

**ntl CableComms Stockport**

**Financial Statements**

**31 December 2012**

WEDNESDAY



\*A2HN08JK\*

A11

25/09/2013

#49

# **ntl CableComms Stockport**

## **Financial Statements**

**Year ended 31 December 2012**

---

<b>Contents</b>	<b>Pages</b>
Company information	<b>1</b>
The directors' report	<b>2 to 5</b>
Statement of directors' responsibilities	<b>6</b>
Independent auditor's report to the members	<b>7 to 8</b>
Profit and loss account	<b>9</b>
Balance sheet	<b>10</b>
Notes to the financial statements	<b>11 to 20</b>

---

# **ntl CableComms Stockport**

## **Company Information**

---

<b>The board of directors</b>	R C Gale C B E Withers
<b>Company secretary</b>	G E James
<b>Registered office</b>	Bartley Wood Business Park Hook Hampshire RG27 9UP
<b>Auditor</b>	Ernst & Young LLP 1 More London Place London SE1 2AF

# **ntl CableComms Stockport**

## **The Directors' Report**

### **Year ended 31 December 2012**

---

The directors present their report and the financial statements of the company for the year ended 31 December 2012

#### **Principal activities and business review**

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

At 31 December 2012 the company was a wholly owned subsidiary undertaking of Virgin Media Inc. On 5 February 2013, Liberty Global, Inc and Virgin Media Inc entered into a merger agreement ("the Merger Agreement"). Pursuant to the Merger Agreement, Liberty Global, Inc and Virgin Media Inc completed a series of mergers on 7 June 2013 that resulted in the surviving corporations in the mergers becoming wholly owned subsidiaries of Liberty Global plc. This is referred to 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.

The Virgin Media group ("the group") will continue to operate under the Virgin Media brand in the UK.

The group is a leading entertainment and communications business, being a "quad play" provider of broadband internet, television, mobile telephony and fixed line telephony services.

As of 31 December 2012, the group provided services to approximately 4.9 million residential cable customers on its network. The group is also one of the UK's largest mobile virtual network operators by number of customers, providing mobile telephony service to 1.7 million contract mobile customers and 1.3 million prepay mobile customers over third party networks. As of 31 December 2012, 85% of residential customers on the group's cable network received multiple services from the group, and 65% were "triple play" customers, receiving broadband internet, television and fixed line telephony services from the group.

The group believes that its advanced, deep fibre 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 TV on-demand services available in the UK market.

Through Virgin Media Business, the group provides a complete portfolio of voice, data and internet solutions to businesses, public sector organisations and service providers in the UK.

# ntl CableComms Stockport

## The Directors' Report *(continued)*

Year ended 31 December 2012

### Key performance indicators (KPI's)

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

	2012	2011	Comments
Turnover (£000)	24,643	20,811	Turnover has increased by 18.4% primarily due to recognition of premium television services revenue across the group, together with the increased uptake of broadband, television and telephony services from both new and existing customers, partially offset by higher price discounting to stimulate customer activity and retention in light of competitive factors in the market place
Gross profit margin (%)	73.5	83.4	Gross profit margin has decreased due mainly to the increase in revenue from premium television services, which have a low gross margin, partially offset by an increase in customers subscribing to the higher margin broadband product, together with selective price increases
Administrative expenses (£000)	14,332	13,117	Administrative expenses have increased by 9.3% during 2012 primarily due to increased marketing costs, together with a higher asset usage recharges allocated to the company by fellow group undertakings and increased depreciation expense due to fixed asset additions, partially offset by lower employee and outsourcing costs

Selected statistics for residential cable customers served by the company at 31 December 2012 and 31 December 2011 are shown in the table below

	2012	2011
Products		
Television	31,800	31,000
Fixed line telephone	35,000	34,100
Broadband	35,600	33,100
Total	102,400	98,200
Total customers	38,800	37,800
Products per customer	2.64	2.60

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

# ntl CableComms Stockport

## The Directors' Report *(continued)*

### Year ended 31 December 2012

---

The company reported a decrease in net current liabilities and a movement from a net liability to a net asset position in the year ended 31 December 2012 as a result of normal operations and the impact of recognising a deferred tax asset in the year. 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

Detail of the future outlook of the group is provided in Virgin Media Inc's financial statements and annual report for 2012, which are available from the company secretary at Virgin Media, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

#### Results and dividends

The profit for the financial year amounted to £17,655,000 (2011 - profit of £2,784,000). The directors have not recommended an ordinary dividend (2011 - £nil).

A deferred tax asset of £15,833,000 has been recognised in the year. This is considered in more detail in note 9.

#### 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.

#### Directors

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

R C Gale	
C B E Withers	(Appointed 31 December 2012)
J C Tillbrook	(Resigned 31 December 2012)

Virgin Media Inc has indemnified the directors of the company 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 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. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

# ntl CableComms Stockport

## The Directors' Report *(continued)*

Year ended 31 December 2012

---

### 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.

Signed on behalf of the directors



R C Gale  
Director

Approved by the directors on 19<sup>th</sup> September 2013

# **ntl CableComms Stockport**

## **Statement of Directors' Responsibilities**

**Year ended 31 December 2012**

---

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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,
- 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.



# **ntl CableComms Stockport**

## **Independent Auditor's Report to the Members of ntl CableComms Stockport**

**Year ended 31 December 2012**

---

We have audited the financial statements of ntl CableComms Stockport for the year ended 31 December 2012 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 members as a body, 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 Statement of Directors' Responsibilities set out on page 6, 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 2012 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 matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# ntl CableComms Stockport

## Independent Auditor's Report to the Members of ntl CableComms Stockport *(continued)*

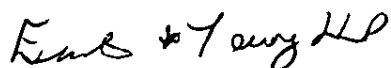
Year ended 31 December 2012

---

### 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



J I Gordon (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

19 September 2013

# ntl CableComms Stockport

## Profit and Loss Account

Year ended 31 December 2012

	Note	2012 £000	2011 £000
Turnover		24,643	20,811
Cost of sales		(6,522)	(3,452)
Gross profit		18,121	17,359
Administrative expenses		(14,332)	(13,117)
Other operating income	2	–	558
Operating profit	3	3,789	4,800
Interest payable and similar charges	5	(1,917)	(1,953)
Profit on ordinary activities before taxation		1,872	2,847
Tax on profit on ordinary activities	6	15,783	(63)
Profit for the financial year		17,655	2,784

The company has no other gains or losses and therefore no separate statement of total recognised gains or losses is presented

All results relate to continuing operations

The notes on pages 11 to 20 form part of these financial statements.

**ntl CableComms Stockport****Balance Sheet****31 December 2012**

	Note	2012 £000	2011 £000
<b>Fixed assets</b>			
Tangible assets	7	<u>18,558</u>	<u>18,769</u>
<b>Current assets</b>			
Debtors due after one year - Deferred tax	8,9	15,833	—
Debtors due within one year	8	<u>25,683</u>	<u>23,446</u>
		41,516	23,446
<b>Creditors: Amounts falling due within one year</b>	10	<u>(43,749)</u>	<u>(43,864)</u>
<b>Net current liabilities</b>		(2,233)	(20,418)
<b>Total assets less current liabilities</b>		<u>16,325</u>	<u>(1,649)</u>
<b>Creditors: Amounts falling due after more than one year</b>	11	<u>(5,814)</u>	<u>(5,495)</u>
<b>Net assets/(liabilities)</b>		<u>10,511</u>	<u>(7,144)</u>
<b>Capital and reserves</b>			
Share capital	14	80,466	80,466
Profit and loss account	15	<u>(69,955)</u>	<u>(87,610)</u>
<b>Total shareholders' funds/(deficit)</b>	15	<u>10,511</u>	<u>(7,144)</u>

These financial statements were approved by the directors on 19<sup>th</sup> September 2013 and are signed on their behalf by



R C Gale  
Director

The notes on pages 11 to 20 form part of these financial statements.

# ntl CableComms Stockport

## Notes to the Financial Statements

Year ended 31 December 2012

---

### 1. Accounting policies

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

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006, and applicable UK accounting standards.

#### **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 FRS 25 "Financial Instruments: Disclosure and Presentation".

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

#### **Fundamental accounting concept**

The financial statements have been prepared on the going concern basis because Virgin Media Inc., a wholly owned subsidiary of Liberty Global plc and the intermediate holding company which heads the Virgin Media group, has given the necessary assurances that sufficient resources will be made available so that the company can meet its liabilities as and when they fall due, for at least twelve months from the date of approval of these financial statements.

#### **Cash flow statement**

The company is exempt from publishing a cash flow statement as permitted by FRS 1 "Cash flow statements (revised 1996)", as it is a wholly owned subsidiary of its ultimate parent company.

#### **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 cable television, telephony, broadband internet and other telecommunication services and to run certain of the telecommunication systems over which they are provided, all of which is derived from operations in the United Kingdom. The directors consider this to be a single class of business.

#### **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

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.

# ntl CableComms Stockport

## Notes to the Financial Statements

Year ended 31 December 2012

---

### 1 Accounting policies *(continued)*

#### Deferred tax

Deferred tax is recognised, as appropriate, in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

- provision is made for deferred tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold, and

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

#### Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. The resulting exchange differences are taken to the Profit and Loss Account.

#### 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. Other operating income

	2012	2011
	£000	£000
Other operating income	—	558

Other operating income represents an allocation of a VAT rebate received by the group during 2011

# ntl CableComms Stockport

## Notes to the Financial Statements

Year ended 31 December 2012

### 3. Operating profit

Operating profit is stated after charging

	2012	2011
	£000	£000
Depreciation of owned tangible fixed assets	2,647	2,372
Loss on disposal of fixed assets	53	35
Net profit on foreign currency translation	—	(84)

The group's inter-company funding arrangements are managed centrally. Recoverability of inter-company receivables is assessed annually. The provision for non-recoverability may increase or decrease as a result of that review. The impairment review of inter-company indebtedness as at 31 December 2012 concluded that no change in the provision against amounts due from group undertakings is required (2011 - £nil).

Auditor's remuneration of £2,543 (2011 - £2,000) represents costs allocated to the company by fellow group undertakings that pay all auditor's remuneration on behalf of the group.

The directors received remuneration for the year of £2,397 (2011 - £2,427) in relation to qualifying services as directors of this company, all of which was paid by 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.

### 4. 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.

### 5. Interest payable and similar charges

	2012	2011
	£000	£000
Preference share dividend payable	319	319
Interest on amounts owed to group undertakings	1,598	1,634
	<u>1,917</u>	<u>1,953</u>

# ntl CableComms Stockport

## Notes to the Financial Statements

Year ended 31 December 2012

### 6. Taxation on profit on ordinary activities

The tax (credit)/charge is made up as follows

	2012 £000	2011 £000
<b>Current tax charge:</b>		
Current tax on profit for the year - United Kingdom	-	-
Foreign taxes	50	63
Total current tax	50	63
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(15,833)	-
Total deferred tax (note 9)	(15,833)	-
Total tax (credit)/charge on profit on ordinary activities	(15,783)	63

The tax assessed on the profit on ordinary activities for the year is lower than (2011 - lower) the standard rate of corporation tax in the UK of 24.50% (2011 - 26.50%). The differences are explained below

	2012 £000	2011 £000
Profit on ordinary activities before taxation	1,872	2,847
Profit on ordinary activities multiplied by rate of tax	459	754
Effects of		
Expenses not deductible for tax purposes / (income not taxable)	82	(58)
(Accelerated capital allowances)/depreciation in excess of capital allowances	(541)	646
Utilisation of tax losses and other deductions	-	(1,342)
US tax expense	50	63
Total current tax	50	63

A deferred tax asset has been recognised in the year as it is now considered, based upon all available evidence, more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted



# ntl CableComms Stockport

## Notes to the Financial Statements

Year ended 31 December 2012

### 6. Taxation on profit on ordinary activities *(continued)*

#### Factors affecting current and future tax charges

During the year the main rate of corporation tax reduced from 26% to 24% with effect from 1 April 2012. A number of changes to the UK corporation tax system were announced in the March 2013 Budget Statement. The Finance Act 2012, which was enacted and received Royal Assent on 17 July 2012, reduced the main rate of corporation tax to 23% from 1 April 2013. Deferred tax has been calculated using the enacted rate of 23%.

Legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015 was included in the Finance Act 2013 which was enacted in July 2013. These rate reductions had not been substantively enacted at the balance sheet date and therefore are not included in these financial statements. It is expected that the changes would reduce the value of the company's deferred tax asset as at 31 December 2012 by £2,065,000.

### 7. Tangible fixed assets

	Network £000	Other £000	Total £000
<b>Cost</b>			
At 1 January 2012	78,165	987	79,152
Additions	2,489	–	2,489
Disposals	(673)	–	(673)
<b>At 31 December 2012</b>	<b>79,981</b>	<b>987</b>	<b>80,968</b>
<b>Depreciation</b>			
At 1 January 2012	59,802	581	60,383
Charge for the year	2,607	40	2,647
On disposals	(620)	–	(620)
<b>At 31 December 2012</b>	<b>61,789</b>	<b>621</b>	<b>62,410</b>
<b>Net book value</b>			
<b>At 31 December 2012</b>	<b>18,192</b>	<b>366</b>	<b>18,558</b>
At 31 December 2011	18,363	406	18,769

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

	2012 £000	2011 £000
Freehold	223	236
Short leasehold improvements	138	166

# ntl CableComms Stockport

## Notes to the Financial Statements

Year ended 31 December 2012

### 8. Debtors

	2012 £000	2011 £000
Amounts owed by group undertakings	25,683	23,446
Deferred tax (note 9)	15,833	-
	<u>41,516</u>	<u>23,446</u>

The debtors above include the following amounts falling due after more than one year

	2012 £000	2011 £000
Deferred tax	15,833	-

The analysis of amounts owed by group undertakings is

	2012 £000	2011 £000
Amounts owed by group undertakings	25,836	23,599
Impairment provision on amounts owed by group undertakings	(153)	(153)
	<u>25,683</u>	<u>23,446</u>

Amounts owed by group undertakings are unsecured and repayable on demand

### 9. Deferred tax

The deferred tax included in the balance sheet is as follows

	2012 £000	2011 £000
Included in debtors (note 8)	15,833	-

The movement in the deferred tax account during the year was

	2012 £000	2011 £000
Profit and loss account movement arising during the year	15,833	-
Balance carried forward	<u>15,833</u>	<u>-</u>

# ntl CableComms Stockport

## Notes to the Financial Statements

Year ended 31 December 2012

### 9. Deferred tax *(continued)*

The balance of the deferred tax account consists of the tax effect of timing differences in respect of

	2012		2011	
	Provided £000	Unprovided £000	Provided £000	Unprovided £000
Depreciation in excess of capital allowances	13,289	-	-	15,006
Tax losses	2,544	-	-	3,313
	<u>15,833</u>	<u>-</u>	<u>-</u>	<u>18,319</u>

A deferred tax asset has been recognised in the year as it is now considered, based upon all available evidence, more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

### 10. Creditors: Amounts falling due within one year

	2012 £000	2011 £000
Amounts owed to group undertakings	<u>43,749</u>	<u>43,864</u>

The analysis of amounts owed to group undertakings is

	2012 £000	2011 £000
Loans advanced by group undertakings	41,525	41,694
Other amounts owed to group undertakings	2,224	2,170
	<u>43,749</u>	<u>43,864</u>

Amounts owed to group undertakings are unsecured and repayable on demand

### 11. Creditors: Amounts falling due after more than one year

	2012 £000	2011 £000
2 Preference shares of £1 each	-	-
Preference share dividend payable to group undertakings	5,814	5,495
	<u>5,814</u>	<u>5,495</u>

Details of the preference shares which are held by group undertakings, are set out in note 14

#### 12 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 2012 this comprised a term facility of £750 million and a revolving facility of £450 million. Borrowings under the facility are secured against the assets of certain members of the group including those of the 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 credit facility. The amount outstanding under the senior secured notes at 31 December 2012 amounted to £2,582 million (2011 - £2,575 million). Borrowings under the notes are secured against the assets of certain members of the group including those of the company.

On 7 June 2013, fellow group undertakings entered into a new senior secured credit facility agreement, pursuant to which the lenders agreed to provide the borrowers with i) a £375 million term loan (Facility A), ii) a \$2,755 million term loan (Facility B), iii) a £600 million term loan (Facility C) and iv) a £660 million revolving credit facility. With the exception of the revolving credit facility, all available amounts were borrowed under the new senior secured credit facility in June 2013, with an equivalent aggregate value of £2,733 million. The new senior secured credit facility ranks pari passu with the group's existing senior secured notes, and subject to certain exceptions, shares in the same guarantees and security granted in favour of its existing senior secured notes. The borrowings on the new senior secured credit facility were used in part to repay in full the borrowings on the previous senior secured credit facility.

On 7 June 2013, upon completion of the merger, two senior secured notes issued by a subsidiary of Liberty Global, Inc. on 22 February 2013, with an equivalent aggregate principal amount of £1,744 million due in 2021, were pushed down to Virgin Media Secured Finance PLC, a fellow group undertaking of the company. The notes are split into a \$1,000 million U.S. dollar denominated tranche and a £1,100 million sterling denominated tranche. 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. On 11 June 2013, the net proceeds of the issuance of the senior secured notes were in part used to repay an equivalent aggregate amount of £55 million of the group's existing senior secured notes.

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

#### 13. Related party transactions

In accordance with the exemptions offered by FRS 8 "Related Party disclosures" there is no disclosure in these financial statements of transactions with entities that are part of Virgin Media Inc., and its subsidiaries (see note 16).

# ntl CableComms Stockport

## Notes to the Financial Statements

Year ended 31 December 2012

### 14. Share capital

#### Authorised share capital:

	2012	2011
	£000	£000
80,465,934 Ordinary 'A' shares of £1 each	80,466	80,466
2 Preference shares of £1 each	-	-
	<u>80,466</u>	<u>80,466</u>

#### Allotted, called up and fully paid:

	2012		2011	
	No	£000	No	£000
Ordinary 'A' shares of £1 each	<u>80,465,934</u>	<u>80,466</u>	<u>80,465,934</u>	<u>80,466</u>

The preference shares which are held by group undertakings are classified as a liability under FRS 25 and shown in note 11

#### Shareholders' voting rights

In the opinion of the directors, the primary rights attached to the various classes of shares are as follows

##### £1 preference shares

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

##### £1 'A' ordinary shares

The right to attend, speak and 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 provide for a fixed cumulative dividend at the rate of £319,000 per annum. This dividend will accrue 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.

##### Ordinary Shareholders

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

#### Dividends

The preference dividend of £319,000 due to the non-equity shareholder for each of the years ended 31 December 2011 and 2012 has been treated as an expense in the Profit and Loss Account in accordance with FRS 25 "Financial Instruments: Disclosure and Presentation".

# ntl CableComms Stockport

## Notes to the Financial Statements

Year ended 31 December 2012

### 15. Reconciliation of shareholders' funds/(deficit) and movement on reserves

	Share capital	Profit and loss account	Total share-holders' funds/(deficit)
	£000	£000	£000
At 1 January 2011	80,466	(90,394)	(9,928)
Profit for the year	–	2,784	2,784
At 31 December 2011 and 1 January 2012	80,466	(87,610)	(7,144)
Profit for the year	–	17,655	17,655
At 31 December 2012	80,466	(69,955)	10,511

### 16. Parent undertaking and controlling party

The company's immediate parent undertaking is ntl CableComms Holdings No 1 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 2012 are Virgin Media Finance PLC and Virgin Media Inc , respectively

The company's ultimate parent undertaking and controlling party at 31 December 2012 was Virgin Media Inc , a company incorporated in the state of Delaware, United States of America

On 7 June 2013 pursuant to the merger agreement, Liberty Global, Inc and Virgin Media Inc completed a series of mergers, which resulted in the company's ultimate parent and controlling party changing to Liberty Global plc

Copies of all sets of group accounts which include the results of the company are available from the company secretary, Virgin Media, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP