

Registered number: 04329656

NTL RECTANGLE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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NTL RECTANGLE LIMITED

COMPANY INFORMATION

Directors	R D Dunn M O Hifzi
Company secretary	G E James
Registered number	04329656
Registered office	Bartley Wood Business Park Hook Hampshire RG27 9UP

NTL RECTANGLE LIMITED

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NTL RECTANGLE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Results and dividends

The profit for the year, after tax, amounted to £140,228,000 (2017 - £681,787,000).

The directors have not recommended an ordinary dividend (2017 - £nil).

Directors

The directors who served 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 2018, 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 2018 by virtue of section 479A of the Companies Act 2006.

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 27th June 2019 and signed on its behalf.

M. O. Hifzi



M O Hifzi
Director

NTL RECTANGLE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

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 AND STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £000	2017 £000
Exceptional administrative income		-	678,814
Operating profit	4	-	678,814
Income from shares in group undertakings	6	115,905	-
Other interest receivable and similar income	7	54,883	63,614
Interest payable and similar expenses	8	(30,560)	(60,641)
Profit before tax		140,228	681,787
Tax on profit	9	-	-
Profit for the year		140,228	681,787

The notes on pages 6 to 13 form part of these financial statements.

There was no other comprehensive income or expenditure for 2018 or 2017 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 2018

	Note	2018 £000	2017 £000
Fixed assets			
Investments	10	512,354	512,354
Current assets			
Debtors due within one year	11	1,152,048	2,314,673
		1,152,048	2,314,673
Creditors: amounts falling due within one year	12	(158)	(1,303,011)
Net current assets		1,151,890	1,011,662
Net assets		1,664,244	1,524,016
Capital and reserves			
Share capital	13	1	1
Share premium account	14	380,305	380,305
Capital contribution reserve	14	132,049	132,049
Profit and loss account	14	1,151,889	1,011,661
Shareholder's funds		1,664,244	1,524,016

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 27th June 2019.



R D Dunn
Director

The notes on pages 6 to 13 form part of these financial statements.

NTL RECTANGLE LIMITED

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

	Share capital	Share premium account	Capital contribution reserve	Profit and loss account	Shareholder's 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
Total comprehensive income for the year	-	-	-	140,228	140,228
At 31 December 2018	1	380,305	132,049	1,151,889	1,664,244

**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	1	380,305	132,049	329,874	842,229
Comprehensive income for the year					
Profit for the year	-	-	-	681,787	681,787
Total comprehensive income for the year	-	-	-	681,787	681,787
At 31 December 2017	1	380,305	132,049	1,011,661	1,524,016

The notes on pages 6 to 13 form part of these financial statements.

NTL RECTANGLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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 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").

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 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;
- 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.

2.3 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 2018

2. Accounting policies (continued)

2.4 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.

2.5 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 2018

4. Operating profit

The operating profit is stated after crediting:

	2018 £000	2017 £000
Release of intercompany debtor impairment provision	-	678,814

Recoverability of inter-company debtors is assessed annually. Based on the impairment review of inter-company indebtedness as at 31 December 2018, and a wider group restructure, the directors concluded on a release of provision against amounts due from group undertakings totalling £nil (2017 - £678,814,000).

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.

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

	2018 £000	2017 £000
Dividends received	115,905	-
	<u>115,905</u>	<u>-</u>

On 10 July 2018, the company received dividends of £115,905,000 from ntl (CWC) Limited (2017 - £nil).

7. Other interest receivable and similar income

	2018 £000	2017 £000
Interest on amounts owed by group undertakings	54,883	63,614

8. Interest payable and similar expenses

	2018 £000	2017 £000
Interest on amounts owed to group undertakings	30,560	60,641

NTL RECTANGLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. Tax on profit

	2018 £000	2017 £000
Current tax		
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Tax on profit	-	-

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%). The differences are explained below:

	2018 £000	2017 £000
Profit before tax	140,228	681,787
Profit multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%)	26,643	131,244
Effects of:		
Non-taxable income	(22,022)	(130,672)
Group relief claimed without payment	(4,621)	(572)
Total tax charge for the year	-	-

Factors affecting current and future tax charges

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015. A further 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.

NTL RECTANGLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Investments

	Investments in subsidiary undertakings £000
Cost	
At 1 January 2018	512,354
At 31 December 2018	512,354
Net book value	
At 31 December 2018	512,354
At 31 December 2017	512,354

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 shown in note 17.

NTL RECTANGLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

11. Debtors due within one year

	2018 £000	2017 £000
Amounts owed by group undertakings	1,152,048	2,314,673

The analysis of amounts owed by group undertakings is:

	2018 £000	2017 £000
Loans advanced by group undertakings	1,128,234	1,298,147
Other amounts owed by group undertakings	23,814	1,016,526
	1,152,048	2,314,673

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

12. Creditors: amounts falling due within one year

	2018 £000	2017 £000
Amounts owed to group undertakings	158	1,303,011

The analysis of amounts owed to group undertakings is:

	2018 £000	2017 £000
Loans advanced to group undertakings	-	1,303,011
Other amounts owed to group undertakings	158	-

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

NTL RECTANGLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

13. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
1,001 (2017 - 1,001) Ordinary shares of £1 each	<u>1,001</u>	<u>1,001</u>

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.

Capital contribution reserve

Includes capital contributions from the company's parent totaling £132,049,000 (2017 - £132,049,000). The terms of the contribution are such that it is not to be repaid otherwise than upon winding up of the company. The contribution is included within shareholder's funds and is classified as non-equity.

Profit and loss account

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 2018, this comprised term facilities that amounted to £3,564 million (2017 - £3,410 million) and an outstanding balance of £nil (2017 - £nil) which was borrowed under revolving facilities of £675 million (2017 - £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 2018 amounted to £4,938 million (2017 - £4,870 million). Borrowings under the notes are secured against the assets of certain members of the group.

In May 2019, a fellow group undertaking issued senior secured notes with principal amounts of £300 million and \$825 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 net proceeds were used to redeem in full £687 million and \$355 million outstanding principal amounts of existing senior secured and secured notes.

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 previously Virgin Media Limited. Effective 30 October 2018, as part of a wider group restructure, Virgin Media Senior Investments Limited became the immediate parent undertaking.

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 2018 are Virgin Media Finance PLC and Liberty Global plc, respectively.

The company's ultimate parent undertaking and controlling party at 31 December 2018 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.

NTL RECTANGLE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 (CWC) Limited		Ordinary	100%	Holding
Indirect shareholdings				
		Ordinary	100%	Holding
ntl CableComms Group Limited		Ordinary	100%	Holding
ntl (Aylesbury and Chiltern) Limited	Φ	Ordinary	100%	Holding
Ntl (B) Limited		Ordinary	100%	Holding
ntl (Broadland) Limited		Ordinary	100%	Telecoms
ntl (CWC) Corporation Limited		Ordinary	100%	Telecoms
ntl (South East) Limited		Ordinary	100%	Telecoms
ntl (V)		Ordinary	100%	Telecoms
ntl UK Telephone and Cable TV Holding Company Limited		Ordinary	100%	Holding
VM Ireland Group Limited (previously LG Ireland Group Limited)		Ordinary	100%	Holding
UPC Broadband Ireland Limited	Ψ	Ordinary	35%	Trading
Virgin Media Ireland Limited	Ψ	Ordinary	35%	Trading
Bitbuzz UK Limited		Ordinary	35%	Telecoms
P.B.N. Holdings Limited	Ψ	Ordinary	35%	Telecoms
Casey Cablevision Limited	Ψ	Ordinary	35%	Telecoms

All companies are registered at Bartley Wood Business Park, Hook, Hampshire, RG27 9UP, unless otherwise noted below:

Ψ Building P2, EastPoint Business Park, Clontarf, Dublin 3

Φ Application for strike off subsequent to year end