (on-net call)	Wholesale Access Loops	Wholesale DSL Loop	Bitstream broadband	Gateway access	National leased circuit	International leased circuit	Mobile Wholesale	Mobile Voice Termination
Access loops	-	-	-	0.7409	0.5000	-	-	2.0000	-	-	-
DSLAM	-	-	-	-	1.0000	-	-	-	-	-	-
Line Card	-	-	-	1.0000	0.1492	-	-	-	-	-	-
CPE	-	-	-	-	-	-	-	-	-	-	-
National Transmission Equipment	0.9735	0.9735	1.9469	-	-	0.8206	-	0.9272	-	-	-
National Transmission Infrastructure	1.0000	1.0000	2.0000	-	-	-	-	1.0000	-	-	-
National Transmission Ducts and Cables	1.0000	1.0000	2.0000	-	-	-	-	1.0000	-	-	-
International Transmission Equipment	-	-	-	-	-	-	-	-	1.0000	-	-
International Transmission Infrastructure	-	-	-	-	-	-	-	-	1.0000	-	-
International Transmission Ducts and Cables	-	-	-	-	-	-	-	-	1.0000	-	-
RCU	1.0000	1.0000	2.0000	-	-	-	-	-	-	-	-
Switching	1.0000	1.0000	1.0000	-	-	-	-	-	-	-	-
VAS platforms	-	-	-	-	-	-	1.0000	-	-	-	-
Core IP network equipment	-	-	-	-	-	-	1.0000	-	-	-	-
Mobile	-	-	-	-	-	-	-	-	-	1.0000	0.3035

## 7. Retail Cost Orientation Statements

### Retail Fixed Access

For the current year

Retail Service	Revenue	Wholesale Charges	Retail Direct Costs	Retail Shared Costs	Retail Mark Up	Floor	Retail Common Costs	Ceiling	Volume Units	Unit Floor Costs	Unit Ceiling Costs	Retail Unit Charge
Line Rental	6,928,726	6,272,610	981,255	4,327	346,436	7,604,629	82,686	7,687,315	23,712	320.71	324.20	292.20

For the prior year

Retail Service	Revenue	Wholesale Charges	Retail Direct Costs	Retail Shared Costs	Retail Mark Up	Floor	Retail Common Costs	Ceiling	Volume Units	Unit Floor Costs	Unit Ceiling Costs	Retail Unit Charge
Line Rental	7,046,206	5,863,954	1,026,602	4,733	352,310	7,247,599	87,340	7,334,939	23,497	308.45	312.16	299.88

**Retail fixed domestic calling**

For the current year

Retail Service	Revenue	Wholesale Charges	Retail Direct Costs	Retail Shared Costs	Retail Mark Up	Floor	Retail Common Costs	Ceiling	Volume Units	Unit Floor Costs	Unit Ceiling Costs	Retail Unit Charge
Fixed to Mobile	1,117,772	175,449	330,417	974	55,889	562,729	18,613	581,342	11,288,618	0.05	0.05	0.10
National calling	796,374	870,424	205,118	918	39,819	1,116,279	17,540	1,133,818	40,331,117	0.03	0.03	0.02

For the prior year

Retail Service	Revenue	Wholesale Charges	Retail Direct Costs	Retail Shared Costs	Retail Mark Up	Floor	Retail Common Costs	Ceiling	Volume Units	Unit Floor Costs	Unit Ceiling Costs	Retail Unit Charge
Fixed to Mobile	1,235,867	194,215	611,982	1,191	61,793	869,181	21,982	891,163	11,652,322	0.07	0.08	0.11
National calling	788,752	924,031	244,723	1,110	39,438	1,209,302	20,490	1,229,792	41,880,142	0.03	0.03	0.02

**Retail fixed international calling**

For the current year

Retail Service	Revenue	Wholesale Charges	Retail Direct Costs	Retail Shared Costs	Retail Mark Up	Floor	Retail Common Costs	Ceiling	Volume Units	Unit Floor Costs	Unit Ceiling Costs	Retail Unit Charge
International Direct Dialling	1,424,820	173,161	1,153,286	5,368	71,241	1,403,056	102,573	1,505,628	8,826,828	0.16	0.17	0.16

For the prior year

Retail Service	Revenue	Wholesale Charges	Retail Direct Costs	Retail Shared Costs	Retail Mark Up	Floor	Retail Common Costs	Ceiling	Volume Units	Unit Floor Costs	Unit Ceiling Costs	Retail Unit Charge
International Direct Dialling	1,672,332	207,904	1,327,125	6,286	83,617	1,624,931	115,999	1,740,931	10,051,508	0.16	0.17	0.17

## 8. Statement of transfer charges

### Price Volume Data for Transfer Charge Matrix

Retail service	Wholesale service	Cost-based Rate (£)	Regulated or External Rate (£)	Applied Rate (£)	Billing Unit	Service Volume	Total (£000)
<i>Fixed access</i>		<i>Access Network</i>					
	Unbundled Local Loops	86.70		86.70	Lines	23,712	2,056
	Broadband Access	325.47		325.47	Lines	12,873	4,190
	Remainder (mainly CPE)	4.02		4.02	Lines	6,734	27
<b>Total</b>							<b>6,273</b>
<i>Fixed domestic calling</i>		<i>Core network</i>					
	Fixed origination INTERNAL	0.0179	0.0031	0.0031	mins	11,357,608	35
	Fixed origination EXTERNAL	0.0179	0.0031	0.0031	mins	0	-
	National calling	0.0251		0.0251	mins	40,331,117	1,011
<b>Total</b>							<b>1,046</b>
<i>Fixed international calling</i>		<i>Core network</i>					
	International calling	0.01962		0.01962	mins	8,826,828	173
<b>Total</b>							<b>173</b>
<i>Remaining Activities</i>		<i>Core network</i>					
	Fixed termination INTERNAL	0.0180	0.0031	0.0031	mins	4,890,623	15
	Fixed termination EXTERNAL	0.0180	0.0031	0.0031	mins	68,762	0.2
	Leased Lines INTERNAL	721	485	485	Mbps	1,972	956
	Leased Lines EXTERNAL	721	2077	2077	Mbps	6	12.5
	<b>Remaining Core</b>			<i>Note 1</i>	<i>Note 1</i>	<i>Note 1</i>	10,186
<b>Total</b>							<b>11,170</b>
<i>Mobile</i>		<i>Core Network</i>					
	Mobile termination INTERNAL	0.04	0.010	0.010	mins	14,827,768	148
	Mobile termination EXTERNAL	0.04	0.010	0.010	mins	161,305	1.6
	Remaining Activities			<i>Note 1</i>	<i>Note 1</i>	<i>Note 1</i>	1,288
<b>Total</b>							<b>1,438</b>

*Note 1: "Remaining" are composed of a basket of non-regulated services and only a total can be provided. Transfer Charges for all services in this category are cost-based applying regulated WACC.*

## Transfer Charges Matrix

		Retail				Wholesale Fixed Access Network			Wholesale Core Network				Mobile	
		Fixed Access	Fixed national calling	Fixed international calling	Remaining Activities	Unbundled Local Loops	DSL Lines	Remaining Activities	Call origination	Call termination	Leased lines	Remaining Activities	Voice termination	Remaining Activities
Retail	Fixed Access	-	-	-	-	2,056	4,190	27	-	-	-	-	-	-
	Fixed domestic calling	-	-	-	-	-	-	-	35	-	-	1,011	-	-
	Fixed international calling	-	-	-	-	-	-	-	-	-	-	173	-	-
	Remaining activities	-	-	-	-	-	-	-	-	15	956	10,186	148	1,288
Wholesale	Unbundled Local Loops	2,056	-	-	-	-	-	-	-	-	-	-	-	-
Fixed access	Broadband Access	4,190	-	-	-	-	-	-	-	-	-	-	-	-
	Remaining activities	27	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale	Fixed Call origination	-	35	-	-	-	-	-	-	-	-	-	-	-
Fixed core	Fixed Call termination	-	-	-	15	-	-	-	-	-	-	-	-	-
	Leased lines	-	-	-	956	-	-	-	-	-	-	-	-	-
	Remaining activities	-	1,011	173	10,186	-	-	-	-	-	-	-	-	-
Mobile	Voice termination	-	-	-	148	-	-	-	-	-	-	-	-	-
	Remaining activities	-	-	-	1,288	-	-	-	-	-	-	-	-	-
<b>Total from Matrix:</b>		<b>6,273</b>	<b>1,046</b>	<b>173</b>	<b>12,594</b>	<b>2,056</b>	<b>4,190</b>	<b>27</b>	<b>35</b>	<b>15</b>	<b>956</b>	<b>11,370</b>	<b>148</b>	<b>1,288</b>

All amounts in £'000

## End of Regulatory Financial Statements