

NTL CABLECOMMS DERBY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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NTL CABLECOMMS DERBY

COMPANY INFORMATION

Directors	R D Dunn M O Hifzi
Company secretary	G E James
Registered number	02387713
Registered office	Bartley Wood Business Park Hook Hampshire RG27 9UP

NTL CABLECOMMS DERBY

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NTL CABLECOMMS DERBY

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Principal activities and business review

The principal activity of the company during the year was, and will continue to be, the provision of video, fixed-line telephony, broadband internet and other telecommunication services as well as running some of the telecommunication services over which they are provided.

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).

The group provides video, 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 video, 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 television services available in the UK and Irish markets.

The group provides mobile services to its customers using a third-party network through mobile virtual network operators (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 and Ireland.

At 31 December 2016, the group provided services to approximately 5.7 million residential cable customers on its network. The group is also one of the largest MVNO by number of customers, providing mobile telephony services to 2.4 million contract mobile customers and 0.6 million prepay mobile customers over third party networks. At 31 December 2016, 83% of residential customers on the group's cable network received multiple services and 62% were "triple-play" customers, receiving broadband internet, video and fixed-line telephony services from the group.

Liberty Global is the largest international cable company with operations in more than 30 countries and its market-leading triple-play services are provided through next-generation networks and innovative technology platforms that connected 25 million customers subscribing to 50 million television, broadband internet and telephony services. In addition at 31 December 2016, Liberty Global served 10 million mobile subscribers and offered WiFi service across 5 million access points.

The company has not received any dividends from its subsidiaries during the period (2015 - £nil).

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.

Key performance indicators (KPIs)

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

	2016 £000	2015 £000	Commentary
Turnover	23,908	22,680	Turnover has increased by 5.4%, primarily due to an increase in the number of video, telephony and broadband internet subscribers, and selective price increases.
Operating profit	5,755	5,556	Operating profit has increased by 3.6%, primarily due to an increase in turnover, offset by an increase in administrative expenses.

NTL CABLECOMMS DERBY

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

Selected statistics for residential cable customers served by the company at 31 December 2016 and 31 December 2015 are shown in the table below:

	2016	2015
Products:		
Video	28,400	28,200
Fixed-line telephony	33,800	32,800
Broadband internet	38,500	36,600
	<hr/>	<hr/>
Total	100,700	97,600
	<hr/>	<hr/>
Total customers	41,100	39,500
	<hr/>	<hr/>
Products per customer	2.45	2.47
	<hr/>	<hr/>

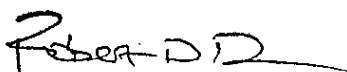
Each video, fixed-line telephone and broadband internet subscriber directly connected to the company's network counts as one product. Accordingly, a subscriber who receives both telephone and video services counts as two products. Products may include subscribers receiving some services for free or at a reduced rate in connection with promotional offers.

The company reported a decrease in both net current liabilities and net liabilities for the year ended 31 December 2016. 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, including consideration of the impact of the UK referendum in June 2016 and the withdrawal from the European Union, is provided in Virgin Media Inc.'s financial statements and annual report for 2016, 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 20 June 2017 and signed on its behalf.



R D Dunn
Director

NTL CABLECOMMS DERBY

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Results and dividends

The profit for the year, after tax, amounted to £10,300,000 (2015 - £2,806,000).

The directors have not recommended an ordinary dividend (2015 - £nil).

Directors

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

R D Dunn
M O Hifzi

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.

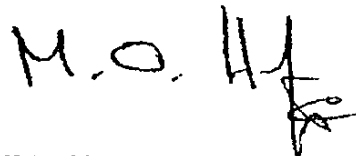
Going concern

After making suitable enquiries and obtaining the necessary assurances from Virgin Media Inc., a wholly owned subsidiary of Liberty Global plc and the intermediate holding company which heads the Virgin Media group, that sufficient resources will be made available to meet any liabilities as they fall due should the company's income not be sufficient, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although at the date of approval of these financial statements they have no reason to believe that it will not do so. On this basis the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Audit exemption

Virgin Media Finance PLC issued a guarantee against all outstanding liabilities to which the company is subject as at 31 December 2016, until they are satisfied in full. The guarantee is enforceable against Virgin Media Finance PLC by any person to whom the company is liable in respect of those liabilities. Since Virgin Media Finance PLC is the smallest group to which the company's accounts are consolidated, the company has taken advantage of the exemption from audit of its individual accounts for the year ended 31 December 2016 by virtue of section 479A of the Companies Act 2006.

This report was approved by the board on 20 June 2017 and signed on its behalf.



M O Hifzi
Director

NTL CABLECOMMS DERBY

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

NTL CABLECOMMS DERBY

PROFIT AND LOSS ACCOUNT AND STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £000	2015 £000
Turnover		23,908	22,680
Cost of sales		(5,824)	(5,097)
Gross profit		18,084	17,583
Administrative expenses		(12,329)	(12,027)
Operating profit	4	5,755	5,556
Other interest receivable and similar income	6	7	18
Interest payable and similar expenses	7	(1,775)	(1,786)
Profit on before tax		3,987	3,788
Tax on profit	8	6,313	(982)
Profit for the year		10,300	2,806

There was no other comprehensive income or expenditure for 2016 or 2015 other than that included in the profit and loss account.

All results are derived from continuing operations.

The notes on pages 8 to 20 form part of these financial statements.

NTL CABLECOMMS DERBY
REGISTERED NUMBER: 02387713

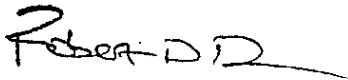
BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £000	2015 £000
Fixed assets			
Tangible assets	9	16,333	15,745
Investments	10	659	659
		<u>16,992</u>	<u>16,404</u>
Current assets			
Debtors due after one year	11	7,945	1,625
Debtors due within one year	11	494	24,194
		<u>8,439</u>	<u>25,819</u>
Creditors: amounts falling due within one year	12	(29,553)	(56,489)
Net current liabilities		<u>(21,114)</u>	<u>(30,670)</u>
Total assets less current liabilities		<u>(4,122)</u>	<u>(14,266)</u>
Creditors: amounts falling due after more than one year	13	-	(156)
Net liabilities		<u>(4,122)</u>	<u>(14,422)</u>
Capital and reserves			
Share capital	16	18,131	18,131
Share premium account	17	45,867	45,867
Profit and loss account	17	(68,120)	(78,420)
Deficit		<u>(4,122)</u>	<u>(14,422)</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 June 2017.



R D Dunn
Director

The notes on pages 8 to 20 form part of these financial statements.

NTL CABLECOMMS DERBY

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Share capital	Share premium account	Profit and loss account	Deficit
	£000	£000	£000	£000
At 1 January 2016	18,131	45,867	(78,420)	(14,422)
Comprehensive income for the year				
Profit for the year	-	-	10,300	10,300
Total comprehensive income for the year	-	-	10,300	10,300
At 31 December 2016	18,131	45,867	(68,120)	(4,122)

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

	Share capital	Share premium account	Profit and loss account	Deficit
	£000	£000	£000	£000
At 1 January 2015	18,131	45,867	(81,226)	(17,228)
Comprehensive income for the year				
Profit for the year	-	-	2,806	2,806
Total comprehensive income for the year	-	-	2,806	2,806
At 31 December 2015	18,131	45,867	(78,420)	(14,422)

The notes on pages 8 to 20 form part of these financial statements.

NTL CABLECOMMS DERBY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Company information

ntl CableComms Derby (the "company") is a private company incorporated, domiciled and registered in the United Kingdom. The registered number is 02387713 and the registered address is Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

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

These financial statements were prepared on a going concern basis, and under the historical cost basis and in accordance with the Companies Act 2006 and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 have been applied.

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 Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The company's parent undertaking, Virgin Media Finance PLC includes the company in its consolidated financial statements. The consolidated financial statements of Virgin Media Finance PLC are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital and tangible fixed 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;
- disclosures in respect of the compensation of key management personnel; and
- disclosures of transactions with a management entity that provides key management personnel services to the company.

2.2 Fundamental accounting concept

After making suitable enquiries and obtaining the necessary assurances from Virgin Media Inc., a wholly owned subsidiary of Liberty Global plc and the intermediate holding company which heads the Virgin Media group, that sufficient resources will be made available to meet any liabilities as they fall due should the company's income not be sufficient, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although at the date of approval of these financial statements they have no reason to believe that it will not do so. On this basis the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

NTL CABLECOMMS DERBY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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 video, 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.

2.4 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
- Leasehold property	period of lease
- 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.

Network assets includes construction in progress which is not depreciated and comprises of materials, consumables and direct labour relating to network construction and is stated at the cost incurred in bringing each product to its present location and condition, as follows:

Raw materials and consumables	- purchase cost
Work in progress	- cost of direct materials and labour

Labour costs relating to the design, construction and development of the network, capital projects, and related services are capitalised and depreciated on a straight-line basis over the life of the relevant assets.

2.5 Investments

Investments are recorded at cost, less provision for impairment as appropriate. The company assesses at each reporting date whether there is an indication that an investment may be impaired. If any such indication exists, the company makes an estimate of the investment's recoverable amount. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount. A previously recognised impairment loss is reversed only if there was an event not foreseen in the original impairment calculations, such as a change in use of the investment or a change in economic conditions. The reversal of impairment loss would be to the extent of the lower of the recoverable amount and the carrying amount that would have been determined had no impairment loss been recognised for the investment in prior years.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

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.

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.

NTL CABLECOMMS DERBY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.8 Finance leases

Where the company enters into a lease under which it takes substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease.

The assets are recorded in the balance sheet as a tangible fixed asset and are depreciated over their useful economic lives. Finance lease debtors are recorded in the balance sheet, and future installments payable under finance leases are included within creditors, net of finance charges. Rentals receivable and payable under these finance lease arrangements are apportioned; the finance elements are recorded in the profit and loss account on a reducing balance basis and the capital elements reduce the outstanding liability or asset in accordance with the terms of the contract.

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:

Carrying value of investments

Investments are held at cost less any necessary provision for impairment. Where the impairment assessment did not provide any indication of impairment, no provision is required. If any such indications exist, the carrying value of an investment is written down to its recoverable amount.

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 asset's 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.

Recoverability of intercompany debtors

Intercompany debtors are stated at their recoverable amount less any necessary provision. Recoverability of intercompany debtors is assessed annually and a provision is recognised if any indications exist that the debtor is not considered recoverable.

4. Operating profit

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

	2016 £000	2015 £000
Depreciation of owned tangible fixed assets	2,229	1,746
Depreciation of tangible fixed assets held under finance lease agreements	802	1,142
Release of intercompany debtor impairment provision	(47)	-

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.

Recoverability of inter-company debtors is assessed annually. Based on the impairment review of inter-company indebtedness as at 31 December 2016, and a wider group restructure, the directors concluded on a release of provision against amounts due from group undertakings totalling £47,000 (2015 - £nil).

NTL CABLECOMMS DERBY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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

	2016	2015
	£000	£000
Lease interest receivable on amounts owed by group undertakings	7	18

Lease arrangements were made with ntl CableComms Derby Leasing Limited and are referred to in more detail in note 14.

7. Interest payable and similar expenses

	2016	2015
	£000	£000
Interest on amounts owed to group undertakings	1,341	1,560
Lease interest payable on amounts owed to group undertakings	11	20
Other finance charges	423	206
	1,775	1,786

Lease arrangements were made with ntl CableComms Derby Leasing Limited and are referred to in more detail in note 14.

NTL CABLECOMMS DERBY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

8. Tax on profit

	2016 £000	2015 £000
Current tax		
Foreign tax charge - US	-	44
Total current tax	<u>-</u>	<u>44</u>
Deferred tax		
Origination and reversal of timing differences	(6,313)	938
Total deferred tax	<u>(6,313)</u>	<u>938</u>
Tax on profit	<u>(6,313)</u>	<u>982</u>

The tax assessed for the year is lower than (2015 - higher than) the standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%). The differences are explained below:

	2016 £000	2015 £000
Profit before tax	<u>3,987</u>	<u>3,788</u>
Profit multiplied by standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%)	797	767
Effects of:		
Expenses not deductible for tax purposes	-	9
Depreciation on ineligible fixed assets	22	156
Income not taxable	(30)	(27)
Net effect of tax rate change on deferred tax asset	1,275	162
Deferred tax not recognised	-	(129)
US tax expense	-	44
Adjustment in respect of prior periods	(8,377)	-
Total tax (credit) / charge for the year	<u>(6,313)</u>	<u>982</u>

Factors affecting current and future tax charges

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015. A further reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September and fully enacted on 15 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax assets have been calculated using the now enacted rate of 17% (2015 - 18%).

NTL CABLECOMMS DERBY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

9. Tangible assets

	Network assets £000	Other £000	Total £000
Cost			
At 1 January 2016	76,918	1,971	78,889
Additions	3,207	412	3,619
Disposals	(63)	-	(63)
At 31 December 2016	80,062	2,383	82,445
Depreciation			
At 1 January 2016	61,744	1,400	63,144
Charge for the year	2,876	155	3,031
Disposals	(63)	-	(63)
At 31 December 2016	64,557	1,555	66,112
Net book value			
At 31 December 2016	15,505	828	16,333
At 31 December 2015	15,174	571	15,745

Included in "Other" are the following net book values of land and buildings:

	2016 £000	2015 £000
Freehold property	158	176

Included within the net book value of £16,333,000 is £8,445,000 (2015 - £9,247,000) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £802,000 (2015 - £1,142,000). As the rights of use of these assets remained with the company, the assets have not been derecognised and presented as reacquired.

NTL CABLECOMMS DERBY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

10. Investments

	Investments in subsidiary undertakings £000
Cost	
At 1 January 2016	659
At 31 December 2016	659
Net book value	
At 31 December 2016	659
At 31 December 2015	659

Subsidiary undertakings

In the opinion of the directors the aggregate value of the investment in subsidiary undertakings is not less than the amount at which it is stated in the financial statements.

The investments in which the company holds at least 20% of the nominal value of any class of share capital, all of which is unlisted, is as follows:

Name of company	Holdings	Proportion held	Nature of business
Direct shareholdings			
ntl CableComms Derby Leasing Limited	Ordinary	100%	Leasing

The registered address is Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

NTL CABLECOMMS DERBY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. Debtors

	2016 £000	2015 £000
Due after one year		
Net investment in finance lease with group undertakings	81	74
Deferred tax asset (note 15)	7,864	1,551
	7,945	1,625

	2016 £000	2015 £000
Due within one year		
Amounts owed by group undertakings	494	23,842
Net investment in finance lease with group undertakings	-	352
	494	24,194

The analysis of amounts owed by group undertakings is:

	2016 £000	2015 £000
Net investment in finance lease with group undertakings	81	426
Amount owed by group undertakings	494	23,889
Impairment provision on amounts owed by group undertakings	-	(47)
	575	24,268

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

Net investment in finance lease comprises:

	2016 £000	2015 £000
Total amounts receivable	101	452
Less: interest allocated to future periods	(20)	(26)
	81	426

NTL CABLECOMMS DERBY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

12. Creditors: amounts falling due within one year

	2016 £000	2015 £000
Amounts owed to group undertakings	29,397	56,343
Obligations under leases with group undertakings	156	146
	<u>29,553</u>	<u>56,489</u>

The analysis of amounts owed to group undertakings is:

	2016 £000	2015 £000
Loans advanced by group undertakings	29,397	50,755
Obligations under leases with group undertakings	156	146
Other amounts owed to group undertakings	-	5,588
	<u>29,553</u>	<u>56,489</u>

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

Finance lease arrangements are referred to in more detail in note 14.

13. Creditors: amounts falling due after more than one year

	2016 £000	2015 £000
Obligations under leases with group undertakings	-	156

Finance lease arrangements are referred to in more detail in note 14.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

14. Commitments under finance lease agreements

Future minimum lease payments for commitments under finance lease arrangements are as follows:

	2016 £000	2015 £000
Amounts payable within one year	158	158
Amounts payable between one and five years	-	158
	<u>158</u>	<u>316</u>
Less interest and finance charges relating to future periods	(2)	(14)
	<u>156</u>	<u>302</u>

The present value of minimum lease payments is analysed as follows:

Amounts payable within one year	156	156
Amounts payable between one and five years	-	146
	<u>156</u>	<u>302</u>

Commitments under finance lease agreements relate to a lease and leaseback transaction. The transaction took place on 23 March 2012 with ntl CableComms Derby Leasing Limited, the company's subsidiary, whereby a 10 year headlease was granted over certain of the network fixed assets of the company. The headlease has an implicit interest rate of 4.35%.

On the same date, ntl CableComms Derby Leasing Limited entered into a 5 year sublease agreement over the same assets with the company in return for the company contributing capital to partially fund ntl CableComms Derby Leasing Limited's headlease obligations. The intercompany lease debtor is stated at an amount equal to the net investment in the lease, which equates to the present value of the lease payments, discounted at 6.35%, which is the rate of interest implicit in the lease. The sublease agreement lapsed on 23 March 2017, but was extended for another 12 months to 23 March 2018.

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FOR THE YEAR ENDED 31 DECEMBER 2016**

15. Deferred tax

	2016 £000	2015 £000
At 1 January	1,551	2,489
Credited/(charged) to the profit and loss account	6,313	(938)
At 31 December	7,864	1,551

The deferred tax asset is made up as follows:

	2016 £000	2015 £000
Depreciation in excess of capital allowances	7,864	824
Tax losses	-	727
	7,864	1,551

16. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
1,813,125,340 Ordinary shares of £0.01 each	18,131,253	18,131,253

17. Reserves

Share premium account

Includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Includes all current and prior year retained profits and losses.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

18. 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 2016, this comprised term facilities that amounted to £3,595 million (2015 - £2,198 million) and an outstanding balance of £nil (2015 - £148 million) which was borrowed under a revolving facility of £675 million (2015 - £675 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 2016 amounted to £5,024 million (2015 - £5,132 million). Borrowings under the notes are secured against the assets of certain members of the group including those of this company.

In January 2017, a fellow group undertaking issued senior secured notes with a principal amount of £675 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 net proceeds were used to redeem in full £640.0 million outstanding principal amounts of existing senior secured notes.

In February 2017, a fellow group undertaking entered into a new term loan facility with an aggregate principal amount of £865 million. The new term loan facility 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. The net proceeds were used to repay in full £849.4 million outstanding principal amounts under the senior secured credit facility.

In March 2017, a fellow group undertaking completed an offer to exchange existing senior secured notes with an aggregate principal amount of £521 million due January 2021 for new senior secured notes with an aggregate principal amount of £521 million due January 2025. 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.

19. Parent undertaking and controlling party

The company's immediate parent undertaking is ntl Derby Cablevision Holding Company.

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 2016 are Virgin Media Finance PLC and Liberty Global plc, respectively.

The company's ultimate parent undertaking and controlling party at 31 December 2016 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.