Registered number: 02591237

VIRGIN MEDIA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

VIRGIN MEDIA LIMITED

COMPANY INFORMATION

Directors	T Mockridge R D Dunn M O Hifzi P A Buttery P J A Kelly
Company secretary	G E James
Registered number	02591237
Registered office	Bartley Wood Business Park Hook Hampshire RG27 9UP
Independent auditor	KPMG LLP 1 Sovereign Square Sovereign Street Leeds LS1 4DA

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

Principal activities and business review

The principal activity of the company during the year was, and will continue to be, the 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. The company is also the principal employer within the Virgin Media group, and manages the majority of its working capital, finance leases, operating leases, capital commitments and construction in progress.

On 7 December 2015 the company acquired Tullamore Beta Limited the parent company of TV3, a commerical broadcaster in Ireland.

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

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

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

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

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

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

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

The company has not received any dividends from its subsidiaries during the period (2014 - £nil).

Principal risks and uncertainties

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

Key performance indicators (KPIs)

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

	2015 £000	2014 £000	Commentary
Turnover	**504,955**	494,550	Turnover has increased by 2.1%, primarily due to an increase in the number of telephony and broadband internet subscribers, and selective price increases, offset by a decrease in the number of digital cable subscribers.
Operating profit	**116,117**	88,046	Operating profit has increased by 31.9%, primarily due to a decrease in administrative expenses and an increase in turnover.

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

Selected statistics for residential cable customers served by the company at 31 December 2015 and 31 December 2014 are shown in the table below:

	2015	2014
Products:		
Digital cable	596,600	599,000
Fixed-line telephony	671,600	656,200
Broadband internet	736,500	712,700
Total	2,004,700	1,967,900
Total customers	799,200	784,000
Products per customer	2.51	2.51

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

Future outlook

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

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

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

Robert D D

R D Dunn
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

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

Results and dividends

The profit for the year, after tax, amounted to £599,918,000 (2014 - £462,331,000).

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

Directors

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

T Mockridge
R D Dunn
M O Hifzi
P A Buttery
P J A Kelly
D M Strong (resigned 31 January 2015)

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

Employment policies and disabled employees

Virgin Media remains committed to the continuing introduction and practice of progressive employment policies which reflect changing business, social and employee needs.

Virgin Media aims to ensure that everyone connected to it is treated fairly and equally, whether they are a current or former member of staff, job applicant, customer or supplier.

Nobody should be discriminated against, either directly or indirectly, on the grounds of gender, gender reassignment, marital status, pregnancy, race, ethnic origin, colour, nationality, national origin, disability, sexual orientation, religion or belief, age, political affiliation or trade union membership. The policy applies to anyone who works for, who has worked for or who applies to work for Virgin Media or its partners. That means permanent, temporary, casual or part-time staff, anyone on a fixed-term contract, agency staff and consultants working with Virgin Media, ex-employees and people applying for jobs. This applies to all aspects of employment, including recruitment and training.

Virgin Media gives full consideration to applications from employees with disabilities where they can adequately fulfil the requirements of the job. Depending on their skills and abilities, employees with a disability have the same opportunities for promotion, career development and training as other employees. Where existing employees become disabled, it is Virgin Media's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

In line with Liberty Global's 'Code of Business Conduct", the groups' employees and directors are expected to display responsible and ethical behaviour, to follow consistently both the meaning and intent of this Code and to act with integrity in all of the group's business dealings. Managers and supervisors are expected to take such action as is necessary and appropriate to ensure that the group's business processes and practices are in full compliance with the Code.

Employee involvement

The Virgin Media group is dedicated to increasing the practical involvement of individuals in the running of its business. It seeks to achieve this as follows:

- all employees are encouraged to understand the aims of the Virgin Media group and of their own business area and to contribute to improving business performance through their knowledge, experience, ideas and suggestions. This requires strong communication to ensure that employees are briefed as widely as possible about activities and developments across Virgin Media. The online news channel, open forums, newsletters and team meetings play important roles in this, as do the development of people management skills and the ongoing conversations about performance and development which underpin mid-year and year-end reviews;

- the Virgin Media group ensures that all employees are involved and consulted through "Voice" which operates at a national, divisional and local level. It enables employees and employers to have an open and transparent relationship with a flow of information. It is focused around sharing information, involving employees in decision making, gaining access to knowledge and experience or resolving differences of opinion. Involving employees in decision making enhances confidence and job satisfaction, creates a sense of belonging and empowerment, reduces stress and impacts positively on wellbeing.

The Virgin Media group fosters a team spirit among employees and their greater involvement by offering participation in bonus or local variable reward schemes and team development opportunities. Virgin Media also operates a recognition scheme designed to reward employees for behaviours which are consistent with the Virgin Media values and has a volunteering scheme which allows employees to take a day each year to volunteer with a charity or organisation of their choice.

Going concern

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

Disclosure of information to the Auditor

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

Auditor

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

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

M.O. H

M O Hifzi
Director

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the financial statements of Virgin Media Limited for the year ended 31 December 2015, set out on pages 7 to 39. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement, set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

K L'Estrange

***Katharine* L'Estrange (Senior statutory auditor)**

for and on behalf of
KPMG LLP

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

Date: 12 July 2016

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

	Note	2015 £000	2014 £000
Turnover		**504,955**	494,550
Cost of sales		**(120,122)**	(111,291)
Gross profit		**384,833**	383,259
Administrative expenses		**(1,450,450)**	(1,498,181)
Other operating income	4	**1,181,734**	1,202,968
Operating profit	5	**116,117**	88,046
Other interest receivable and similar income	9	**544,141**	336,499
Interest payable and similar charges	10	**(32,395)**	(43,488)
Profit before tax		**627,863**	381,057
Tax on profit on ordinary activities	11	**(27,945)**	81,274
Profit for the year		**599,918**	462,331
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial gains/(losses) on defined benefit schemes		**10,777**	(24,969)
Deferred tax on defined benefit pension scheme actuarial (gains)/losses		**(2,181)**	5,366
Capital contribution		**173**	-
		8,769	(19,603)
Total comprehensive income for the year		**608,687**	442,728

The notes on pages 11 to 39 form part of these financial statements.

All results were derived from continuing operations.

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £000	2014 £000
Fixed assets			
Intangible assets	12	**179,306**	191,291
Tangible assets	13	**1,755,564**	1,726,241
Investments	14	**668,946**	668,947
Defined benefit pension plan asset	22	**35,674**	24,330
		2,639,490	2,610,809
Current assets			
Stocks	15	**40**	-
Debtors due after more than one year	16	**705,702**	667,174
Debtors due within one year	16	**10,289,142**	9,224,064
Cash at bank and in hand		**2,406**	-
		10,997,290	9,891,238
Creditors: amounts falling due within one year	17	**(8,259,829)**	(7,659,902)
Net current assets		**2,737,461**	2,231,336
Total assets less current liabilities		**5,376,951**	4,842,145
Creditors: amounts falling due after more than one year	18	**(89,304)**	(121,184)
Provisions for liabilities and charges	20	**(83,619)**	(101,743)
Defined benefit pension plan liability	22	**(23,238)**	(47,115)
Net assets		**5,180,790**	4,572,103
Capital and reserves			
Share capital	24	**726**	726
Share premium account	25	**12,214,200**	12,214,200
Other reserves	25	**184**	11
Share options reserve	25	**15,115**	15,115
Profit and loss account	25	**(7,049,435)**	(7,657,949)
Shareholder's funds		**5,180,790**	4,572,103

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

Robert D D

R D Dunn
Director

The notes on pages 11 to 39 form part of these financial statements.

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

	Share capital	Share premium account	Other reserves	Share options reserve	Profit and loss account	Shareholder's funds
	£000	£000	£000	£000	£000	£000
At 1 January 2015	726	12,214,200	11	15,115	(7,657,949)	4,572,103
Comprehensive income for the year						
Profit for the year	-	-	-	-	599,918	599,918
Actuarial gain on pension scheme	-	-	-	-	10,777	10,777
Deferred tax on defined benefit pension scheme actuarial gain	-	-	-	-	(2,181)	(2,181)
Capital contribution	-	-	173	-	-	173
Other comprehensive income for the year	-	-	173	-	8,596	8,769
Total comprehensive income for the year	-	-	173	-	608,514	608,687
At 31 December 2015	726	12,214,200	184	15,115	(7,049,435)	5,180,790

The notes on pages 11 to 39 form part of these financial statements.

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

	Share capital	Share premium account	Other reserves	Share options reserve	Profit and loss account	Shareholder's funds
	£000	£000	£000	£000	£000	£000
At 1 January 2014	726	12,214,200	11	15,115	(8,100,677)	4,129,375
Comprehensive income for the year						
Profit for the year	-	-	-	-	462,331	462,331
Actuarial losses on pension scheme	-	-	-	-	(24,969)	(24,969)
Deferred tax on defined benefit pension scheme actuarial gains/losses	-	-	-	-	5,366	5,366
Other comprehensive income for the year	-	-	-	-	(19,603)	(19,603)
Total comprehensive income for the year	-	-	-	-	442,728	442,728
At 31 December 2014	726	12,214,200	11	15,115	(7,657,949)	4,572,103

The notes on pages 11 to 39 form part of these financial statements.

1. Company information

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

2. Accounting policies

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

2.1 Basis of accounting and transition from UK GAAP

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

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

In the transition to FRS 101, the company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the company is provided in note 30.

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The following exemptions have been taken in these financial statements:

- Business combinations - business combinations that took place prior to 1 January 2014 have not been restated;
- Employee benefits - all cumulative actuarial gains and losses on defined benefit plans have been recognised in equity at 1 January 2014;
- Share based payments - IFRS 2 is being applied to equity instruments that were granted after 7 November 2002 and that had not vested by 1 January 2014.

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

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

- a cash flow statement and related notes;
- comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- disclosures in respect of related party transactions with fellow group undertakings;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- an additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy,or the reclassification of items in the financial statements;
- disclosures in respect of the compensation of Key Management Personnel;
- IFRS 2 Share Based Payments in respect of group settled share based payments; and
- certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

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

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

2. Accounting policies (continued)

2.2 Changes in accounting policies

This is the first year in which the financial statements have been prepared in accordance with FRS 101. The date of transition to FRS 101 is 1 January 2014. An explanation of the transition is included in note 30 to the financial statements. In applying FRS 101 for the first time the company has applied early the amendment to FRS 101 which permits a first time adopter not to present an opening balance sheet at the beginning of the earliest comparative period presented.

2.3 Group accounts

The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

2.4 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.

2.5 Employee benefits

When an employee has rendered services to the company during an accounting period, short-term benefits expected to be paid in exchange for those services are recognised in the same accounting period. Cash based long-term incentives are accrued at fair value, recognising the movement in the accrual in the financial statements where the conditions and the plan extend beyond a year.

2.6 Intangible fixed assets

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

2.7 Tangible fixed assets

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

Network assets	3 - 30 years
Other fixed assets:	
- Freehold property	30 years
- Leasehold property	period of lease
- Other	3 - 12 years

No depreciation is provided on freehold land.

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

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.

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. Accounting policies (continued)

2.8 Investments

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

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items. Cost is based on the cost of purchase on a first in, first out basis.

2.10 Deferred tax

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

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

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

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

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

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

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

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

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

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

2. Accounting policies (continued)

2.11 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.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Finance leases

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

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

2.14 Provisions

Provisions for liabilities
A provision is recognised when the company has a present, legal or constructive obligation as a result of a past event for which it is probable that the company will be required to settle by an outflow of resources and for which a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

When the effect of the time value of money is material provisions are discounted using a rate that reflects the risks specific to the liability. Where discounting is used, the unwinding of the discount is expensed as incurred and recognised in profit and loss as an interest expense.

2. Accounting policies (continued)

2.15 Pensions

Defined contribution pension plans

The company contributes to the Virgin Media-sponsored group personal pension plans for eligible employees. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of each of the plans.

Defined benefit pension plans

The company operates two defined benefit pension plans. The plans are funded by the payment of contributions to separately administered trust funds and are closed to new entrants and to further accrual.

The regular cost of providing benefits under the defined benefit plans is attributed to individual years using the projected unit credit method. Variations in pension cost, which are identified as a result of actuarial valuations, are amortised over the average expected remaining working lives of employees in proportion to their expected payroll costs. Past service costs are recognised in profit or loss on a straight-line basis over the vesting period or immediately if the benefits have vested.

When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related scheme assets are re-measured using the current actuarial assumptions and the resultant gain or loss recognised in the profit and loss account during the period in which the settlement or curtailment occurs.
The interest element of the defined benefit pension cost represents the change in present value of scheme obligations resulting from the passage of time and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on scheme assets is based on an assessment made at the beginning of the year of long term market returns on scheme assets, adjusted for the effect of fair value of the scheme assets of contributions received and benefits paid during the year. The expected return on scheme assets and the interest cost is recognised in the profit and loss account.

Actuarial gains and losses are recognised in full in other comprehensive income in the period in which they occur.

The defined benefit pension asset or liability in the balance sheet comprises the total for each scheme of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less any past service cost not yet recognised and less the fair value of scheme assets out of which the obligations are to be settled directly. Fair value is based on market price information and, in the case of quoted securities, is the published bid price.

2.16 Share based payments

The company is an indirect, wholly-owned subsidiary of Virgin Media Inc. and Liberty Global plc. The company has no share-based compensation plans. Employees render services in exchange for shares or rights over shares (equity-settled transactions) of Liberty Global plc common stock.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date which they are granted. The fair value of options and share appreciation rights are determined using the Black-Scholes model. The fair value of restricted share units is determined using either the share price at the grant date or the Monte Carlo model, depending on the conditions attached to the restricted share units being granted. These transaction costs are recognised, together with a corresponding increase in either equity or amounts owed to parent undertakings, over the service period, or, if applicable, over the period in which any performance conditions are fulfilled, which ends on the date on which the relevant employees become fully entitled to the award (vesting date). The cumulative expense recognised for equity settled transactions at each reporting date, until the vesting date, reflects the extent to which the vesting period has expired and the number of awards that are estimated to ultimately vest, in the opinion of management at that date and based on the best available information.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market vesting condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

2.17 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

2. Accounting policies (continued)

2.18 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.

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

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

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

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

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

4. Other operating income

	2015 £000	2014 £000
Recharges to group undertakings	**1,181,734**	1,202,968

5. Operating profit

The operating profit is stated after charging:

	2015 £000	2014 £000
Depreciation of tangible fixed assets	**268,146**	262,972
Depreciation of tangible fixed assets held under finance lease agreements	**62,560**	74,670
Amortisation of intangible assets	**61,981**	58,541
Loss on disposal of fixed assets	**327**	20,438
Operating lease costs		
- plant and equipment	**27,389**	30,341
- other	**9,655**	16,588

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.

6. Auditor's remuneration

The company paid the following amounts to its auditor in respect of the audit of the financial statements and for other services provided to the company:

	2015 £000	2014 £000
Fees for the audit of the company	**44**	47

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

7. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2015 £000	2014 £000
Wages and salaries	**502,081**	529,154
Social security costs	**57,553**	56,934
Cost of defined benefit scheme	**16**	134
Cost of defined contribution scheme	**20,452**	19,021
	580,102	605,243

The average monthly number of employees, including the directors, during the year was as follows:

	2015 No.	2014 No.
Business	**1,122**	1,004
Customer	**9,932**	10,269
Network & Technology	**1,689**	1,461
Support	**617**	700
Consumer	**264**	266
	13,624	13,700

8. Directors' remuneration

	2015 £000	2014 £000
Directors' emoluments	**8,890**	10,319
Directors' pension costs	**95**	118
	8,985	10,437

During the year retirement benefits were accruing to 4 directors (2014 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £3,056,816 (2014 - £4,189,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2014 - £nil).

During the year 4 directors received shares under the long term incentive schemes (2014 - 6)

9. Other interest receivable and similar income

	2015 £000	2014 £000
Interest on amounts owed by group undertakings	**438,411**	222,569
Net gain on foreign currency translation	**105,543**	113,610
Other interest receivable	**187**	320
	544,141	336,499

10. Interest payable and similar charges

	2015 £000	2014 £000
Finance charges	**8,049**	10,989
Unwinding of discounts on provisions	**1,427**	1,832
Interest on amounts owed to group undertakings	**18,016**	21,950
Interest on pensions	**370**	518
Other finance charges	**4,533**	8,199
	32,395	43,488

11. Tax on profit on ordinary activities

	2015 £000	2014 £000
Current tax		
Total current tax	-	-
Deferred tax		
Origination and reversal of temporary differences	(34,969)	(87,388)
Changes to tax rates	62,914	6,114
Total deferred tax	27,945	(81,274)
Tax on profit on ordinary activities	27,945	(81,274)

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

	2015 £000	2014 £000
Profit on ordinary activities before tax	627,863	381,057
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%)	127,142	81,889
Effects of:		
Expenses not deductible for tax purposes and other adjustments	5,730	(2,715)
Adjustments to tax charge in respect of prior periods	(42,256)	(76,927)
Changes in tax rates	62,914	6,114
Group relief claimed without payment	(125,585)	(89,635)
Total tax charge/(credit) for the year	27,945	(81,274)

Factors affecting current and future tax charges

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

12. Intangible assets

	IT Software
	£000
Cost	
At 1 January 2015	275,126
Additions	51,340
Disposals	(32,585)
At 31 December 2015	293,881
Amortisation	
At 1 January 2015	83,835
Charge for the year	61,981
On disposals	(31,241)
At 31 December 2015	114,575
Net book value	
At 31 December 2015	179,306
At 31 December 2014	191,291

13. Tangible fixed assets

	Network assets £000	Other £000	Total £000
Cost or valuation			
At 1 January 2015	3,824,186	438,521	4,262,707
Additions	349,076	16,661	365,737
Transfers	-	112	112
Disposals	(68,289)	(42,013)	(110,302)
At 31 December 2015	4,104,973	413,281	4,518,254
Depreciation			
At 1 January 2015	2,359,462	177,004	2,536,466
Charge for the year	269,597	61,109	330,706
Transfers	-	47	47
Disposals	(62,843)	(41,686)	(104,529)
At 31 December 2015	2,566,216	196,474	2,762,690
Net book value			
At 31 December 2015	1,538,757	216,807	1,755,564
At 31 December 2014	1,464,724	261,517	1,726,241

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

	2015 £000	2014 £000
Freehold property	25,443	26,707
Short leasehold	65,271	65,748

Included within the net book value of £1,755,564,000 is £134,600,000 (2014 - £197,200,000) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £62,560,000 (2014 - £74,670,000).

14. Investments

	Investments in subsidiary undertakings £000
Cost	
At 1 January 2015	**10,235,795**
Disposals	**(1)**
At 31 December 2015	**10,235,794**
Amounts written off	
At 1 January 2015	**9,566,848**
At 31 December 2015	**9,566,848**
Net book value	
At 31 December 2015	**668,946**
At 31 December 2014	668,947

Subsidiary undertakings

In the opinion of the directors the aggregated value of the investments in subsidiary undertakings is not less than the amount at which they are stated in the financial statements.

On 7 December 2015, the company acquired Tullamore Beta Limited, the parent of TV3, a commercial broadcaster in Ireland, for a purchase price of €80 million (£58 million at the transaction date). This purchase price was funded through existing liquidity.
The company's investment in Tullamore Beta Limited is €1 and the balance of the consideration was used to settle debt in TV3 at the acquisition date.

The investments in which the company holds at least 20% of the nominal value of any class of share capital, all of which are unlisted, are as listed in note 31.

15. Stocks

	2015 £000	2014 £000
Goods held for resale	**40**	-

16. Debtors

	2015 £000	2014 £000
Due after more than one year		
Deferred tax asset (note 21)	**589,726**	619,852
Other debtors	**115,976**	47,322
	705,702	667,174

	2015 £000	2014 £000
Due within one year		
Trade debtors	**346,972**	346,159
Amounts owed by group undertakings	**9,893,664**	8,812,546
Prepayments and accrued income	**48,506**	65,359
	10,289,142	9,224,064

The analysis of amounts owed by group undertakings is:

	2015 £000	2014 £000
Loans advanced to group undertakings	**7,980,409**	7,126,077
Amount owed by group undertakings	**2,139,453**	1,914,224
Impairment provision on amounts owed by group undertakings	**(226,198)**	(227,755)
	9,893,664	8,812,546

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

Loans advanced to group undertakings are repayable on demand but are not expected to be recovered in full within one year. These loans include U.S. dollar denominated loans of $2,260,481,000 (2014 - $2,157,317,000) which had a carrying value of £1,534,246,000 (2014 - £1,384,583,000) at the balance sheet date, and Euro denominated loans of €79,563,000 (2014 - nil) which had a carrying value of £58,678,000 (2014 - nil) at the balance sheet date.

17. Creditors: amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	**292,352**	243,513
Amounts owed to group undertakings	**7,138,396**	6,533,577
Taxation and social security	**103,371**	97,463
Obligations under finances leases	**46,873**	71,649
Accruals and deferred income	**678,837**	713,700
	8,259,829	7,659,902

The analysis of amounts owed to group undertakings is:

	2015 £000	2014 £000
Other amounts owed to group undertakings	**6,514,508**	5,970,675
Loans advanced by group undertakings	**623,888**	562,902
	7,138,396	6,533,577

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

Loans advanced by group undertakings include Euro denominated loans of €326,736,000 (2014 - €454,979,000) which had a carrying value of £240,969,000 (2014 - £353,331,000) at the balance sheet date.

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

	2015 £000	2014 £000
Obligations under finance leases	**61,328**	92,162
Accruals and deferred income	**27,976**	29,022
	89,304	121,184

19. Commitments under hire purchase and finance lease agreements

Future commitments under finance lease agreements are as follows:

	2015 £000	2014 £000
Amounts payable within one year	51,846	78,725
Amounts payable between one and five years	38,637	70,655
Amounts payable after more than five years	139,734	142,541
	230,217	291,921
Less interest and finance charges relating to future periods	(122,016)	(128,110)
	108,201	163,811

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

	2015 £000	2014 £000
Amounts payable within one year	46,873	71,649
Amounts payable between one and five years	26,985	57,684
Amounts payable after more than five years	34,343	34,478
	108,201	163,811

20. Provisions for liabilities and charges

	Property related costs £000	Other provisions £000	Total £000
At 1 January 2015	86,168	15,575	101,743
Provided during the year	1,500	1,700	3,200
Utilised in the year	(1,700)	(11,725)	(13,425)
Revisions in cashflow estimates	(399)	-	(399)
Amortisation of discount	(7,500)	-	(7,500)
At 31 December 2015	78,069	5,550	83,619

Property related costs
Property related costs expected to be incurred are mainly in relation to dilapidations costs on leasehold properties. The majority of the costs are expected to be incurred over the next 25 years.

Other provisions
Other provision elements mainly consist of National Insurance contributions on share options and restricted stock unit grants and redundancy costs resulting from restructuring programmes.

21. Deferred taxation

	Deferred tax
	£000
At 1 January 2015	619,852
Charged to the profit and loss account	(27,945)
Charged to other comprehensive income	(2,181)
At 31 December 2015	**589,726**

In respect of prior year:

	Deferred tax
	£000
At 1 January 2014	533,212
Credited to the profit and loss account	81,274
Credited to other comprehensive income	5,366
At 31 December 2014	**619,852**

The deferred tax asset is made up as follows:

	2015	2014
	£000	£000
Depreciation in excess of capital allowances	569,641	592,253
Share based payments	7,300	19,200
Other timing differences	15,023	3,842
Pension scheme (asset)/liability	(2,238)	4,557
	589,726	619,852

Deferred tax assets in respect of temporary differences on land and buildings of £99,416,950 have not been recognised as there is currently no persuasive evidence that there will be suitable taxable profits against which these temporary differences will reverse.

Movement in deferred tax balances

Movements in deferred tax during the year:

	1 January 2015 £000	Recognised in profit and loss account £000	Recognised in other comprehensive income £000	31 December 2015 £000
Depreciation and amortisation	592,253	(22,612)	-	569,641
Share-based payments	19,200	(11,900)	-	7,300
Pension scheme asset/liability	4,557	(4,614)	(2,181)	(2,238)
Other	3,842	11,181	-	15,023
	619,852	**(27,945)**	**(2,181)**	**589,726**

Movements in deferred tax during the prior year:

	1 January 2014 £000	Recognised in profit and loss account £000	Recognised in other comprehensive income £000	31 December 2014 £000
Depreciation and amortisation	495,164	97,089	-	592,253
Share-based payments	27,274	(8,074)	-	19,200
Pension scheme asset/liability	5,645	(6,454)	5,366	4,557
Other	5,129	(1,287)	-	3,842
	533,212	81,274	5,366	619,852

22. Pension commitments

Defined contribution plans

The company contributes to the Virgin Media sponsored group personal pension plans of eligible employees. Contributions are charged to the profit and loss account as they become payable, in accordance with the rules of the plans.

Contributions to the defined contribution plans during the year were £20,452,000 (2014 - £19,021,000). The amount of outstanding contributions at 31 December 2015 included within creditors: amounts falling due within one year was £2,954,000 (2014 - £2,700,000).

Defined benefit plans

The company operates two defined benefit pension schemes.

The company recognises any actuarial gains and losses in each period in the statement of other comprehensive income. Service costs and finance costs are recognised through the profit and loss account.

The company operates two plans which are defined benefit plans that pay out pensions at retirement based on services and final pay.

- **ntl 1999 Pension Plan**
  The company operates a funded pension plan providing defined benefits ("ntl 1999 Pension Plan"). The plan has never been opened to new entrants except when the plan began and subsequently on 31 May 2007, on both occasions new members were transferred from other existing plans. The assets of the plan are held separately from those of the company, being invested in units of exempt unit trusts. The plan is funded by the payment of contributions to separately administered trust funds. The pension costs are determined with the advice of independent qualified actuaries on the basis of triennial valuations using the projected unit credit method with a control period.

- **ntl Pension Plan**
  The company operates a funded pension plan providing defined benefits ("ntl Pension Plan"). The pension plan was closed to new entrants as of 6 April 1998. The assets of the plan are held separately from those of the company, in an independently administered trust. The plan is funded by the payment of contributions to this separately administered trust. The pension costs are determined with the advice of independent qualified actuaries on the basis of triennial valuations using the projected unit credit method.

The plans' assets are measured at fair value. The plans' liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond. As closed plans, under the projected unit method the current service cost will increase as the members of the plan approach retirement.

	2015 £000	2014 £000
Fair value of combined pension plan assets	**484,215**	485,352
Present value of combined pension plan liabilities	**(471,779)**	(508,137)
Net combined pension plan asset/(liability)	**12,436**	(22,785)
Net defined benefit pension plan asset	**35,674**	24,330
Net defined benefit pension plan liability	**(23,238)**	(47,115)
	12,436	(22,785)
Amounts recognised in profit and loss	**386**	652
Total remeasurement of the net pension asset and liability shown in OCI	**(10,777)**	24,969

23. Share-based payments

The company's employees are entitled to partake in Liberty Global plc share-based schemes. These share schemes consist of stock options and performance plans including stock appreciation rights ("SARs"), performance-based share appreciation rights ("PSARs"), restricted stock and restricted stock units ("RSUs"). The schemes provide share based compensation to individuals under the conditions described below. The fair value of options and SARs are determined using the Black-Scholes model. The fair value of RSUs is determined using either the share price at the grant date or the Monte Carlo model, depending on the conditions attached to the RSUs being granted. The arrangements are equity settled with the employees. Liberty Global recharges the group for share schemes made available to the group employees.

The income statement charge for share based payments for the year was £25.7 million (2014 - 27.9 million)

Liberty Global Share Incentive Plans

Generally, the compensation committee of Liberty Global's board of directors may grant non-qualified share options, SARs, restricted shares, RSUs, cash awards, performance awards or any combination of these under any of the incentive plans (collectively, awards). Ordinary shares issuable pursuant to awards made under these incentive plans will be made available from either authorised but unissued shares or shares that have been issued but reacquired by Liberty Global. Awards may be granted at or above fair value in any class of ordinary shares. The maximum number of Liberty Global shares with respect to which awards may be issued under the Liberty Global 2014 Incentive Plan is 100 million (of which no more than 50 million shares may consist of Class B ordinary shares), subject to anti-dilution and other adjustment provisions in the respective plan. As of 31 December 2015, the Liberty Global 2014 Incentive Plan had 84,782,474 ordinary shares available for grant.

Awards (other than performance-based awards) under (i) the Liberty Global 2014 Incentive Plan, (ii) the Liberty Global 2005 Incentive Plan and (iii) under the VM Incentive Plan after 7 June 2013 generally (a) vest 12.5% on the six month anniversary of the grant date and then vest at a rate of 6.25% each quarter thereafter and (b) expire seven years after the grant date. RSUs vest on the date of the first annual general meeting of Liberty Global shareholders following the grant date. These awards may be granted at or above fair value in any class of ordinary shares.

No further awards will be granted under the Liberty Global 2005 Incentive Plan or the VM Incentive Plan.

Liberty Global Performance Awards

Full information on the group's share based payments are disclosed in the financial statements of Virgin Media Inc. which are available on Liberty Global's website at www.libertyglobal.com.

The following is a summary of the material terms and conditions with respect to Liberty Global's performance-based awards for certain executive officers and key employees for which awards were granted under the Liberty Global Incentive Plan and the Virgin Media Incentive Plan.

Liberty Global PSUs

PSUs are granted to executive officers and key employees annually based on a target annual equity value for each executive and key employee, of which approximately two-thirds would be delivered in the form of an annual award of PSUs and approximately one-third in the form of an annual award of SARs. Each PSU represents the right to receive one Class A or Class C ordinary share, as applicable, subject to performance and vesting. Generally, the performance period for the PSUs covers a two-year period and the performance target is based on the achievement of a specified compound annual growth rate (CAGR) in a consolidated operating cash flow metric (as defined in the applicable underlying agreement), adjusted for events such as acquisitions, dispositions and changes in foreign currency exchange rates that affect comparability (OCF CAGR), and the participant's annual performance ratings during the two-year performance period. A performance range of 75% to 125% of the target OCF CAGR generally results in award recipients earning 50% to 150% of their respective PSUs, subject to reduction or forfeiture based on individual performance. The PSUs generally vest 50% on each of 31 March and 30 September of the year following the end of the performance period. During the periods since acquisition, Liberty Global granted PSUs to certain of our executive officers and key employees.

Liberty Global Challenge Performance Awards

Effective 24 June 2013, Liberty Global's compensation committee approved the Challenge Performance Awards, which consisted solely of PSARs for Liberty Global's senior executive officers and a combination of PSARs and PSUs for other executive officers and key employees. Each PSU represents the right to receive one Class A ordinary share or one Class C ordinary share of Liberty Global, as applicable, subject to performance and vesting. The performance criteria for the Challenge Performance Awards will be based on the participant's performance and achievement of individual goals in each of the years 2013, 2014 and 2015. Subject to forfeitures and the satisfaction of performance conditions, 100% of each participant's Challenge Performance Awards will vest on 24 June 2016. The PSARs have a term of seven years and base prices equal to the respective market closing prices of the applicable class on the grant date. During the periods since acquisition, Liberty Global granted PSARs to certain of our executive officers.

Virgin Media Stock Incentive Plans

Equity awards were granted to certain of our employees under legacy Virgin Media Stock Incentive Plans which are now maintained and administered by Liberty Global and no new grants will be made under these incentive plans. The equity awards granted include stock options, restricted shares, RSUs and performance awards.

24. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
5,179,802 (2014 - 5,179,802) Ordinary shares fully paid of £0.01 each	**51,798**	51,798
5,179,680 Ordinary shares fully paid of $0.20 each (converted at exchange rate in place at the date of issue of shares)	**673,866**	673,866
	725,664	725,664

£0.01 Ordinary shares
The right to attend, speak and vote at all general meetings of the company.

$0.20 Ordinary shares
The right to attend, speak and not vote at all general meetings of the company.

25. 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.

Other reserves

Other distributable reserves relate to capital contributions from parent undertakings.

Share options reserve

Includes the cumulative reserves generated from share option awards undertaken in previous years.

Profit and loss account

Includes all current and prior year retained profits and losses.

26. Contingent liabilities

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

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

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

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

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

The group's application of VAT with respect to certain revenue generating activities has been challenged by the U.K. tax authorities. The group has estimated its maximum exposure in the event of an unfavourable outcome to be £45.2 million as of 31 December 2015. No portion of this exposure has been accrued by the company as the likelihood of loss is not considered to be probable. A court hearing was held at the end of September 2014 in relation to the U.K tax authorities' challenge and the court's decision is expected at some point in 2016.

On 19 March 2014, the U.K. government announced a change in legislation with respect to the charging of VAT in connection with prompt payment discounts such as those that the group offers to fixed-line telephone customers. The changes, which took effect on 1 May 2014, impacted the company and some of its competitors. The U.K. tax authority issued a decision in the fourth quarter of 2015 challenging our application of the prompt payment discount rules prior to the 1 May 2014 change in legislation. We have appealed this decision. As part of the appeal process, we were required to make aggregate payments of £67.0 million, which included the challenged amount of £63.7 million and related interest of £3.3 million. The aggregate amount paid does not include penalties, which could be significant in the unlikely event that penalties were to be assessed. This matter will likely be subject to court proceedings that could delay the ultimate resolution for an extended period of time. No portion of this potential exposure has been accrued by the company as the likelihood of loss is not considered to be probable.

27. Commitments under operating leases

At 31 December 2015 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2015 £000	2014 £000
Land and buildings		
Not later than one year	**25,233**	22,705
Later than one year and not later than five years	**74,966**	63,927
Later than five years	**46,587**	28,265
Total	**146,786**	114,897

	2015 £000	2014 £000
Other leased assets		
Not later than one year	**9,813**	13,346
Later than one year and not later than five years	**7,690**	17,230
Later than five years	**118**	4,609
Total	**17,621**	35,185

28. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £211,900,000 (2014 - £147,300,000).

In the ordinary course of its business, the company contracts on behalf of fellow group undertakings and subsidiaries, therefore the above amount includes commitments entered into on behalf of these companies.

29. Controlling party

The company's immediate parent undertaking is Virgin Media Investments Limited.

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

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

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

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

30. First time adoption of FRS 101

	As previously stated 1 January 2014 £000	Effect of transition 1 January 2014 £000	**FRS 101 (as restated) 1 January 2014 £000**	As previously stated 31 December 2014 £000	Effect of transition 31 December 2014 £000	**FRS 101 (as restated) 31 December 2014 £000**
Fixed assets	2,485,399	-	**2,485,399**	2,586,479	-	**2,586,479**
Current assets	8,329,709	5,129	**8,334,838**	9,881,381	9,857	**9,891,238**
Creditors: amounts falling due within one year	(6,430,994)	-	**(6,430,994)**	(7,659,902)	-	**(7,659,902)**
Net current assets	1,898,715	5,129	**1,903,844**	2,221,479	9,857	**2,231,336**
Total assets less current liabilities	4,384,114	5,129	**4,389,243**	4,807,958	9,857	**4,817,815**
Creditors: amounts falling due after more than one year	(159,673)	-	**(159,673)**	(121,184)	-	**(121,184)**
Provisions for liabilities and charges	(78,588)	-	**(78,588)**	(101,743)	-	**(101,743)**
Pension asset/(liability)	(35,031)	9,387	**(25,644)**	(37,647)	14,862	**(22,785)**
Net assets	4,110,822	14,516	**4,125,338**	4,547,384	24,719	**4,572,103**
Capital and reserves	4,110,822	14,516	**4,125,338**	4,547,384	24,719	**4,572,103**

30. First time adoption of FRS 101 (continued)

	As previously stated 31 December 2014 £000	Effect of transition 31 December 2014 £000	**FRS 101 (as restated) 31 December 2014 £000**
Turnover	494,550	-	**494,550**
Cost of sales	(111,291)	-	**(111,291)**
	383,259	-	**383,259**
Administrative expenses	(1,498,181)	-	**(1,498,181)**
Other operating income	1,202,968	-	**1,202,968**
Operating profit	88,046	-	**88,046**
Other interest receivable and similar income	340,349	(3,850)	**336,499**
Interest payable and similar charges	(42,970)	(518)	**(43,488)**
Tax on profit on ordinary activities	85,949	(4,675)	**81,274**
Profit for the year	471,374	(9,043)	**462,331**

Explanation of changes to previously reported profit and equity:

1 Pension asset/liability - The defined benefit pension schemes operated by the company have been remeasured at both 1 January 2014 and 31 December 2014. This lead to a change in the net pension liability at each point in time. This adjustment also impacted the profit and loss account, resulting in pension interest expense of £518,000 compared to the pension interest income of £3,850,000 previously reported.

2 *Deferred tax on pension asset/liability and share based payments* - As a result of the above adjustment the deferred tax assets associated with the net pension liability and share based payments have been remeasured at both the transition date and 31 December 2014. This lead to a decrease in the deferred tax asset at both points in time, as well as a reduction in the tax credit for 2014.

FRS101 also requires the pension assets to be reflected in debtors due in more than one year, under current assets on the balance sheet, rather than being netted off against the pension liability.

3 IT Software costs with net book value of £191,291,000 at 31 December 2014 have been reclassified from tangible fixed assets to intangible fixed assets, at the date of transition the net book value of these assets was £249,832,000.

31. List of investments

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

Name of Company	Holdings	Proportion held	Nature of Business
Direct shareholdings			
CableTel (UK) Limited	Ordinary	100%	Telecoms
CableTel Herts and Beds Limited	Ordinary	100%	Telecoms
CableTel Northern Ireland Limited	Ordinary	100%	Telecoms
CableTel Surrey and Hampshire Limited	Ordinary	100%	Telecoms
NTL (Triangle) LLC	Common	100%	Holding
ntl Pension Trustees Limited	Ordinary	100%	Telecoms
ntl Rectangle Limited	Ordinary	100%	Holding
ntl South Central Limited	Ordinary	100%	Telecoms
ntl South Wales Limited	Ordinary	100%	Telecoms
ntl Trustees Limited	Ordinary	100%	Telecoms
Smallworld Cable Limited	Ordinary	100%	Telecoms
Tullamore Beta Limited	Ordinary	100%^	Holding
Virgin Media Payments Limited	Ordinary	100%	Collections
Virgin Media Sales Limited	Ordinary	100%	Telecoms
Virgin Media Secretaries Limited	Ordinary	100%	Finance
X-TANT Limited	Ordinary	100%	Telecoms
Indirect shareholdings			
BCMV Leasing Limited	Ordinary	100%	Leasing
BCMV Limited	Ordinary	100%	Telecoms
Cambridge Cable Services Limited	Ordinary	100%	Telecoms
Cambridge Holding Company Limited	Ordinary	100%	Holding
Credit-Track Debt Recovery Limited	Ordinary	100%	Telecoms
Channel 6 Broadcasting Limited	Ordinary	100%^	Telecoms
Kish Media Limited	Ordinary	100%^	
NNS UK Holdings 1 LLC	Common	100%*	Holding
NNS UK Holdings 2, Inc	Common stock	100%*	Holding
North CableComms Holdings, Inc	Common stock	100%*	Holding
North CableComms LLC	Common stock	100%*	Telecoms
North CableComms Management, Inc	Common stock	100%*	Telecoms
ntl (Aylesbury and Chiltern) Limited	Ordinary	100%	Telecoms
ntl (B) Limited	Ordinary	100%	Holding
ntl (Broadland) Limited	Ordinary	100%	Telecoms
ntl (CRUK)	Ordinary	100%	Telecoms

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Name of Company	Holdings	Proportion held	Nature of Business
Indirect shareholdings			
ntl (CWC Holdings)	Ordinary	100%	Holding
ntl (CWC) Corporation Limited	Ordinary	100%	Telecoms
ntl (CWC) Limited	Ordinary	100%	Holding
ntl (Leeds) Limited	Ordinary	100%	Telecoms
ntl (Norwich) Limited	Ordinary	100%	Telecoms
ntl (Peterborough) Limited	Ordinary	100%	Telecoms
ntl (South East) Limited	Ordinary	100%	Telecoms
ntl (South Hertfordshire) Limited	Ordinary	100%	Telecoms
ntl (South London) Limited	Ordinary	100%	Telecoms
ntl (Southampton and Eastleigh) Limited	Ordinary	100%	Telecoms
ntl (V)	Ordinary	100%	Telecoms
ntl (V) Plan Pension Trustees Limited	Ordinary	100%	Telecoms
ntl (YorCan) Limited	Ordinary	100%	Telecoms
ntl (York) Limited	Ordinary	100%	Telecoms
ntl Acquisition Company Limited	Ordinary	100%	Telecoms
ntl Bolton Cablevision Holding Company	Ordinary	100%	Holding
NTL Bromley Company	Common stock	100%*	Telecoms
ntl CableComms Bolton	Ordinary	100%	Telecoms
ntl CableComms Bolton Leasing Limited	Ordinary	100%	Leasing
ntl CableComms Bromley	Ordinary	100%	Telecoms
ntl CableComms Bromley Leasing Limited	Ordinary	100%	Leasing
ntl CableComms Bury and Rochdale	Ordinary	100%	Telecoms
ntl CableComms Cheshire	Ordinary	100%	Telecoms
ntl CableComms Derby	Ordinary	100%	Telecoms
ntl CableComms Derby Leasing Limited	Ordinary	100%	Leasing
ntl CableComms East Lancashire	Ordinary	100%	Telecoms
ntl CableComms Greater Manchester	Ordinary	100%	Telecoms
ntl CableComms Greater Manchester Leasing Limited	Ordinary	100%	Leasing
ntl CableComms Group Limited	Ordinary	100%	Holding
NTL CableComms Group, Inc	Common stock	100%*	Telecoms
ntl CableComms Holdings No 1 Limited	Ordinary	100%	Holding
ntl CableComms Holdings No 2 Limited	Ordinary	100%	Holding
ntl CableComms Limited	Ordinary	100%	Telecoms
ntl CableComms Macclesfield	Ordinary	100%	Telecoms
ntl CableComms Manchester Limited	Ordinary	100%	Telecoms
ntl CableComms Oldham and Tameside	Ordinary	100%	Telecoms
ntl CableComms Solent	Ordinary	100%	Telecoms

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Name of Company	Holdings	Proportion held	Nature of Business
Indirect shareholdings			
ntl CableComms Staffordshire	Ordinary	100%	Telecoms
ntl CableComms Stockport	Ordinary	100%	Telecoms
ntl CableComms Surrey	Ordinary	100%	Telecoms
ntl CableComms Surrey Leasing Limited	Ordinary	100%	Leasing
ntl CableComms Sussex	Ordinary	100%	Telecoms
ntl CableComms Sussex Leasing Limited	Ordinary	100%	Leasing
ntl CableComms Wessex	Ordinary	100%	Telecoms
ntl CableComms Wessex Leasing Limited	Ordinary	100%	Leasing
ntl CableComms Wirral	Ordinary	100%	Telecoms
ntl CableComms Wirral Leasing Limited	Ordinary	100%	Leasing
ntl Cambridge Limited	Ordinary	100%	Telecoms
NTL Chartwell Holdings 2, Inc	Common stock	100%*	Holding
ntl Chartwell Holdings Limited	Ordinary	100%	Holding
NTL Chartwell Holdings, Inc	Common stock	100%*	Holding
ntl Communications Services Limited	Ordinary	100%	Telecoms
ntl Darlington Limited	Ordinary	100%	Telecoms
ntl Derby Cablevision Holding Company	Ordinary	100%	Holding
ntl Fawnspring Limited	Ordinary	100%	Telecoms
ntl Holdings (Broadland) Limited	Ordinary	100%	Holding
ntl Holdings (East London) Limited	Ordinary	100%	Holding
ntl Holdings (Fenland) Limited	Ordinary	100%	Holding
ntl Holdings (Leeds) Limited	Ordinary	100%	Holding
ntl Holdings (Norwich) Limited	Ordinary	100%	Holding
ntl Holdings (Peterborough) Limited	Ordinary	100%	Holding
General Cable Programming Limited	Ordinary	100%	Telecoms
ntl Manchester Cablevision Holding Company	Ordinary	100%	Holding
ntl Microclock Services Limited	Ordinary	100%	Telecoms
NTL North CableComms Holdings, Inc	Common stock	100%*	Holding
NTL North CableComms Management, Inc	Common stock	100%*	Telecoms
ntl Partcheer Company Limited	Ordinary	100%	Telecoms
NTL Programming Subsidiary Company	Common stock	100%*	Telecoms
ntl Sideoffer Limited	Ordinary	89%	Telecoms
NTL Solent Company	Common stock	100%*	Telecoms
ntl Solent Telephone and Cable TV Company Limited	Ordinary	100%	Telecoms
NTL South CableComms Holdings, Inc	Common stock	100%*	Holding
NTL South CableComms Management, Inc	Common stock	100%*	Telecoms
ntl Streetunique Projects Limited	Ordinary	100%	Telecoms

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Name of Company	Holdings	Proportion held	Nature of Business
Indirect shareholdings			
ntl Streetunit Projects Limited	Ordinary	100%	Telecoms
ntl Streetusual Services Limited	Ordinary	100%	Telecoms
ntl Streetvision Services Limited	Ordinary	100%	Telecoms
ntl Streetvital Services Limited	Ordinary	100%	Telecoms
ntl Streetwarm Services Limited	Ordinary	91.09%	Telecoms
ntl Streetwide Services Limited	Ordinary	100%	Telecoms
ntl Strikeagent Trading Limited	Ordinary	100%	Telecoms
ntl Strikeamount Trading Limited	Ordinary	100%	Telecoms
ntl Strikeapart Trading Limited	Ordinary	100%	Telecoms
NTL Surrey Company	Common stock	100%*	Telecoms
NTL Sussex Company	Common stock	100%*	Telecoms
Cable on Demand Limited	Ordinary	100%	Telecoms
NTL UK CableComms Holdings, Inc	Common stock	100%*	Holding
ntl UK Telephone and Cable TV Holding Company Limited	Ordinary	100%	Holding
NTL Wessex Company	Common stock	100%*	Telecoms
ntl Winston Holdings Limited	Ordinary	100%	Holding
NTL Winston Holdings, Inc	Common stock	100%*	Holding
NTL Wirral Company	Common stock	100%*	Telecoms
ntl Wirral Telephone and Cable TV Company	Ordinary	100%	Telecoms
ntl Wirral Telephone and Cable TV Company Leasing Limited	Ordinary	100%	Telecoms
Omne Telecommunications Limited	Ordinary	100%	Telecoms
South CableComms Holdings, Inc	Common stock	100%*	Holding
South CableComms LLC	Common stock	100%*	Telecoms
South CableComms Management, Inc	Common stock	100%*	Telecoms
TV3 Television Network Limited	Ordinary	100%^	Telecoms
TVThree Enterprises Limited	Ordinary	100%^	Telecoms
TVThree Sales Limited	Ordinary	100%^	Telecoms
Winston Investors LLC	Common stock	100%*	Telecoms

\# *registered in Scotland*
* *incorporated in the USA*
\+ *incorporated in Jersey, Channel Islands*
^ *incorporated in Ireland*
L *incorporated in Northern Ireland*
µ *unlimited company*

All companies are registered in England and Wales unless otherwise noted.

During the year, the directors of the following companies submitted applications for voluntary strike off and/or the companies were dissolved.

Name of company	Date of application	Date of dissolution
Indirect shareholdings		
Anglia Cable Communications Limited	19 May 2015	6 October 2015
East Coast Cable Limited	19 May 2015	6 October 2015
ntl (County Durham) Limited	19 May 2015	6 October 2015
ntl (Ealing) Limited	19 May 2015	6 October 2015
ntl (Hampshire) Limited	19 May 2015	6 October 2015
ntl (Harrogate) Limited	19 May 2015	6 October 2015
ntl (Wearside) Limited	19 May 2015	6 October 2015
ntl (West London) Limited	19 May 2015	6 October 2015
CCL Corporate Communication Services Limited	3 August 2015	29 December 2015
ntl (Kent) Limited	3 August 2015	29 December 2015
Virgin Media Directors Limited	3 August 2015	29 December 2015
Cambridge Cable Services Limited	9 September 2015	2 February 2016
ntl Holdings (Fenland) Limited	9 September 2015	2 February 2016
Credit-Track Debt Recovery Limited	3 August 2015	Pending
ntl (CWC Holdings)	3 August 2015	Pending
ntl (Peterborough) Limited	3 August 2015	Pending
ntl (V) Plan Pension Trustees Limited	3 August 2015	Pending
ntl Darlington Limited	3 August 2015	Pending
ntl Holdings (Peterborough) Limited	3 August 2015	Pending
Virgin Media Sales Limited	3 August 2015	Pending
ntl Holdings (East London) Limited	9 September 2015	Pending
ntl (Leeds) Limited	2 October 2015	Pending
ntl (Norwich) Limited	2 October 2015	Pending
ntl Acquisition Company Limited	2 October 2015	Pending
ntl Fawnspring Limited	2 October 2015	Pending
ntl (Southampton and Eastleigh) Limited	5 November 2015	Pending
ntl Holdings (Norwich) Limited	5 November 2015	Pending