

Registered number: 03709840

NTL CABLECOMMS HOLDINGS NO. 2 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017



NTL CABLECOMMS HOLDINGS NO. 2 LIMITED

COMPANY INFORMATION

Directors	R D Dunn M O Hifzi
Company secretary	G E James
Registered number	03709840
Registered office	Bartley Wood Business Park Hook Hampshire RG27 9UP

NTL CABLECOMMS HOLDINGS NO. 2 LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Profit and loss account and statement of other comprehensive income	5
Balance sheet	6
Statement of changes in equity	7
Notes to the financial statements	8 - 20

NTL CABLECOMMS HOLDINGS NO. 2 LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

Principal activities and business review

On 1 July 2017, the company acquired the trade and assets of ntl CableComms Solent. The company has accounted for the acquisition of trade and assets as a common control transfer at carry-over basis. Accordingly, the financial statements and related notes for the years ended 31 December 2017 and 31 December 2016 have been adjusted to give retrospective effect to these transactions accounted for under common control. Further detail is included in note 4.

Following the acquisition of the trade and assets of the companies above the principal activity of the company was, and will continue to be, the provision of video, fixed-line telephony, broadband internet and other telecommunication services as well as running some of the telecommunication services over which they are provided.

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

The Virgin Media Inc. consolidated group (the group) operates under the Virgin Media brand in the United Kingdom (UK) and Republic of Ireland (Ireland).

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

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

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

At 31 December 2017, the group provided services to approximately 5.9 million residential cable customers on its network. The group is also one of the largest MVNO by number of customers, providing mobile telephony services to 2.5 million contract mobile customers and 0.5 million prepay mobile customers over third party networks. At 31 December 2017, 82% of residential customers on the group's cable network received multiple services and 62% were "triple-play" customers, receiving broadband internet, video and fixed-line telephony services from the group.

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

The company has not received any dividends from its subsidiaries during the year (2016 - £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 and are available at Liberty Global's website at www.libertyglobal.com.

NTL CABLECOMMS HOLDINGS NO. 2 LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

Key performance indicators (KPIs)

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

	2017 £000	Restated 2016 £000	Commentary
Turnover	64,019	62,749	Turnover has increased by 2.0%, primarily due to an increase in the number of video and broadband internet subscribers and selective price increases, offset by a decrease in the number of telephony subscribers.
Operating profit before exceptional items	13,292	14,216	Operating profit before exceptional items has decreased by 6.5%, primarily due to an increase in administrative expenses, partially offset by turnover.

Selected statistics for residential cable customers served by the company at 31 December 2017 and 31 December 2016 are shown in the table below:

	2017 £000	Restated 2016 £000
Products:		
Video	71,400	71,300
Fixed-line telephony	81,300	81,900
Broadband internet	90,000	88,900
Total	242,700	242,100

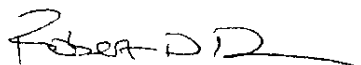
Each video, fixed-line telephone and broadband internet subscriber directly connected to the company's network counts as one product. Accordingly, a subscriber who receives both telephone and video services counts as two products. Products may include subscribers receiving some services for free or at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

The company reported a decrease in net current assets and net assets for the year ended 31 December 2017 as a result of normal operations and the impact of a decrease in loans receivable. During the year, no new external finance was arranged and there was no movement in the called up equity share capital of the company. Operations were financed through the company's inter-company balances with fellow group undertakings.

Future outlook

The directors will continue to review management policies in light of changing trading and market conditions. Further detail of the future outlook of the group, including consideration of the impact of the UK referendum in June 2016 and the withdrawal from the European Union, is provided in Virgin Media Inc's financial statements and annual report for 2017, which are available from the company secretary at Virgin Media, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

This report was approved by the board on 25 September 2018 and signed on its behalf.



R D Dunn
Director

NTL CABLECOMMS HOLDINGS NO. 2 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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

Results and dividends

The loss for the year, after tax, amounted to £30,314,000 (2016 - profit £9,334,000)

The directors have not recommended an ordinary dividend (2016 - £nil)

Directors

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

R D Dunn
M O Hifzi

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

Going concern

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

Audit exemption

Virgin Media Finance PLC issued a guarantee against all outstanding liabilities to which the company is subject as at 31 December 2017, until they are satisfied in full. The guarantee is enforceable against Virgin Media Finance PLC by any person to whom the company is liable in respect of those liabilities. Since Virgin Media Finance PLC is the smallest group to which the company's accounts are consolidated, the company has taken advantage of the exemption from audit of its individual accounts for the year ended 31 December 2017 by virtue of section 479A of the Companies Act 2006.

Post balance sheet events

Subsequent to the year end, the company acquired the trade and assets of ntl CableComms Wessex, ntl CableComms Sussex, ntl CableComms Bromley and ntl CableComms Surrey.

This report was approved by the board on 25 September 2018 and signed on its behalf


M O Hifzi
Director

NTL CABLECOMMS HOLDINGS NO. 2 LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

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 they have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Under company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

NTL CABLECOMMS HOLDINGS NO. 2 LIMITED

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

	Note	2017 £000	Restated 2016 £000
Turnover		64,019	62,749
Cost of sales		(16,322)	(16,067)
Gross profit		47,697	46,682
Administrative expenses		(33,096)	(31,355)
Exceptional administrative (expenses)/income		(61,248)	139
Other operating charges		(1,369)	(1,179)
Operating (loss)/profit	5	(48,016)	14,287
Other interest receivable and similar income	7	22,170	688
Interest payable and similar expenses	8	(2,339)	(2,863)
(Loss)/profit before tax		(28,185)	12,112
Tax on (loss)/profit	9	(2,129)	(2,778)
(Loss)/profit for the year		(30,314)	9,334

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

All results were derived from continuing operations.

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

NTL CABLECOMMS HOLDINGS NO. 2 LIMITED
REGISTERED NUMBER: 03709840

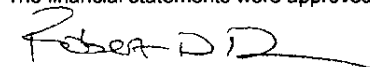
BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £000	Restated 2016 £000
Fixed assets			
Intangible assets	10	656	-
Tangible assets	11	42,746	36,129
Investments	12	20,143	57,006
		<u>63,545</u>	<u>93,135</u>
Current assets			
Debtors due after one year	13	10,249	12,378
Debtors due within one year	13	555,922	789,239
		<u>566,171</u>	<u>801,617</u>
Creditors: amounts falling due within one year	14	(27,726)	(26,804)
Net current assets		<u>538,445</u>	<u>774,813</u>
Net assets		<u>601,990</u>	<u>867,948</u>
Capital and reserves			
Share capital	16	6	6
Share premium account	17	567,636	567,636
Capital contribution reserve	17	3,431	3,431
Profit and loss account	17	30,917	296,875
Shareholder's funds		<u>601,990</u>	<u>867,948</u>

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

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

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



R D Dunn
Director

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

NTL CABLECOMMS HOLDINGS NO. 2 LIMITED

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

	Share capital	Share premium account	Capital contribution reserve	Profit and loss account	Shareholder's funds
	£000	£000	£000	£000	£000
At 1 January 2017 (restated)	6	567,636	3,431	296,875	867,948
Comprehensive income for the year					
Loss for the year	-	-	-	(30,314)	(30,314)
Total comprehensive income for the year	-	-	-	(30,314)	(30,314)
Common control acquisition	-	-	-	(235,644)	(235,644)
At 31 December 2017	6	567,636	3,431	30,917	601,990

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

	Share capital	Share premium account	Capital contribution reserve	Profit and loss account	Shareholder's funds
	£000	£000	£000	£000	£000
At 1 January 2016 (restated)	1	-	-	287,541	287,542
Comprehensive income for the year					
Profit for the year	-	-	-	9,334	9,334
Total comprehensive income for the year	-	-	-	9,334	9,334
Shares issued during the year	5	567,636	-	-	567,641
Capital contribution	-	-	3,431	-	3,431
At 31 December 2016 (restated)	6	567,636	3,431	296,875	867,948

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

Details of the common control acquisitions are set out in note 4.

NTL CABLECOMMS HOLDINGS NO. 2 LIMITED

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

1. Company information

ntl CableComms Holdings No 2 Limited (the "company") is a private company incorporated, domiciled and registered in the UK. The registered number is 03709840 and the registered office is Bartley Wood Business Park, Hook, Hampshire, RG27 9UP

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

2. Accounting policies

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

2.1 Basis of accounting

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

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

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

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

- a cash flow statement and related notes;
- comparative period reconciliations for share capital, tangible fixed assets and intangible fixed assets;
- disclosures in respect of related party transactions with fellow group undertakings;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of the compensation of key management personnel; and
- disclosures of transactions with a management entity that provides key management personnel services to the company.

2.2 Business combinations under common control

Business combinations between entities that are under common control are accounted for at book value. The assets and liabilities acquired or transferred are recognised or derecognised at the carrying amounts previously recognised in the acquired entities' financial statements. Any gain or loss arising is recognised directly in reserves. Where a company is acquired, the components of capital and reserves of the acquired entity are added to the same components within the company's capital and reserves. Prior period information is retrospectively revised to give effect to transactions accounted for under common control.

2.3 Turnover

Turnover represents the value of services provided, stated net of value added tax and discounts, and is attributable to continuing activities, being the provision of video, fixed-line telephony, broadband internet and other telecommunication services and to run certain telecommunication systems over which they are provided. All turnover is derived from operations in the United Kingdom and is recognised as the services are provided to customers. The directors consider this to be a single class of business.

NTL CABLECOMMS HOLDINGS NO. 2 LIMITED

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

2. Accounting policies (continued)

2.4 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.

2.5 Tangible fixed assets

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

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

No depreciation is provided on freehold land.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

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

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

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

2.6 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.

2.7 Deferred tax

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

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

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

NTL CABLECOMMS HOLDINGS NO. 2 LIMITED

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

2. Accounting policies (continued)

Deferred tax (continued)

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

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

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

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

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

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

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

2.8 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.

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 asset's useful economic life has a significant effect on the annual depreciation charge.

Deferred tax assets

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

Recoverability of intercompany debtors

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

NTL CABLECOMMS HOLDINGS NO. 2 LIMITED

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

4. Common control transfer and acquisition

On 1 July 2017, the company acquired the trade and assets of ntl CableComms Solent. The company has accounted for the acquisitions of trade and assets as a common control transfer at carry-over basis. The total consideration paid was £235,644,000 for the trade and assets with a book value of £88,599,000. Accordingly, the financial statements and related notes for the years ended 31 December 2017 and 31 December 2016 have been adjusted to give retrospective effect to a transaction accounted for under common control

The following tables set out the retrospective effects of the common control transfer on the company's 31 December 2016 balance sheet and profit and loss account:

	As previously stated 31 December 2016 £000	Common control adjustments £000	As restated 31 December 2016 £000
Fixed assets	57,006	36,129	93,135
Current assets	524,052	277,565	801,617
Creditors: amounts falling due within one year	(26,804)	-	(26,804)
Net current assets	497,248	277,565	774,813
Net assets	554,254	313,694	867,948
Capital and reserves	554,254	313,694	867,948

	As previously stated 31 December 2016 £000	Common control adjustments £000	As restated 31 December 2016 £000
Turnover	-	62,749	62,749
Cost of sales	-	(16,067)	(16,067)
Gross profit	-	46,682	46,682
Administrative expenses	-	(32,466)	(32,466)
Exceptional administrative income	-	71	71
Operating profit	-	14,287	14,287
Other interest receivable and similar income	688	-	688
Interest payable and similar expenses	(34)	(2,829)	(2,863)
Profit before tax	654	11,458	12,112
Tax on profit	-	(2,778)	(2,778)
Profit for the year	654	8,680	9,334

NTL CABLECOMMS HOLDINGS NO. 2 LIMITED

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

5. Operating (loss)/profit

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

	2017 £000	Restated 2016 £000
Gain on disposal of fixed assets	40	-
(Charge)/release of intercompany debtor impairment provision	(24,425)	139
Provision for impairment of investment	(36,863)	-
Exceptional administrative (expenses)/Income	(61,248)	139
Depreciation of tangible fixed assets	(8,144)	(7,400)
Amortisation of intangible assets	(143)	-

Recoverability of inter-company debtors is assessed annually. Based on the impairment review of inter-company indebtedness as at 31 December 2017, and a wider group restructure, the directors concluded on a increase in provision against amounts due from group undertakings totalling £24,425,000 (2016 - release of £139,000).

The carrying value of investments are assessed annually. Based on these reviews, and following a wider group restructure, the directors concluded on a provision for impairment of £36,863,000 (2016 - £nil).

The directors received no remuneration for qualifying services as directors of this company. All directors' remuneration is paid by and disclosed in the financial statements of Virgin Media Limited.

Certain expenses are specifically attributable to the company. Where costs are incurred by other group companies on behalf of the company, expenses are allocated to the company on a basis that, in the opinion of the directors, is reasonable.

6. 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.

7. Other interest receivable and similar income

	2017 £000	Restated 2016 £000
Interest on amounts owed by group undertakings	22,165	688
Other interest receivable	5	-
	22,170	688

NTL CABLECOMMS HOLDINGS NO. 2 LIMITED

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

8. Interest payable and similar expenses

	2017 £000	Restated 2016 £000
Interest on amounts owed to group undertakings	1,363	1,951
Other finance charges	976	912
	<u>2,339</u>	<u>2,863</u>

9. Tax on (loss)/profit

	2017 £000	Restated 2016 £000
Current tax		
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	2,129	2,778
Total deferred tax	<u>2,129</u>	<u>2,778</u>
Tax on (loss)/profit	<u>2,129</u>	<u>2,778</u>

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

	2017 £000	Restated 2016 £000
(Loss)/profit before tax	<u>(28,185)</u>	<u>12,112</u>
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%)	(5,426)	2,422
Effects of:		
Expenses not deductible for tax purposes	11,808	14
Prior period adjustments	(18)	23
Income not taxable for tax purposes	-	(26)
Group relief surrendered without payment	(3,953)	(131)
Net effect of tax rate change on deferred tax assets	(282)	476
Total tax charge for the year	<u>2,129</u>	<u>2,778</u>

NTL CABLECOMMS HOLDINGS NO. 2 LIMITED

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

9. Tax on (loss)/profit (continued)

Factors affecting current and future tax charges

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

10. Intangible assets

	IT Software £000
Cost	
At 1 January 2017 (restated)	-
Additions	349
Transfers	505
At 31 December 2017	854
Amortisation	
At 1 January 2017 (restated)	-
Charge for the year	142
Transfers	56
At 31 December 2017	198
Net book value	
At 31 December 2017	656
At 31 December 2016	-

NTL CABLECOMMS HOLDINGS NO. 2 LIMITED

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

11. Tangible assets

	Network assets £000	Other £000	Total £000
Cost			
At 1 January 2017 (restated)	190,765	5,664	196,429
Additions	14,905	350	15,255
Transfers	-	(1,145)	(1,145)
Disposals	(1,897)	(2,805)	(4,702)
At 31 December 2017	203,773	2,064	205,837
Depreciation			
At 1 January 2017 (restated)	156,621	3,679	160,300
Charge for the year	7,572	572	8,144
Transfers	-	(651)	(651)
Disposals	(1,897)	(2,805)	(4,702)
At 31 December 2017	162,296	795	163,091
Net book value			
At 31 December 2017	41,477	1,269	42,746
At 31 December 2016 (restated)	34,144	1,985	36,129

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

	2017 £000	Restated 2016 £000
Freehold property	-	147

NTL CABLECOMMS HOLDINGS NO. 2 LIMITED

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

12. Investments

	Investments in subsidiary undertakings £000
Cost	
At 1 January 2017 (restated)	57,006
At 31 December 2017	57,006
Amounts impaired	
At 1 January 2017 (restated)	-
Provision for impairment	36,863
At 31 December 2017	36,863
Net book value	
At 31 December 2017	20,143
At 31 December 2016	57,006

NTL CABLECOMMS HOLDINGS NO. 2 LIMITED

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

12. Investments (continued)

Subsidiary undertakings

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

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

Name of company		Holdings	Proportion held	Nature of business
Direct shareholdings				
ntl CableComms Bromley	Γ	Ordinary	100%	Telecoms
ntl CableComms Solent		Ordinary	100%	Telecoms
ntl CableComms Surrey		Ordinary	100%	Telecoms
ntl CableComms Sussex	Γ	Ordinary	100%	Telecoms
ntl CableComms Wessex	Γ	Ordinary	100%	Telecoms
Indirect shareholdings				
ntl CableComms Bromley Leasing Limited	Φ	Ordinary	100%	Leasing
ntl CableComms Surrey Leasing Limited	Φ	Ordinary	100%	Leasing
ntl CableComms Sussex Leasing Limited	Φ	Ordinary	100%	Leasing
ntl CableComms Wessex Leasing Limited	Φ	Ordinary	100%	Leasing

All companies are registered at Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

Φ Application made for strike off subsequent to the year end

Γ Placed in Members Voluntary Liquidation subsequent to the year end

NTL CABLECOMMS HOLDINGS NO. 2 LIMITED

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

13. Debtors

	2017 £000	Restated 2016 £000
Due after more than one year		
Deferred tax asset (note 15)	10,249	12,378

	2017 £000	Restated 2016 £000
Due within one year		
Amounts owed by group undertakings	555,922	789,239

The analysis of amounts owed by group undertakings is:

	2017 £000	Restated 2016 £000
Loans owed by group undertakings	599,393	808,285
Impairment provision on amounts owed by group undertakings	(43,471)	(19,046)
	555,922	789,239

Amounts owed by group undertakings are unsecured and repayable on demand

14. Creditors: amounts falling due within one year

	2017 £000	Restated 2016 £000
Amounts owed to group undertakings	27,726	26,804

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

NTL CABLECOMMS HOLDINGS NO. 2 LIMITED

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

15. Deferred tax

	2017 £000	Restated 2016 £000
At 1 January	12,378	15,156
Charged to the profit and loss account	(2,129)	(2,778)
At 31 December	10,249	12,378

The deferred tax asset is made up as follows:

	2017 £000	Restated 2016 £000
Depreciation in excess of capital allowances	10,249	12,378

16. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
5,570 Ordinary shares of £1 each	5,570	5,570

On 15 December 2016, the company issued 4,570 ordinary shares with a nominal value of £1 for consideration of £567,641,000.

17. Reserves

Share premium account

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

Capital contribution reserve

Other distributable reserves relate to capital contributions from parent undertakings.

Profit and loss account

Includes all current and prior year retained profits and losses

NTL CABLECOMMS HOLDINGS NO. 2 LIMITED

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

18. Guarantees

The company, along with fellow group undertakings, is party to a senior secured credit facility with a syndicate of banks. As at 31 December 2017, this comprised term facilities that amounted to £3,410 million (2016 - £3,595 million) and an outstanding balance of £nil (2016 - £nil) which was borrowed under a revolving facility of £675 million (2016 - £675 million). Borrowings under the facilities are secured against the assets of certain members of the group 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 2017 amounted to £4,870 million (2016 - £5,024 million). Borrowings under the notes are secured against the assets of certain members of the group including those of this company.

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

19. Parent undertaking and controlling party

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

The smallest and largest groups of which the company is a member and in to which the company's accounts were consolidated at 31 December 2017 are Virgin Media Finance PLC and Liberty Global plc, respectively

The company's ultimate parent undertaking and controlling party at 31 December 2017 was Liberty Global plc.

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

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