

Registered number: 04329656

NTL RECTANGLE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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NTL RECTANGLE LIMITED

COMPANY INFORMATION

Directors	M O Hifzi R G McNeil S-P Pascu C B E Withers
Company secretary	G E James
Registered number	04329656
Registered office	500 Brook Drive Reading United Kingdom RG2 6UU

NTL RECTANGLE LIMITED

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NTL RECTANGLE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and non-audited financial statements of the company for the year ended 31 December 2019.

Results and dividends

The loss for the year, after tax, amounted to £151,457,000 (2018 - profit £140,228,000).

On 1 July 2019, the company paid a dividend of £1,307,979,000 (2018 - £nil).

Directors

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

W T Castell (appointed 9 September 2019, resigned 9 March 2020)
R D Dunn (resigned 9 September 2019)
M O Hifzi
R G McNeil (appointed 9 March 2020)
S-P Pascu (appointed 3 March 2020)
C B E Withers (appointed 23 April 2020)

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. Consideration of the potential impact of COVID-19 has not altered this conclusion.

Audit exemption

Virgin Media Finance PLC issued a guarantee against all outstanding liabilities to which the company is subject as at 31 December 2019 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 2019 by virtue of section 479A of the Companies Act 2006.

Post balance sheet events

COVID-19

In March 2020, the World Health Organization declared the recent outbreak of a novel strain of coronavirus (COVID-19) to be a global pandemic. In response to the COVID-19 pandemic, emergency measures have been imposed by governments worldwide, including travel restrictions, restrictions on social activity and the shutdown of non-essential businesses.

These measures have adversely impacted the global economy, disrupted global supply chains and created significant volatility and disruption of financial markets. While it is not currently possible to estimate the duration and severity of the COVID-19 pandemic or the adverse economic impact resulting from the preventative measures taken to contain or mitigate its outbreak, an extended period of global economic disruption could have a material adverse impact on our business, financial condition and results of operations in future periods.

Pending joint venture transaction

On 7 May 2020, Liberty Global entered into a Contribution Agreement with, among others, Telefonica SA (Telefonica). Pursuant to this agreement, Liberty Global and Telefonica agreed to form a 50/50 joint venture, which will combine Virgin Media's operations in the UK with Telefonica's mobile business in the UK to create a nationwide integrated communications provider.

The completion of this transaction is subject to certain conditions, including competition clearance by the applicable regulatory authorities. It is anticipated that the transaction will close around the middle of 2021. The Contribution Agreement also includes customary termination rights, including a right of the parties to terminate the agreement if the transaction has not closed within twenty-four months following the date of the agreement, which may be extended by six months under certain circumstances.

NTL RECTANGLE LIMITED

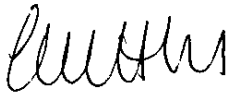
**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Small companies provisions

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

This report was approved by the board on

September 2020 and signed on its behalf



C B E Withers
Director

NTL RECTANGLE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent,
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 RECTANGLE LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
Exceptional administrative expenses		(512,354)	-
Operating loss	4	(512,354)	-
Income from shares in group undertakings	6	331,898	115 905
Other interest receivable and similar income	7	28,999	54 883
Interest payable and similar expenses	8	-	(30,560)
(Loss)/profit before tax		(151,457)	140 228
Tax on (loss)/profit	9	-	-
(Loss)/profit for the year		(151,457)	140 228

The notes on pages 7 to 15 form part of these financial statements

There was no other comprehensive income or expenditure for 2019 or 2018 other than that included in the profit and loss account

All results were derived from continuing operations

NTL RECTANGLE LIMITED
REGISTERED NUMBER: 04329656

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Investments in subsidiaries	10	204,806	512 354
Current assets			
Debtors due within one year	11	-	1 152 048
		-	1 152 048
Creditors: amounts falling due within one year	12	-	(158)
Net current assets		-	1 151 890
Net assets		204,806	1 664 244
Capital and reserves			
Share capital	13	-	1
Share premium account	14	-	380 305
Capital contribution reserve	14	-	132 049
Retained earnings	14	204,806	1 151 889
Total shareholders' funds		204,806	1 664 244

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

The directors acknowledge their responsibility for complying with requirements of the Act with respect to accounting records and for the preparation of accounts

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on September 2020



R G McNeil
Director

The notes on pages 7 to 15 form part of these financial statements

NTL RECTANGLE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Share capital	Share premium account	Capital contribution reserve	Retained earnings	Shareholders' funds
	£000	£000	£000	£000	£000
At 1 January 2019	1	380,305	132,049	1,151,889	1,664,244
Comprehensive income for the year					
Loss for the year	-	-	-	(151,457)	(151,457)
Shares issued	-	-	132,049	-	132,049
Shares transferred	-	132,049	(132,049)	-	-
Capital reduction	(1)	(512,354)	(132,049)	(795,626)	(1,440,030)
At 31 December 2019	-	-	-	204,806	204,806

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Share capital	Share premium account	Capital contribution reserve	Retained earnings	Shareholders' funds
	£000	£000	£000	£000	£000
At 1 January 2018	1	380,305	132,049	1,011,661	1,524,016
Comprehensive income for the year					
Profit for the year	-	-	-	140,228	140,228
At 31 December 2018	1	380,305	132,049	1,151,889	1,664,244

The notes on pages 7 to 15 form part of these financial statements

NTL RECTANGLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Company information

Ntl Rectangle Limited (the 'company') is a private company incorporated, domiciled and registered in the UK. The registered number is 04329656 and the registered address is 500 Brook Drive, Reading, United Kingdom, RG2 6UU.

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').

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 intermediate 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 500 Brook Drive, Reading, United Kingdom, RG2 6UU.

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;
- 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 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.

NTL RECTANGLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been approved on the assumption that the company remains a going concern. The following paragraphs summarise the basis on which the directors have reached their conclusion.

It is Virgin Media's practice for operational and financial management to be undertaken at a group level rather than for individual entities that are wholly owned by the group. Treasury operations and cash management for all of Liberty Global's wholly owned subsidiaries are managed on a Liberty Global group basis. As part of normal business practice, regular cash flow forecasts for both short and long term commitments are undertaken at group level.

Forecasts and projections prepared for the Virgin Media group as a whole, indicate that cash on hand, together with cash from operations, repayment of amounts due to Virgin Media from the Liberty Global group and undrawn revolving credit facilities, are expected to be sufficient for the Virgin Media group's and hence the company's cash requirements through to at least 12 months from the approval of these financial statements. The group has indicated its intention to continue to make such funds available to the company as are needed.

Whilst the detailed cash flow forecasts are prepared at the group level, the directors have also assessed the position of the company. This assessment indicates that, taking account of reasonably possible downsides, the company will have sufficient resources, through funding from fellow subsidiary companies to meet its liabilities as they fall due for that period.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and have prepared the financial statements on a going concern basis. Consideration of the potential impact of COVID-19 has not altered this conclusion.

2.4 Trade and other debtors

Trade and other debtors are stated at their recoverable amount. Provision is made when the amount receivable is not considered recoverable and the amount is fully written off when the probability for recovery of a balance is assessed as being remote.

NTL RECTANGLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.5 Deferred tax

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

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

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

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

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

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

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

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

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

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

2.6 Dividends

Income is recognised when the company's right to receive payment is established.

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.

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 RECTANGLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Operating loss

The operating loss is stated after charging

	2019 £000	2018 £000
Provision for impairment of investment	512,354	-

The exceptional administrative items are made up as follows

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 £512,354,000 (2018 - £nil)

The directors received no remuneration for the qualifying services as directors of this company. All directors' remuneration for those which were in office during 2019 and 2018 was paid by and disclosed in the financial statements of Virgin Media Limited

5. Staff costs

The company does not have any directly employed staff and is not charged an allocation of staff costs by the group

6. Income from shares in group undertakings

	2019 £000	2018 £000
Dividends received	331,898	115,905

On 27 March 2019 the company received dividends of £204,806,000 from ntl (CWC) Limited (2018 - £115,905,000)
On 17 May 2019 the company received dividends of £127,092,000 from ntl Cablecomms Group Limited (2018 - £nil)

7. Other interest receivable and similar income

	2019 £000	2018 £000
Interest on amounts owed by group undertakings	28,999	54,883

8. Interest payable and similar expenses

	2019 £000	2018 £000
Interest on amounts owed to group undertakings	-	30,560

NTL RECTANGLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Tax on (loss)/profit

	2019 £000	2018 £000
Current tax		
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Tax on (loss)/profit	-	-

The tax assessed for the year is higher than (2018 - lower than) the standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%). The differences are explained below

	2019 £000	2018 £000
(Loss)/profit before tax	(151,457)	140,228
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	(28,777)	26,643
Effects of		
Expenses not deductible for tax purposes	97,347	-
Non-taxable income	(63,060)	(22,022)
Group relief claimed without payment	(5,510)	(4,821)
Total tax charge for the year	-	-

Factors affecting current and future tax charges

Deferred tax assets in respect of capital losses of £12,023,967,000 (2018 - £12,023,967,000) have not been recognised as there is currently no persuasive evidence that there will be suitable taxable profits against which these timing differences will reverse.

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. In the 11 March 2020 Budget it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020. This will have a consequential effect on the company's future tax charge.

NTL RECTANGLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

10. Investments in subsidiaries

	Investments in subsidiaries £000
Cost	
At 1 January 2019	512,354
Additions	204,806
At 31 December 2019	717,160
Impairment	
At 1 January 2019	-
Charge for the period	(512,354)
At 31 December 2019	(512,354)
Net book value	
At 31 December 2019	204,806
At 31 December 2018	512,354

Subsidiary undertakings

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 shown in note 1.7.

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.

NTL RECTANGLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Debtors due within one year

	2019 £000	2018 £000
Amounts owed by group undertakings	-	1 152 048

The analysis of amounts owed by group undertakings is

	2019 £000	2018 £000
Loans advanced by group undertakings	-	1 128 234
Other amounts owed by group undertakings	-	23 814
	-	1 152 048

Amounts owed by group undertakings are unsecured and repayable on demand

12. Creditors: amounts falling due within one year

	2019 £000	2018 £000
Amounts owed to group undertakings	-	158

Amounts owed to group undertakings are unsecured and repayable on demand

13. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1 (2018 - 1 001) Ordinary share of £1	1	1 001

During the year the company issued 2 shares at a premium of £132,049,000 and subsequently reduced its share capital to 1 ordinary share of £1

NTL RECTANGLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

14. Reserves

Share premium account

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

During the year the company issued 2 ordinary shares at a premium of £132,049,000. It subsequently cancelled its share premium of £512,354,000 and transferred the amount to the profit and loss account.

Capital contribution reserve

During the year the company issued 2 ordinary shares at a premium of £132,049,000 and transferred the capital contribution reserve into the share premium account.

Retained earnings

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

15. Guarantees

Fellow group undertakings are party to a senior secured credit facility with a syndicate of banks. As at 31 December 2019, this comprised term facilities that amounted to £4,015 million (2018 - £3,564 million) and an outstanding balance of £nil (2018 - £nil) which was borrowed under revolving facilities of £1,000 million (2018 - £675 million). Borrowings under the facilities are secured against the assets of certain members of the group.

In addition, a fellow group undertaking has issued senior secured notes which, subject to certain exceptions, share the same guarantees and security which have been granted in favour of the senior secured credit facility. The amount outstanding under the senior secured notes at 31 December 2019 amounted to £4,491 million (2018 - £4,938 million). Borrowings under the notes are secured against the assets of certain members of the group.

Furthermore, a fellow group undertaking has issued senior notes for which certain fellow group undertakings have guaranteed the notes on a senior subordinated basis. The amount outstanding under the senior notes as at 31 December 2019 amounted to approximately £1,194 million (2018 - £1,570 million).

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

16. Parent undertaking and controlling party

The company's immediate parent undertaking was Virgin Media Senior 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 2019 are Virgin Media Finance PLC and Liberty Global plc, respectively.

The company's ultimate parent undertaking and controlling party at 31 December 2019 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, 500 Brook Drive, Reading, United Kingdom, RG2 6UU.

In addition, copies of the consolidated Liberty Global plc accounts are available on Liberty Global's website at www.libertyglobal.com or from the company secretary, Liberty Global plc, Griffin House, 161 Hammersmith Road, London, United Kingdom, W6 8BS.

NTL RECTANGLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

17. 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			
ntl (B) Limited	Ordinary	100%	Holding
ntl CableComms Group Limited	Ordinary	100%	Holding
Indirect shareholdings			
ntl (Broadland) Limited	Ordinary	100%	Dormant
ntl (CWC) Corporation Limited	Ordinary	100%	Dormant
ntl (South East) Limited	Ordinary	100%	Dormant
ntl (V)	Ordinary	100%	Dormant
VM Ireland Group Limited	Ordinary	100%	Holding

All companies are registered at 500 Brook Drive, Reading, United Kingdom, RG2 6UU

18. Post balance sheet events

COVID-19

In March 2020, the World Health Organization declared the recent outbreak of a novel strain of coronavirus (COVID-19) to be a global pandemic. In response to the COVID-19 pandemic, emergency measures have been imposed by governments worldwide, including travel restrictions, restrictions on social activity and the shutdown of non-essential businesses.

These measures have adversely impacted the global economy, disrupted global supply chains and created significant volatility and disruption of financial markets. While it is not currently possible to estimate the duration and severity of the COVID-19 pandemic or the adverse economic impact resulting from the preventative measures taken to contain or mitigate its outbreak, an extended period of global economic disruption could have a material adverse impact on our business, financial condition and results of operations in future periods.

Pending joint venture transaction

On 7 May 2020, Liberty Global entered into a Contribution Agreement with, among others, Telefonica SA (Telefonica). Pursuant to this agreement, Liberty Global and Telefonica agreed to form a 50/50 joint venture, which will combine Virgin Media's operations in the UK with Telefonica's mobile business in the UK to create a nationwide integrated communications provider.

The completion of this transaction is subject to certain conditions, including competition clearance by the applicable regulatory authorities. It is anticipated that the transaction will close around the middle of 2021. The Contribution Agreement also includes customary termination rights, including a right of the parties to terminate the agreement if the transaction has not closed within twenty-four months following the date of the agreement, which may be extended by six months under certain circumstances.