

Registered number: 01785381

VIRGIN MEDIA BUSINESS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015



VIRGIN MEDIA BUSINESS LIMITED

COMPANY INFORMATION

Directors	P A Buttery R D Dunn M O Hifzi T Mockridge
Company secretary	G E James
Registered number	01785381
Registered office	Bartley Wood Business Park Hook Hampshire RG27 9UP
Independent auditor	KPMG LLP 1 Sovereign Square Sovereign Street Leeds LS1 4DA

VIRGIN MEDIA BUSINESS LIMITED

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VIRGIN MEDIA BUSINESS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

Principal activities and business review

The principal activity of the company during the year was, and will continue to be, the marketing and sale of data telecommunication services and systems.

The company is a wholly owned subsidiary undertaking of Virgin Media Inc. (Virgin Media) which is itself a wholly owned subsidiary of Liberty Global plc (Liberty Global).

The Virgin Media Inc. consolidated group (the group) operates under the Virgin Media brand in the United Kingdom (UK) and Republic of Ireland (Ireland), following the acquisition of a controlling interest in Virgin Media Ireland Limited from a fellow subsidiary of Liberty Global in February 2015.

The group provides digital cable, broadband internet, fixed-line telephony and mobile services in the UK and Ireland to both residential and business-to-business (B2B) customers. The group is one of the largest providers of residential digital cable, broadband internet and fixed-line telephony services in terms of the number of customers in the UK and Ireland. The group believes its advanced, deep-fibre cable access network enables it to offer faster and higher quality broadband services than its digital subscriber line, or DSL, competitors. As a result, it provides its customers with a leading, next-generation broadband service and one of the most advanced interactive TV services available in the UK and Irish markets.

The group provides mobile services to its customers using third-party networks through mobile virtual network operator (MVNO) arrangements.

In addition, through the Virgin Media Business brand, the group offers a broad portfolio of B2B voice, data, internet, broadband and managed services solutions to small businesses, medium and large enterprises and public sector organisations in the UK.

At 31 December 2015, the group provided services to approximately 5.6 million residential cable customers on its network. The group is also one of the largest MVNOs by number of customers, providing mobile telephony services to 2.3 million contract mobile customers and 0.7 million prepay mobile customers over third party networks. At 31 December 2015, 83% of residential customers on the group's cable network received multiple services and 63% were "triple-play" customers, receiving broadband internet, digital cable and fixed-line telephony services from the group.

Liberty Global is the largest international cable company. As at 31 December 2015, it had operations in 14 countries and its market-leading triple-play services are provided through next-generation networks and innovative technology platforms that connected 27 million customers subscribing to 56 million television, broadband internet and telephony services. In addition at 31 December 2015, Liberty Global served 5 million mobile subscribers and offered WiFi service across six million access points.

Key performance indicators (KPIs)

The company's key financial and other performance indicators for the year are considered below.

	2015 £000	2014 £000	Commentary
Turnover	201,363	172,292	Turnover has increased by 16.9%, primarily due to growth across three major revenue streams; National Ethernet, Managed Internet Access and IPVPN solutions.
Operating profit	16,113	13,030	Operating profit has increased by 23.7%, primarily due to an increase in gross profit, driven by an increase in turnover and underlying cost of sales.

The company reported a decrease in net current assets and an increase in net assets for the year ended 31 December 2015. During the year, no new external finance was arranged and there was no movement in the called up equity share capital of the company. Operations were financed through the company's inter-company balances with fellow group undertakings.

Future outlook

The directors will continue to review management policies in light of changing trading and market conditions. Further detail of the future outlook of the group is provided in Virgin Media Inc.'s financial statements and annual report for 2015, which are available from the company secretary at Virgin Media, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

On 23 June 2016, the UK voted to leave the European Union, the implications of which are uncertain as of the date of signing these financial statements. Based on information currently available, we do not expect that this matter will have a material impact on our business. Accordingly, no adjustments have been made to these financial statements.

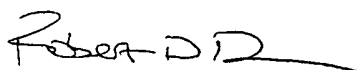
VIRGIN MEDIA BUSINESS LIMITED

**STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

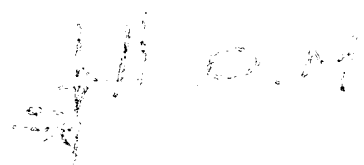
Principal risks and uncertainties

Financial and operational risk management is undertaken as part of the group operations as a whole. The company's operations expose it to a variety of operational and financial risks. These are considered in more detail in the financial statements of Virgin Media Inc. which are available from the company secretary at Virgin Media, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

This report was approved by the board on 11 July 2016 and signed on its behalf.



R D Dunn
Director



VIRGIN MEDIA BUSINESS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

The directors present their report and the financial statements for the year ended 31 December 2015.

Results and dividends

The profit for the year, after tax, amounted to £13,898,000 (2014 - £10,003,000).

The directors have not recommended an ordinary dividend (2014 - £nil).

Directors

The directors who served during the year and thereafter were as follows:

P A Buttery (appointed 1 February 2015)
R D Dunn
M O Hifzi
T Mockridge
D M Strong (resigned 31 January 2015)

The directors of the company have been indemnified against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision is in force for directors serving during the financial year and as at the date of approving the Directors' report.

Going concern

After making suitable enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Disclosure of information to the Auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

KPMG LLP will be reappointed under section 487(2) of the Companies Act 2006.

This report was approved by the board on 11 July 2016 and signed on its behalf.


M O Hifzi
Director

VIRGIN MEDIA BUSINESS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015**

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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; and
- 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.

VIRGIN MEDIA BUSINESS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF VIRGIN MEDIA BUSINESS LIMITED

We have audited the financial statements of Virgin Media Business Limited for the year ended 31 December 2015, set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the company's member 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 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 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 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 2015 and of its profit 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.

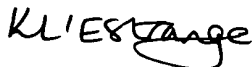
Opinion on other matter prescribed by the Companies Act 2006

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 and the Directors' report has been prepared in accordance with applicable legal requirements.

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.



Katharine L'Estrange (Senior statutory auditor)

for and on behalf of
KPMG LLP

Chartered Accountants & Statutory Auditor
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

11 July 2016

VIRGIN MEDIA BUSINESS LIMITED

PROFIT AND LOSS ACCOUNT AND STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

		2015 £000	2014 £000
Turnover		201,363	172,292
Cost of sales		(66,592)	(55,218)
		<hr/>	<hr/>
Gross profit		134,771	117,074
Administrative expenses		(118,658)	(104,044)
		<hr/>	<hr/>
Operating profit		16,113	13,030
Other interest receivable and similar income	6	1,124	1,122
Interest payable and similar charges	7	(2,819)	(3,995)
		<hr/>	<hr/>
Profit on ordinary activities before tax		14,418	10,157
Tax on profit on ordinary activities	8	(520)	(154)
		<hr/>	<hr/>
Profit for the year		13,898	10,003
		<hr/>	<hr/>

The notes on pages 9 to 18 form part of these financial statements.

There was no other comprehensive income or expenditure for 2015 or 2014 other than that included in the profit and loss account.

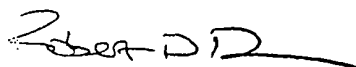
All results were derived from continuing operations.

VIRGIN MEDIA BUSINESS LIMITED
REGISTERED NUMBER: 01785381

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £000	2014 £000
Fixed assets			
Intangible assets	9	27	71
Tangible assets	10	108,259	78,473
		<u>108,286</u>	<u>78,544</u>
Current assets			
Debtors due after more than one year	11	-	330
Debtors due within one year	11	134,346	149,726
		<u>134,346</u>	<u>150,056</u>
Creditors: amounts falling due within one year	12	(20,332)	(20,388)
Net current assets		<u>114,014</u>	<u>129,668</u>
Total assets less current liabilities		<u>222,300</u>	<u>208,212</u>
Deferred tax		(190)	-
Net assets		<u>222,110</u>	<u>208,212</u>
Capital and reserves			
Share capital	14	1	1
Profit and loss account	15	222,109	208,211
Shareholder's funds		<u>222,110</u>	<u>208,212</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 July 2016.



R D Dunn
Director

The notes on pages 9 to 18 form part of these financial statements.

VIRGIN MEDIA BUSINESS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Share capital	Profit and loss account	Shareholder's funds
	£000	£000	£000
At 1 January 2015	1	208,211	208,212
Comprehensive income for the year			
Profit for the year	-	13,898	13,898
Total comprehensive income for the year	-	13,898	13,898
At 31 December 2015	1	222,109	222,110

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Share capital	Profit and loss account	Shareholder's funds
	£000	£000	£000
At 1 January 2014	1	198,208	198,209
Comprehensive income for the year			
Profit for the year	-	10,003	10,003
Total comprehensive income for the year	-	10,003	10,003
At 31 December 2014	1	208,211	208,212

The notes on pages 9 to 18 form part of these financial statements.

VIRGIN MEDIA BUSINESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Company information

Virgin Media Business Limited (the "company") is a company incorporated and domiciled in the United Kingdom. The registered office of the company during the year was Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

2. Accounting policies

A summary of the principal accounting policies is set out below. All accounting policies have been applied consistently, unless noted below.

2.1 Basis of accounting and transition from UK GAAP

These financial statements were prepared under the historical cost convention in accordance with the Companies Act 2006 and the Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006, and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

In the transition to FRS 101, the company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the company is provided in note 18.

The company's ultimate parent undertaking, Liberty Global plc, includes the company in its consolidated financial statements. The consolidated financial statements of Liberty Global plc are available to the public and may be obtained from Liberty Global's website at www.libertyglobal.com.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures, where required equivalent disclosures are included within the consolidated financial statements of Liberty Global plc:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- disclosures in respect of related party transactions with fellow group undertakings;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- an additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy;
- disclosures in respect of the compensation of Key Management Personnel; and
- certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 1 January 2014 for the purposes of the transition to FRS 101.

The company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

2.2 Changes in accounting policies

This is the first year in which the financial statements have been prepared in accordance with FRS 101. The date of transition to FRS 101 is 1 January 2014. An explanation of the transition is included in note 18 to the financial statements. In applying FRS 101 for the first time the company has applied early the amendment to FRS 101 which permits a first time adopter not to present an opening balance sheet at the beginning of the earliest comparative period presented.

VIRGIN MEDIA BUSINESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. Accounting policies (continued)

2.3 Turnover

Turnover represents the value of services provided, stated net of value added tax and discounts, and is attributable to continuing activities, being the provision of digital cable, fixed-line telephony, broadband internet and other telecommunication services and to run certain telecommunication systems over which they are provided. All turnover is derived from operations in the United Kingdom and is recognised as the services are provided to customers. The directors consider this to be a single class of business.

Turnover in respect of line rentals and rental of equipment provided to customers is recognised on a straight-line basis over the term of the rental agreement.

Turnover in respect of installations is recognised over the term of the related agreement.

2.4 Intangible fixed assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Separately identifiable intangible assets, such as IT software, are amortised over their useful economic lives, up to a maximum of five years, on a straight line basis.

2.5 Tangible fixed assets

Depreciation is provided on all tangible fixed assets, other than land, so as to write off the cost of a tangible fixed asset on a straight line basis over the expected useful economic life of that asset as follows:

Network assets	3 - 30 years
Other fixed assets:	
- Freehold property	30 years
- Other	3 - 12 years

No depreciation is provided on freehold land.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

Capitalised labour

Labour relating to the design, construction and development of the network, capital projects, and related services have been capitalised. Depreciation of capitalised labour is provided on a straight-line basis over 15 years or the life of the relevant assets.

2.6 Trade and other debtors

Trade and other debtors are stated at their recoverable amount. Provision is made when the amount receivable is not considered recoverable and the amount is fully written off when the probability for recovery of a balance is assessed as being remote.

2.7 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

VIRGIN MEDIA BUSINESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. Accounting policies (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside of profit or loss.

Deferred tax items are recognised in correlation to the underlying transaction either in Other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the process of applying the company's accounting policies, management has not made any critical judgements that have a significant effect on the amounts recognised in the financial statements, except for:

Property, plant and equipment

Depreciation is provided on all property, plant and equipment, other than freehold land, on a straight-line basis at rates calculated to write off the cost of each asset over the shorter of its leasing period or estimated useful life. The estimation of an assets useful economic life has a significant effect on the annual depreciation charge.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses and allowances to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

VIRGIN MEDIA BUSINESS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

4. Operating profit

The operating profit is stated after charging:

	2015 £000	2014 £000
Loss on disposal of fixed assets	236	-
Depreciation of tangible fixed assets	20,332	16,727
Amortisation of intangible assets	79	57

Auditor's remuneration of £18,000 (2014 - £19,000) represents costs allocated to the company by fellow group undertakings that pay all auditor's remuneration on behalf of the group.

The directors received no remuneration for qualifying services as directors of this company. All directors' remuneration is paid by and disclosed in the financial statements of Virgin Media Limited.

Certain expenses are specifically attributable to the company. Where costs are incurred by other group companies on behalf of the company, expenses are allocated to the company on a basis that, in the opinion of the directors, is reasonable.

5. Staff costs

The company does not have any directly employed staff but is charged an allocation of staff costs by the group. Details of staff numbers and staff costs of the group are disclosed in the group accounts of Virgin Media Finance PLC.

6. Other interest receivable and similar income

	2015 £000	2014 £000
Interest on amounts owed by group undertaking	1,124	1,122

7. Interest payable and similar charges

	2015 £000	2014 £000
Interest on amounts owed to group undertakings	1,004	1,060
Other finance charges	1,815	2,935
	2,819	3,995

VIRGIN MEDIA BUSINESS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

8. Tax on profit on ordinary activities

	2015 £000	2014 £000
Current tax		
Total current tax	-	-
Deferred tax		
Origination and reversal of temporary differences	549	165
Changes in tax rates	(29)	(11)
Total deferred tax	520	154
Tax on profit on ordinary activities	520	154

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before tax	14,418	10,157
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%)	2,920	2,183
Effects of:		
Adjustments to tax charge in respect of prior periods	-	5
Changes in tax rates	(29)	(11)
Group relief claimed without payment	(2,371)	(2,023)
Total tax charge for the year	520	154

Factors affecting current and future tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 8 July 2015. This will reduce the company's future current tax charge accordingly. The deferred tax assets have been calculated using the enacted rate of 18% (2014 - 20%). A further reduction to 17% (effective from 1 April 2020) was announced in Budget 2016. This represents an additional 1% reduction on top of the previously announced rate reductions. The future rate reduction to 17% is expected to be included in Finance Bill 2016, which was not substantively enacted at the balance sheet date, therefore this has not been reflected in these financial statements.

VIRGIN MEDIA BUSINESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

9. Intangible assets

	IT software £000
Cost	
At 1 January 2015	170
Additions	35
At 31 December 2015	205
Amortisation	
At 1 January 2015	99
Charge for the year	79
At 31 December 2015	178
Net book value	
At 31 December 2015	27
At 31 December 2014	71

VIRGIN MEDIA BUSINESS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

10. Tangible fixed assets

	Freehold property £000	Network assets £000	Other £000	Total £000
Cost				
At 1 January 2015	1,455	134,707	824	136,986
Additions	-	47,621	2,733	50,354
Disposals	-	(546)	(17)	(563)
At 31 December 2015	1,455	181,782	3,540	186,777
Depreciation				
At 1 January 2015	1,115	57,208	190	58,513
Charge for the year	1	19,840	491	20,332
Disposals	-	(310)	(17)	(327)
At 31 December 2015	1,116	76,738	664	78,518
Net book value				
At 31 December 2015	339	105,044	2,876	108,259
At 31 December 2014	340	77,499	634	78,473

11. Debtors

	2015 £000	2014 £000
Due after more than one year		
Deferred tax asset (note 13)	-	330
Due within one year		
Amounts owed by group undertakings	134,346	149,726

VIRGIN MEDIA BUSINESS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

The analysis of amounts owed by group undertakings is:

	2015 £000	2014 £000
Loans advanced to group undertakings	19,300	19,300
Other amounts owed by group undertakings	115,123	130,503
Impairment provision on amounts owed by group undertakings	(77)	(77)
	134,346	149,726

Amounts owed by group undertakings are unsecured and repayable on demand.

12. Creditors: amounts falling due within one year

	2015 £000	2014 £000
Amounts owed to group undertakings	20,332	20,388

The analysis of amounts owed to group undertakings is:

	2015 £000	2014 £000
Loans advanced by group undertakings	19,343	19,399
Other amounts owed to group undertakings	989	989
	20,332	20,388

Amounts owed to group undertakings are unsecured and repayable on demand.

VIRGIN MEDIA BUSINESS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

13. Deferred taxation

	Deferred tax asset/(liability) £000
At 1 January 2015	330
Charged to the profit and loss account	(520)
At 31 December 2015	(190)

In respect of prior year:

	Deferred tax asset £000
At 1 January 2014	484
Charged to the profit and loss account	(154)
At 31 December 2014	330

The deferred tax (liability)/asset is made up as follows:

	2015 £000	2014 £000
(Accelerated capital allowances)/depreciation in excess of capital allowances	(190)	330

14. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000

15. Reserves

Profit and loss account

Includes all current and prior year retained profits and losses.

VIRGIN MEDIA BUSINESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

16. Contingent liabilities

The company, along with fellow group undertakings, is party to a senior secured credit facility with a syndicate of banks. As at 31 December 2015, this comprised term facilities that amounted to £2,198 million (2014 - £3,083 million) and an outstanding balance of £148 million (2014 - £nil) which was borrowed under a revolving facility of £675 million (2014 - £660 million). Borrowings under the facilities are secured against the assets of certain members of the group including those of this company.

In addition, a fellow group undertaking has issued senior secured notes which, subject to certain exceptions, share the same guarantees and security which have been granted in favour of the senior secured credit facility. The amount outstanding under the senior secured notes at 31 December 2015 amounted to £5,132 million (2014 - £3,760 million). Borrowings under the notes are secured against the assets of certain members of the group including those of this company.

On 31 March 2016, a fellow group undertaking entered into two new term loan facilities with an aggregate principal amount of euros 100 million (£79 million). The new term facilities will rank pari passu with the group's existing senior secured notes and senior secured credit facility, and subject to certain exemptions, share in the same guarantees and security granted in favour of its existing senior secured notes.

On 26 April 2016, a fellow group undertaking issued senior secured notes with a principal amount of US dollars 750 million (£514 million). The new senior secured notes rank pari passu with the group's existing senior secured notes and senior secured credit facility, and subject to certain exceptions, share in the same guarantees and security granted in favour of its existing senior secured notes.

The company has joint and several liabilities under a group VAT registration.

17. Controlling party

The company's immediate parent undertaking is Filegale Limited.

The smallest and largest groups of which the company is a member and in to which the company's accounts were consolidated at 31 December 2015 are Virgin Media Finance PLC and Liberty Global plc, respectively.

The company's ultimate parent undertaking and controlling party at 31 December 2015 was Liberty Global plc.

Copies of group accounts referred to above which include the results of the company are available from the Company Secretary, Virgin Media, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

In addition copies of the consolidated Liberty Global plc accounts are available on Liberty Global's website at www.libertyglobal.com.

18. First time adoption of FRS 101

On transition to FRS 101, costs relating to capitalised IT software that is not integral to equipment, with a net book value of £27,000 as at 31 December 2015, £71,000 as at 31 December 2014 and £128,000 as at 1 January 2014, have been reclassified from property, plant and equipment to intangible assets. These balances have been retrospectively restated in notes 9 and 10.

There were no other material differences in policies applied under the entity's previous accounting framework that have had an impact on equity or profit or loss, on transition to FRS 101.