

**NTL CABLECOMMS SOLENT**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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## NTL CABLECOMMS SOLENT

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### COMPANY INFORMATION

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<b>Directors</b>	R D Dunn M O Hifzi
<b>Company secretary</b>	G E James
<b>Registered number</b>	02422654
<b>Registered office</b>	Bartley Wood Business Park Hook Hampshire RG27 9UP

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## **NTL CABLECOMMS SOLENT**

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## NTL CABLECOMMS SOLENT

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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The directors present their report and the financial statements for the year ended 31 December 2017.

#### Principal activities and business review

The principal activity of the company was to provide video, fixed-line television, broadband internet and other telecommunication services as well as running some of the telecommunication services over which they were provided. Subsequent to the year end, the trade and assets of the company were acquired by ntl CableComms Holdings No 2 Limited, a fellow group undertaking. It is the intention of the directors that this entity will become dormant.

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 consolidated financial statements of Virgin Media Inc. are available to the public and may be obtained from Liberty Global's website at [www.libertyglobal.com](http://www.libertyglobal.com).

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 2017, the group provided services to approximately 5.9 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 2.5 million contract mobile customers and 0.5 million prepay mobile customers over third party networks. At 31 December 2017, 82% 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 world's largest international TV and broadband company with operations in 12 European countries. Its substantial scale and commitment to innovation enables it to develop market-leading products delivered through next-generation networks that, as of 31 December 2017, connected over 22 million customers subscribing to 46 million television, broadband internet and telephony services. In addition at 31 December 2017, Liberty Global served over 6 million mobile subscribers and offered WiFi service across 10 million access points.

#### Results and dividends

The profit for the year, after tax, amounted to £155,551,000 (2016 - £8,678,000)

On 1 August 2017, the company paid a dividend on ordinary shares of £206,724,000 (2016 - £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.

#### 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 and are available at Liberty Global's website at [www.libertyglobal.com](http://www.libertyglobal.com).

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## NTL CABLECOMMS SOLENT

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 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

#### Audit exemption

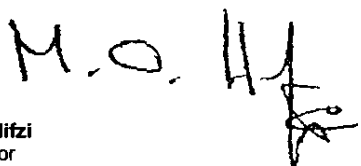
Virgin Media Finance PLC issued a guarantee against all outstanding liabilities to which the company is subject as at 31 December 2017, until they are satisfied in full. The guarantee is enforceable against Virgin Media Finance PLC by any person to whom the company is liable in respect of those liabilities. 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 2017 by virtue of section 479A of the Companies Act 2006.

#### Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

This report was approved by the board on September 2018 and signed on its behalf

M O Hifzi  
Director



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## **NTL CABLECOMMS SOLENT**

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### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 SOLENT

### PROFIT AND LOSS ACCOUNT AND STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £000	2016 £000
Turnover		32,009	62,747
Cost of sales		(8,308)	(16,067)
<b>Gross profit</b>		<b>23,701</b>	<b>46,680</b>
Administrative expenses		(17,326)	(32,395)
Exceptional administrative income	4	149,861	-
<b>Operating profit</b>	4	<b>156,236</b>	<b>14,285</b>
Other interest receivable and similar income	6	4	-
Interest payable and similar expenses	7	(689)	(2,829)
<b>Profit before tax</b>		<b>155,551</b>	<b>11,456</b>
Tax on profit	8	-	(2,778)
<b>Profit for the year</b>		<b>155,551</b>	<b>8,678</b>

The notes on pages 7 to 17 form part of these financial statements

There was no other comprehensive income or expenditure for 2017 or 2016 other than that included in the profit and loss account.

All results were from continuing operations, however during the year end the trade and assets of the company were acquired by a fellow group undertaking and it is the intention of the directors that the company will become dormant.

**NTL CABLECOMMS SOLENT**  
**REGISTERED NUMBER: 02422654**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

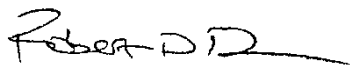
	Note	2017 £000	2016 £000
<b>Fixed assets</b>			
Tangible assets	9	-	36,129
<b>Current assets</b>			
Debtors due after one year	10	-	12,378
Debtors due within one year	10	-	31,549
		-	43,927
<b>Creditors: amounts falling due within one year</b>	11	-	(2,006)
<b>Net current assets</b>		-	41,921
<b>Total assets less current liabilities</b>		-	78,050
<b>Creditors: amounts falling due after more than one year</b>	12	-	(26,877)
<b>Net assets</b>		-	51,173
<b>Capital and reserves</b>			
Share capital	14	-	45,938
Share premium account	15	-	105,370
Profit and loss account	15	-	(100,135)
<b>Shareholder's funds</b>		-	51,173

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 responsibility for complying with requirements of the Act with respect to accounting records and for the preparation of accounts.

The company's financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 September 2018.



**R D Dunn**  
Director

The notes on pages 7 to 17 form part of these financial statements



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**NTL CABLECOMMS SOLENT**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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	Share capital	Share premium account	Profit and loss account	Shareholder's funds
	£000	£000	£000	£000
At 1 January 2017	45,938	105,370	(100,135)	51,173
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	155,551	155,551
<b>Total comprehensive income for the year</b>	-	-	155,551	155,551
Dividends paid	-	-	(206,724)	(206,724)
Capital reduction	(45,938)	(105,370)	-	(151,308)
Transfer to profit and loss account	-	-	151,308	151,308
<b>At 31 December 2017</b>	-	-	-	-

The notes on pages 7 to 17 form part of these financial statements.

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

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	Share capital	Share premium account	Profit and loss account	Shareholder's funds
	£000	£000	£000	£000
At 1 January 2016	45,938	105,370	(108,813)	42,495
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	8,678	8,678
<b>Total comprehensive income for the year</b>	-	-	8,678	8,678
<b>At 31 December 2016</b>	45,938	105,370	(100,135)	51,173

The notes on pages 7 to 17 form part of these financial statements.

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## NTL CABLECOMMS SOLENT

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1. Company information

ntl CableComms Solent (the "company") is a private company incorporated, domiciled and registered in the UK. The registered number is 02422654 and the address is 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

These financial statements have been prepared on a going concern basis, and under the historical cost basis 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 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.

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## NTL CABLECOMMS SOLENT

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 2. Accounting policies (continued)

##### 2.3 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.

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.

##### 2.4 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.

##### 2.5 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

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## NTL CABLECOMMS SOLENT

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 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.

#### 2.6 Classification of shares as debt or equity

The company has financial instruments in the form of preference shares. As a condition of the shares there is a contractual obligation to accrue for dividends, regardless of performance. As this condition is potentially unfavourable the preference shares have been classified in the balance sheet as financial liabilities, rather than equity, in accordance with IAS 32 "Financial Instruments: Disclosure and Presentation".

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges.

#### 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 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.

## NTL CABLECOMMS SOLENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 4. Operating profit

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

	2017 £000	2016 £000
Gain on sale of company trade and assets	(149,822)	-
Gain on sale of property	(39)	-
<b>Exceptional administrative income</b>	<b>(149,861)</b>	<b>-</b>
Depreciation of tangible fixed assets	3,865	7,400
Release of intercompany debtor impairment provision	-	(139)

The exceptional administrative item is made up as follows:

On 1 July 2017 the company made a gain on the sale of its trade and assets to ntl CableComms Holdings No 2 Limited, a fellow group undertaking, of £149,822,000.

On 1 July 2017 the company made a gain on the sale of its properties to its fellow group undertakings, Virgin Media Properties II Limited and Virgin Media Limited, of £39,000.

Recoverability of intercompany debtors is assessed annually. Based on the impairment review of intercompany 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 £139,000. No adjustment to provision was made in 2017.

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, a fellow group undertaking.

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

	2017 £000	2016 £000
Other interest receivable	4	-

#### 7. Interest payable and similar expenses

	2017 £000	2016 £000
Interest on amounts owed to group undertakings	140	1,917
Other finance charges	549	912
	<b>689</b>	<b>2,829</b>

**NTL CABLECOMMS SOLENT**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**8. Tax on profit**

	<b>2017 £000</b>	<b>2016 £000</b>
<b>Current tax</b>		
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	2,778
<b>Total deferred tax</b>	-	2,778
<b>Tax on profit</b>	-	2,778

The tax assessed for the year is lower than (2016 - higher than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%). The differences are explained below:

	<b>2017 £000</b>	<b>2016 £000</b>
Profit on ordinary activities before tax	<b>155,551</b>	11,456
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%)	<b>29,943</b>	2,291
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	14
Depreciation of ineligible fixed assets	<b>12,929</b>	25
Income not taxable	<b>(28,848)</b>	(28)
Net effect of tax rate change on deferred tax asset	-	476
Adjust opening deferred tax to average rate of 19.25%	<b>(1,637)</b>	-
Prior year adjustment	<b>(10)</b>	-
Group relief surrendered without payment	<b>(12,377)</b>	-
<b>Total tax charge for the year</b>	-	2,778

**Factors affecting current and future tax charges**

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2016) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax assets and liabilities have been calculated using the now enacted rate of 17% (2016 - 17%).

**NTL CABLECOMMS SOLENT**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**9. Tangible assets**

	<b>Network assets £000</b>	<b>Other £000</b>	<b>Total £000</b>
<b>Cost</b>			
At 1 January 2017	190,765	5,664	196,429
Additions	4,540	296	4,836
Transfers	(195,305)	(5,960)	(201,265)
<b>At 31 December 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Depreciation</b>			
At 1 January 2017	156,621	3,679	160,300
Charge for the year	3,602	263	3,865
Transfers	(160,223)	(3,942)	(164,165)
<b>At 31 December 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>			
<b>At 31 December 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>
At 31 December 2016	34,144	1,985	36,129

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

	<b>2017 £000</b>	<b>2016 £000</b>
Freehold property	-	147

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**NTL CABLECOMMS SOLENT**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**10. Debtors**

	<b>2017 £000</b>	<b>2016 £000</b>
<b>Due after more than one year</b>		
Deferred tax asset (note 13)	-	12,378

	<b>2017 £000</b>	<b>2016 £000</b>
<b>Due within one year</b>		
Amounts owed by group undertakings	-	31,549

The analysis of amounts owed by group undertakings is

	<b>2017 £000</b>	<b>2016 £000</b>
Amounts owed by group undertakings	-	31,549

Amounts owed by group undertakings are unsecured and repayable on demand



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## NTL CABLECOMMS SOLENT

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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**11. Creditors: amounts falling due within one year**

	<b>2017 £000</b>	<b>2016 £000</b>
Amounts owed to group undertakings	-	2,006

The analysis of amounts owed to group undertakings is:

	<b>2017 £000</b>	<b>2016 £000</b>
Loans advanced by group undertakings	-	2,006

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

**12. Creditors: amounts falling due after more than one year**

	<b>2017 £000</b>	<b>2016 £000</b>
Preference share dividend payable to group undertakings	-	26,595
Share capital treated as debt	-	282
	-	26,877

On 1 August 2017 the company paid a preference share dividend of £26,595,000 (2016 - £nil).

Disclosure of the terms and conditions attached to non-equity shares is made in note 14.

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**NTL CABLECOMMS SOLENT**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**13. Deferred tax**

	<b>2017 £000</b>	<b>2016 £000</b>
At 1 January 2017	<b>12,377</b>	15,155
Charged to profit or loss account	-	(2,778)
Deferred tax asset transferred to fellow group undertaking	<b>(12,377)</b>	-
<b>At 31 December 2017</b>	<b>-</b>	<b>12,377</b>

The deferred tax asset is made up as follows.

	<b>2017 £000</b>	<b>2016 £000</b>
Accelerated capital allowances	-	12,377
	<b>-</b>	<b>12,377</b>

**14. Share capital**

	<b>2017 £</b>	<b>2016 £</b>
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
41,560,074 'A' Ordinary shares of £0.00000001 (2016 - £1) each	-	41,560,074
43,778,867 'B' Ordinary shares of £0.00000001 (2016 -£0.10) each	-	4,377,887
	<b>-</b>	<b>45,937,961</b>
<b>Shares classified as debt</b>		
<b>Allotted, called up and fully paid</b>		
282,464 Preference shares of £0.00000001 (2016 - £1) each	-	282,464

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## NTL CABLECOMMS SOLENT

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 14. Share capital (continued)

On 1 August 2017 the company reduced its issued share capital from £45,937,961 to £0.85621405 by reducing the nominal value of the A ordinary shares from £1 to £0.00000001 each, reducing the nominal value of the B ordinary shares from £0.10 to £0.00000001 and reducing the nominal value of the preference shares from £1 to £0.00000001 each.

The preference shares which are held by group undertakings are classified as a liability under IAS 32 "Financial Instruments: Presentation" and shown in note 12

#### Shareholder's voting rights

The primary rights attached to the various classes of shares are as follows:

#### Preference shares

The right to attend and speak, but not vote at all general meetings of the company.

#### 'A' Ordinary shares

The right to attend, speak and vote at all general meetings of the company.

#### 'B' Ordinary shares

The right to attend and speak, but not vote at all general meetings of the company.

#### Distributable profits

Distributable profits are allocated on the following basis:

#### Preference shareholder

The company's Articles of Association provided for a fixed cumulative dividend at the rate of £1,329,268 per annum. This dividend accrued on a daily basis from 31 December 1993 until 31 December 2013. After payment of the preference dividend, the preference shareholder is entitled to 15% of the remaining distributable profits on winding up.

#### All Ordinary shareholders

After payment of the preference dividend, all ordinary shareholders are entitled to 85% of the remaining distributable profits on winding up.

#### 15. 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.

During the year the company reduced its issued share capital and its share premium of £105,370,000 was transferred to the profit and loss account.

#### Profit and loss account

Includes all current and prior year retained profits and losses net of dividends paid.

#### 16. Guarantees

Fellow group undertakings are party to a senior secured credit facility with a syndicate of banks. As at 31 December 2017, this comprised term facilities that amounted to £3,410 million (2016 - £3,595 million) and an outstanding balance of £nil (2016 - £nil) which was borrowed under a revolving facility of £675 million (2016 - £675 million). Borrowings under the facilities are secured against the assets of certain members of the group.

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 2017 amounted to £4,870 million (2016 - £5,024 million). Borrowings under the notes are secured against the assets of certain members of the group.

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

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## **NTL CABLECOMMS SOLENT**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### **17. Parent undertaking and controlling party**

The company's immediate parent undertaking is CableComms Holdings No 2 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 2017 are Virgin Media Finance PLC and Liberty Global plc, respectively

The company's ultimate parent undertaking and controlling party at 31 December 2017 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](http://www.libertyglobal.com).