

Barnsley Cable Communications Limited

Financial Statements

31 December 2013

THURSDAY



A3G6GV12

A16

11/09/2014

#48

COMPANIES HOUSE

Barnsley Cable Communications Limited

Financial Statements

Year ended 31 December 2013

Contents	Pages
Company information	1
Strategic report	2 to 4
Directors' report	5 to 6
Directors' responsibilities statement	7
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10 to 17

Barnsley Cable Communications Limited

Company Information

The board of directors

R D Dunn
M O Hifzi

Company secretary

G E James

Registered office

Bartley Wood Business Park
Hook
Hampshire
RG27 9UP

Barnsley Cable Communications Limited

Strategic Report

Year ended 31 December 2013

Principal activities and business review

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

At 31 December 2013 the company was a wholly owned subsidiary undertaking of Virgin Media Inc (Virgin Media) Virgin Media became a wholly-owned subsidiary of Liberty Global plc (Liberty Global) as a result of a series of mergers that were completed on 7 June 2013 (the LG/VM Transaction) This is referred to in more detail in the consolidated 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 Inc consolidated group (the group) operates under the Virgin Media brand in the United Kingdom (U K)

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

As of 31 December 2013, 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 services to 1.9 million contract mobile customers and 1.1 million prepay mobile customers over third party networks As of 31 December 2013, 84% of residential customers on the group's cable network received multiple services from the group, and 66% were "triple play" customers, broadband internet, digital cable and fixed-line telephony services from the group

In addition the group provides broadband internet, fixed-line and mobile telephony and other connectivity services to businesses, public sector organisations and service providers

Barnsley Cable Communications Limited

Strategic Report *(continued)*

Year ended 31 December 2013

Key performance indicators (KPI's)

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

	2013	2012	Comments
Turnover (£000)	8,846	8,612	Turnover has increased by 2.7% primarily due to an increased uptake of broadband internet and selective price increases, partially offset by a decrease in fixed-line telephony and digital cable services
Operating profit (£000)	1,649	1,705	Operating profit has decreased by 3.3%, primarily due to an increase in administrative expenses, driven by share based compensation recharges associated with the LG/VM transaction, and an increase in gross profit resulting from increased turnover and a change in product mix

Selected statistics for residential cable customers served by the company at 31 December 2013 and 31 December 2012 are shown in the table below

	2013	2012
Products		
Digital cable	12,100	12,200
Fixed-line telephone	13,200	13,400
Broadband internet	13,200	12,900
Total	38,500	38,500
Total customers	15,300	15,300
Products per customer	2.52	2.52

Each digital cable, 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 digital cable 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 net current liabilities and an increase in total assets less current liabilities for the year ended 31 December 2013 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.

Barnsley Cable Communications Limited

Strategic Report *(continued)*

Year ended 31 December 2013

Future outlook

The directors will continue to review management policies in light of changing trading and market conditions. Further detail of the future outlook of the group is provided in Virgin Media Inc's financial statements and annual report for 2013, which are available from the company secretary at Virgin Media, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

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.

Signed on behalf of the directors



G E James
Company Secretary

Approved by the directors on 17 June 2014

Barnsley Cable Communications Limited

Directors' Report

Year ended 31 December 2013

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2013

Results and dividends

The profit for the financial year amounted to £4,318,000 (2012 - loss of £1,270,000) The directors have not recommended an ordinary dividend (2012 - £nil)

A deferred tax asset of £5,345,000 (2012 - £nil) has been recognised in the year This is considered in more detail in note 9

Directors

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

C B E Withers	(Resigned 31 March 2014)
R D Dunn	(Appointed 29 November 2013)
M O Hifzi	(Appointed 31 March 2014)
R C Gale	(Resigned 29 November 2013)

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

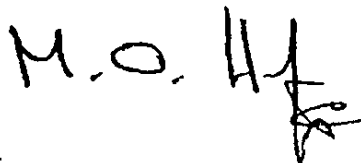
Virgin Media Finance PLC issued a guarantee against all outstanding liabilities to which the company is subject as at 31 December 2013, until they are satisfied in full The guarantee is enforceable against Virgin Media Finance PLC by any person to whom the company is liable in respect of those liabilities 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 2013 by virtue of Section 479A of the Companies Act 2006

Barnsley Cable Communications Limited

Directors' Report *(continued)*

Year ended 31 December 2013

Signed on behalf of the directors

A handwritten signature in black ink, appearing to read 'M.O. Hifzi' with a stylized flourish at the end.

M O Hifzi
Director

Approved by the directors on 17 June 2014

Barnsley Cable Communications Limited

Directors' Responsibilities Statement

Year ended 31 December 2013

The directors are responsible for preparing the Strategic Report, 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 these 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.

Barnsley Cable Communications Limited

Profit and Loss Account

Year ended 31 December 2013

	Note	2013 £000	2012 £000
Turnover		8,846	8,612
Cost of sales		(1,910)	(1,910)
Gross profit		6,936	6,702
Administrative expenses		(5,287)	(4,997)
Operating profit	2	1,649	1,705
Other interest receivable and similar income	4	—	10
Interest payable and similar charges	5	(2,676)	(2,985)
Loss on ordinary activities before tax		(1,027)	(1,270)
Tax on loss on ordinary activities	6	5,345	—
Profit/(loss) for the financial year	14	4,318	(1,270)

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 10 to 17 form part of these financial statements.

Barnsley Cable Communications Limited**Balance Sheet****31 December 2013**

	Note	2013 £000	2012 £000
Fixed assets			
Tangible assets	7	<u>11,736</u>	<u>12,832</u>
Current assets			
Debtors due after one year - Deferred tax	8,9	5,345	—
Debtors due within one year	8	<u>238</u>	<u>476</u>
		5,583	476
Creditors: Amounts falling due within one year	10	<u>(48,590)</u>	<u>(48,897)</u>
Net current liabilities		(43,007)	(48,421)
Total assets less current liabilities		<u>(31,271)</u>	<u>(35,589)</u>
Capital and reserves			
Share capital	13	—	—
Profit and loss account	14	<u>(31,271)</u>	<u>(35,589)</u>
Deficit	14	<u>(31,271)</u>	<u>(35,589)</u>

For the year ended 31 December 2013 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

Directors' responsibilities

- (i) the member has not required the company to obtain an audit of its accounts for the year in question in accordance with section 476, and
- (ii) the directors acknowledge their responsibilities for complying with the Act with respect to accounting records and the preparation of accounts

These financial statements were approved by the directors on 17 June 2014 and are signed on their behalf by



R D Dunn
Director

The notes on pages 10 to 17 form part of these financial statements.

Barnsley Cable Communications Limited

Notes to the Financial Statements

Year ended 31 December 2013

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.

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.

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 digital cable, fixed-line telephony, broadband internet and other telecommunication services and to run certain of the telecommunication systems over which they are provided. Turnover is all 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.

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

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.

Barnsley Cable Communications Limited

Notes to the Financial Statements

Year ended 31 December 2013

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

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. Operating profit

Operating profit is stated after charging

	2013 £000	2012 £000
Depreciation of owned tangible fixed assets	2,123	2,003
Loss on disposal of fixed assets	<u>1</u>	<u>11</u>

The directors received remuneration for the year of £2,271 (2012 - £838) in relation to qualifying services as directors of this company, all of which was paid by, and is disclosed in the financial accounts of Virgin Media Limited. In 2013 this included an element relating to compensation for loss of office

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

Barnsley Cable Communications Limited

Notes to the Financial Statements

Year ended 31 December 2013

3. 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.

4. Other interest receivable and similar income

	2013 £000	2012 £000
Interest from group undertakings	—	10

5. Interest payable and similar charges

	2013 £000	2012 £000
Interest on amounts owed to group undertakings	2,613	2,931
Other finance charges	63	54
	<u>2,676</u>	<u>2,985</u>

6. Tax on loss on ordinary activities

The tax credit is made up as follows

	2013 £000	2012 £000
Current tax charge:		
Current tax on loss for the year	—	—
Total current tax	—	—
Deferred tax:		
Origination and reversal of timing differences	(5,345)	—
Total deferred tax (note 9)	<u>(5,345)</u>	—
Total tax credit on loss on ordinary activities	<u>(5,345)</u>	—

Barnsley Cable Communications Limited

Notes to the Financial Statements

Year ended 31 December 2013

6 Tax on loss on ordinary activities *(continued)*

The tax assessed on the loss on ordinary activities for the year is higher than (2012 - higher) the standard rate of corporation tax in the UK of 23 25% (2012 - 24 50%) The differences are explained below

	2013 £000	2012 £000
Loss on ordinary activities before tax	<u>(1,027)</u>	<u>(1,270)</u>
Loss on ordinary activities multiplied by rate of tax	(239)	(311)
Effects of		
Net income not taxable	-	(2)
Depreciation in excess of capital allowances	238	313
Expenses not deductible for tax purposes	<u>1</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>

Factors affecting current and future tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013 This will reduce the company's future current tax charge accordingly The provided (2012 - unprovided) deferred tax assets have been calculated using the enacted rate of 20% (2012 - 23%)

7. Tangible fixed assets

	Network assets £000	Other £000	Total £000
Cost			
At 1 January 2013	41,317	758	42,075
Additions	1,028	-	1,028
Disposals	(163)	-	(163)
At 31 December 2013	<u>42,182</u>	<u>758</u>	<u>42,940</u>
Depreciation			
At 1 January 2013	29,036	207	29,243
Charge for the year	2,102	21	2,123
On disposals	(162)	-	(162)
At 31 December 2013	<u>30,976</u>	<u>228</u>	<u>31,204</u>
Net book value			
At 31 December 2013	<u>11,206</u>	<u>530</u>	<u>11,736</u>
At 31 December 2012	<u>12,281</u>	<u>551</u>	<u>12,832</u>

Barnsley Cable Communications Limited

Notes to the Financial Statements

Year ended 31 December 2013

7. Tangible fixed assets *(continued)*

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

	2013 £000	2012 £000
Freehold property	<u>530</u>	<u>551</u>

8. Debtors

	2013 £000	2012 £000
Amounts owed by group undertakings	238	476
Deferred tax (note 9)	<u>5,345</u>	<u>-</u>
	<u>5,583</u>	<u>476</u>

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

	2013 £000	2012 £000
Deferred tax	<u>5,345</u>	<u>-</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

	2013 £000	2012 £000
Included in debtors (note 8)	<u>5,345</u>	<u>-</u>

The movement in deferred tax during the year was

	2013 £000	2012 £000
Profit and loss account movement arising during the year	<u>5,345</u>	<u>-</u>
Balance at 31 December	<u>5,345</u>	<u>-</u>

Barnsley Cable Communications Limited

Notes to the Financial Statements

Year ended 31 December 2013

9. Deferred tax (continued)

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

	2013		2012	
	Provided £000	Unprovided £000	Provided £000	Unprovided £000
Depreciation in excess of capital allowances	5,345	-	-	5,917
	<u>5,345</u>	<u>-</u>	<u>-</u>	<u>5,917</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

	2013 £000	2012 £000
Amounts owed to group undertakings	<u>48,590</u>	<u>48,897</u>

The analysis of amounts owed to group undertakings is

	2013 £000	2012 £000
Loans advanced by group undertakings	46,522	46,829
Other amounts owed to group undertakings	<u>2,068</u>	<u>2,068</u>
	<u>48,590</u>	<u>48,897</u>

Amounts owed to group undertakings are unsecured and repayable on demand

11. 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 2013, this comprised term facilities that amounted to £2,638 million (2012 - £750 million) and a revolving credit facility of £660 million (2012 - £450 million). With the exception of the revolving credit facility, all available amounts were borrowed under the senior secured credit facility with an equivalent aggregate value of £2,638 million (2012 - £750 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 2013 amounted to £4,081 million (2012 - £2,582 million). Borrowings under the notes are secured against the assets of certain members of the group including those of this company.

Barnsley Cable Communications Limited

Notes to the Financial Statements

Year ended 31 December 2013

11. Contingent liabilities *(continued)*

During March 2014, a fellow group undertaking of the company, issued (i) \$425 million principal amount of 5.5% senior secured notes due 15 January 2025 (ii) £430 million principal amount of 5.5% senior secured notes due 15 January 2025 and (iii) £225 million principal amount of 6.25% senior secured notes due 28 March 2029. The net proceeds of the issuance of these senior secured notes were used to redeem an equivalent aggregate amount of £875 million of the group's existing senior secured notes.

In April 2014, a fellow group undertaking issued a further £175 million principal amount of 6.25% senior secured notes due 28 March 2029. In addition, fellow group undertakings entered into (i) a new £100 million term loan ("Facility D") that matures on 30 June 2022 and (ii) a new £849.4 million term loan ("Facility E") that matures on 30 June 2023, each under the existing senior secured credit facility, and for which all available amounts were borrowed with an equivalent aggregate value of £949.4 million.

On 22 May 2014, the net proceeds from the issuance of the £175 million senior secured notes, along with borrowings under Facility D and Facility E, were used to fully redeem an equivalent aggregate amount of £592.7 million and £600 million of the group's existing senior secured notes and senior secured credit facility respectively.

On 23 May 2014 £100 million was borrowed under the revolving credit facility.

Following the refinancing activities detailed above, the amounts borrowed under the senior secured credit facility amounted to £1,424.4 million and \$2,755.0 million and the amounts borrowed under the senior secured notes amounted to £2,558.4 million and \$1,872.9 million.

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

12. 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 Liberty Global plc, and its subsidiaries (see note 15).

13. Share capital

Allotted, called up and fully paid:

	2013		2012	
	No	£000	No	£000
Ordinary shares of £1 each	2	-	2	-

Barnsley Cable Communications Limited

Notes to the Financial Statements

Year ended 31 December 2013

14. Reconciliation of deficit and movement on reserves

	Share capital	Profit and loss	Deficit
	£000	account	£000
At 1 January 2012	–	(34,319)	(34,319)
Loss for the year	–	(1,270)	(1,270)
At 31 December 2012 and 1 January 2013	–	(35,589)	(35,589)
Profit for the year	–	4,318	4,318
At 31 December 2013	–	(31,271)	(31,271)

15. Parent undertaking and controlling party

The company's immediate parent undertaking is The Yorkshire Cable Group 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 2013 are Virgin Media Finance PLC and Liberty Global plc, respectively

On 7 June 2013 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

The company's ultimate parent undertaking and controlling party at 31 December 2013 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