

**ntl CableComms Derby Leasing Limited**

**Financial Statements**

**31 December 2012**

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# **ntl CableComms Derby Leasing Limited**

## **Financial Statements**

**Period from 8 March 2012 to 31 December 2012**

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<b>Contents</b>	<b>Pages</b>
Company information	<b>1</b>
The directors' report	<b>2 to 3</b>
Statement of directors' responsibilities	<b>4</b>
Profit and loss account	<b>5</b>
Balance sheet	<b>6</b>
Notes to the financial statements	<b>7 to 15</b>

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# **ntl CableComms Derby Leasing Limited**

## **Company Information**

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### **The board of directors**

R C Gale  
C B E Withers

### **Company secretary**

G E James

### **Registered office**

Bartley Wood Business Park  
Hook  
Hampshire  
RG27 9UP

# **ntl CableComms Derby Leasing Limited**

## **The Directors' Report**

### **Period from 8 March 2012 to 31 December 2012**

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The directors present their report and the unaudited financial statements of the company for the period from 8 March 2012 to 31 December 2012

#### **Principal activities and business review**

The company was incorporated on 8 March 2012. On 23 March 2012, the company undertook a lease and leaseback transaction with its immediate parent undertaking, ntl CableComms Derby, whereby the company entered into a 10 year headlease agreement over certain of the network fixed assets of ntl CableComms Derby. Subsequently ntl CableComms Derby entered into a 5 year sublease agreement over the same assets with the company. The principal activity of the company during the period was, and will continue to be, that of a leasing company.

At 31 December 2012 the company was a wholly owned subsidiary undertaking of Virgin Media Inc. On 5 February 2013, Liberty Global, Inc and Virgin Media Inc entered into a merger agreement ("the Merger Agreement"). Pursuant to the Merger Agreement, Liberty Global, Inc and Virgin Media Inc completed a series of mergers on 7 June 2013 that resulted in the surviving corporations in the mergers becoming wholly owned subsidiaries of Liberty Global plc. This is referred to 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.

The Virgin Media group ("the group") will continue to operate under the Virgin Media brand in the UK.

The group is a leading entertainment and communications business, being a "quad play" provider of broadband internet, television, mobile telephony and fixed line telephony services.

As of 31 December 2012, the group provided services to approximately 4.9 million residential cable customers on its network. The group is also one of the UK's largest mobile virtual network operators by number of customers, providing mobile telephony service to 1.7 million contract mobile customers and 1.3 million prepaid mobile customers over third party networks. As of 31 December 2012, 85% of residential customers on the group's cable network received multiple services from the group, and 65% were "triple play" customers, receiving broadband internet, television and fixed line telephony services from the group.

The group believes that its advanced, deep fibre 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 TV on-demand services available in the UK market.

Through Virgin Media Business, the group provides a complete portfolio of voice, data and internet solutions to businesses, public sector organisations and service providers in the UK.

#### **Future outlook**

Detail of the future outlook of the group is provided in Virgin Media Inc's financial statements and annual report for 2012, which are available from the company secretary at Virgin Media, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

#### **Results and dividends**

The profit for the financial period amounted to £21,000. The directors have not recommended an ordinary dividend.

# ntl CableComms Derby Leasing Limited

## The Directors' Report *(continued)*

Period from 8 March 2012 to 31 December 2012

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### Directors

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

R C Gale	
C B E Withers	(Appointed 31 December 2012)
J C Tillbrook	(Resigned 31 December 2012)

Virgin Media Inc has indemnified the directors of the company 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 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 2012, 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 2012 by virtue of Section 479A of the Companies Act 2006.

### Small company provisions

The directors' report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed on behalf of the directors



C B E Withers  
Director

Approved by the directors on 25 September 2013

# **ntl CableComms Derby Leasing Limited**

## **Statement of Directors' Responsibilities**

**Period from 8 March 2012 to 31 December 2012**

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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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to

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

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

# ntl CableComms Derby Leasing Limited

## Profit and Loss Account

Period from 8 March 2012 to 31 December 2012

		Period from 8 Mar 12 to 31 Dec 12 £000
Lease interest receivable	Note 4	32
Lease interest payable	6	(22)
Gross profit		10
Operating profit		10
Interest receivable	5	11
Profit on ordinary activities before taxation		21
Tax on profit on ordinary activities	7	–
Profit for the financial period		21

The company has no other gains or losses and therefore no separate statement of total recognised gains or losses is presented

All results relate to continuing operations

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

**ntl CableComms Derby Leasing Limited****Balance Sheet****31 December 2012**

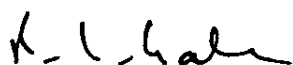
	Note	31 Dec 12 £000
<b>Current assets</b>		
Debtors due after one year	8	1,239
Debtors due within one year	8	122
<b>Net current assets</b>		<u>1,361</u>
<b>Total assets less current liabilities</b>		<u>1,361</u>
<b>Creditors: Amounts falling due after more than one year</b>	9	<u>(681)</u>
<b>Net assets</b>		<u>680</u>
<b>Capital and reserves</b>		
Share capital	13	659
Profit and loss account	14	21
<b>Total shareholder's funds</b>	14	<u>680</u>

For the period ending 31 December 2012 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

**Directors' responsibilities**

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

These financial statements were approved by the directors on <sup>25<sup>th</sup></sup> September 2013 and are signed on their behalf by



R C Gale  
Director

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



# ntl CableComms Derby Leasing Limited

## Notes to the Financial Statements

Period from 8 March 2012 to 31 December 2012

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### 1 Accounting policies

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

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006, and applicable UK accounting standards.

#### **Cash flow statement**

The company is exempt from publishing a cash flow statement as permitted by FRS 1 "Cash flow statements (revised 1996)", as it is a wholly owned subsidiary of its ultimate parent company.

#### **Deferred tax**

Deferred tax is recognised, as appropriate, in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- provision is made for deferred tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold, and

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **Trade and other debtors**

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

# ntl CableComms Derby Leasing Limited

## Notes to the Financial Statements

Period from 8 March 2012 to 31 December 2012

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### 1. Accounting policies *(continued)*

#### Finance leases

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

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

#### Operating leases

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

### 2. Operating profit

The directors received remuneration for the year of £500 in relation to qualifying services as directors of this company, all of which was paid by Virgin Media Limited.

### 3. Staff costs

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

### 4. Lease interest receivable

	Period from 8 Mar 12 to 31 Dec 12 £000
Lease interest receivable due from parent undertaking	32

Finance lease arrangements were made with ntl CableComms Derby and are referred to in more detail in note 10.

# ntl CableComms Derby Leasing Limited

## Notes to the Financial Statements

Period from 8 March 2012 to 31 December 2012

### 5. Interest receivable

	Period from 8 Mar 12 to 31 Dec 12 £000
Interest on amounts owed by parent undertakings	<u>11</u>

### 6. Lease interest payable

	Period from 8 Mar 12 to 31 Dec 12 £000
Lease interest payable on amounts owed to parent undertaking	<u>22</u>

Finance lease arrangements were made with ntl CableComms Derby and are referred to in more detail in note 10

### 7. Taxation on profit on ordinary activities

The tax charge is made up as follows

	Period from 8 Mar 12 to 31 Dec 12 £000
<b>Current tax charge:</b>	
Current tax on profit for the year	-
Total current tax	-
<b>Deferred tax</b>	
Origination and reversal of timing differences	-
Total deferred tax	-
Total tax charge on profit on ordinary activities	<u>-</u>

# ntl CableComms Derby Leasing Limited

## Notes to the Financial Statements

Period from 8 March 2012 to 31 December 2012

### 7. Taxation on profit on ordinary activities (*continued*)

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 24.06%. The differences are explained below

	Period from 8 Mar 12 to 31 Dec 12 £000
Profit on ordinary activities before taxation	21
Profit on ordinary activities multiplied by rate of tax	5
Effects of Income not taxable	(5)
Total current tax	-

#### Factors affecting current and future tax charges

During the year the main rate of corporation tax reduced from 26% to 24% with effect from 1 April 2012. A number of changes to the UK corporation tax system were announced in the March 2013 Budget Statement. The Finance Act 2012, which was enacted and received Royal Assent on 17 July 2012, reduced the main rate of corporation tax to 23% from 1 April 2013.

Legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015 was included in the Finance Act 2013 which was enacted in July 2013. These rate reductions had not been substantively enacted at the balance sheet date and therefore are not included in these financial statements. The rate changes will affect the amount of future tax payments to be made by the company.

### 8. Debtors

	31 Dec 12 £000
Lease debtor with parent undertakings	691
Loans and advances to parent undertakings	11
Called up share capital not paid	659
	1,361

# ntl CableComms Derby Leasing Limited

## Notes to the Financial Statements

Period from 8 March 2012 to 31 December 2012

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### 8. Debtors *(continued)*

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

	31 Dec 12
	£000
Lease debtor with parent undertakings	569
Loans and advances to parent undertakings	11
Called up share capital not paid	659
	<u>1,239</u>

The finance lease arrangements are referred to in more detail in note 10

Net finance lease debtor comprises

	31 Dec 12
	£000
Total amounts receivable	789
Less Interest allocated to future periods	(98)
	<u>691</u>

### 9. Creditors Amounts falling due after more than one year

	31 Dec 12
	£000
Obligations under leases with parent undertaking	<u>681</u>

Finance lease arrangements are referred to in more detail in note 10

# ntl CableComms Derby Leasing Limited

## Notes to the Financial Statements

Period from 8 March 2012 to 31 December 2012

### 10 Commitments under hire purchase and finance lease agreements

Future commitments under hire purchase and finance lease agreements are as follows

	31 Dec 12
	£000
Amounts payable between 2 to 5 years	673
Amounts payable after more than 5 years	101
	<u>774</u>
Less interest and finance charges relating to future periods	(94)
	<u>680</u>
Hire purchase and finance lease agreements are analysed as follows	
Non-current obligations	681
	<u>681</u>

Commitments under finance lease agreements relate to a lease and leaseback transaction with ntl CableComms Derby, the company's parent, whereby a 10 year headlease was granted over certain of the network fixed assets of ntl CableComms Derby

On the same date, the company entered into a 5 year sublease agreement over the same assets with ntl CableComms Derby in return for ntl CableComms Derby contributing capital to partially fund the company's headlease obligations. The finance lease debtor (see note 8) is stated at an amount equal to the net investment in the lease, which equates to the present value of the lease payments, discounted at the rate of interest implicit in the lease

### 11. Contingent liabilities

Fellow group undertakings are party to a senior secured credit facility with a syndicate of banks. As at 31 December 2012 this comprised a term facility of £750 million and a revolving facility of £450 million. Borrowings under the facility 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 credit facility. The amount outstanding under the senior secured notes at 31 December 2012 amounted to £2,582 million (2011 - £2,575 million). Borrowings under the notes are secured against the assets of certain members of the group.

# ntl CableComms Derby Leasing Limited

## Notes to the Financial Statements

Period from 8 March 2012 to 31 December 2012

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### 11. Contingent liabilities *(continued)*

On 7 June 2013, fellow group undertakings entered into a new senior secured credit facility agreement, pursuant to which the lenders agreed to provide the borrowers with i) a £375 million term loan (Facility A), ii) a \$2,755 million term loan (Facility B), iii) a £600 million term loan (Facility C) and iv) a £660 million revolving credit facility. With the exception of the revolving credit facility, all available amounts were borrowed under the new senior secured credit facility in June 2013, with an equivalent aggregate value of £2,733 million. The new senior secured credit facility ranks pari passu with the group's existing senior secured notes, and subject to certain exceptions, shares in the same guarantees and security granted in favour of its existing senior secured notes. The borrowings on the new senior secured credit facility were used in part to repay in full the borrowings on the previous senior secured credit facility.

On 7 June 2013, upon completion of the merger, two senior secured notes issued by a subsidiary of Liberty Global, Inc. on 22 February 2013, with an equivalent aggregate principal amount of £1,744 million due in 2021, were pushed down to Virgin Media Secured Finance PLC, a fellow group undertaking of the company. The notes are split into a \$1,000 million US dollar denominated tranche and a £1,100 million sterling denominated tranche. 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. On 11 June 2013, the net proceeds of the issuance of the senior secured notes were in part used to repay an equivalent aggregate amount of £55 million of the group's existing senior secured notes.

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

### 12. Related party transactions

In accordance with the exemptions offered by FRS 8 "Related Party disclosures" there is no disclosure in these financial statements of transactions with entities that are part of Virgin Media Inc., and its subsidiaries (see note 15).

# ntl CableComms Derby Leasing Limited

## Notes to the Financial Statements

Period from 8 March 2012 to 31 December 2012

### 13. Share capital

#### Authorised share capital:

	<b>31 Dec 12</b>
	<b>£000</b>
658,890 Ordinary shares of £1 each	<u>659</u>

#### Allotted and called up:

	<b>No</b>	<b>£000</b>
Ordinary shares of £1 each	<u>658,890</u>	<u>659</u>

The amounts of paid up share capital for the following categories of shares differed from the called up share capital stated above due to unpaid calls and were as follows

	<b>31 Dec 12</b>
	<b>£000</b>
Ordinary shares	<u>659</u>

### 14. Reconciliation of shareholder's funds and movement on reserves

	<b>Share capital</b>	<b>Profit and loss</b>	<b>Total share-</b>
	<b>£000</b>	<b>account</b>	<b>holder's funds</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 8 March 2012	–	–	–
Profit for the period	–	21	21
New equity share capital subscribed	<u>659</u>	–	<u>659</u>
At 31 December 2012	<u>659</u>	<u>21</u>	<u>680</u>

During the year the company undertook a lease and leaseback transaction with its immediate parent undertaking, ntl CableComms Derby, whereby the company entered into a 10 year headlease agreement over certain of the network fixed assets of ntl CableComms Derby. As part of this transaction the company received a capital contribution of £65,229,925 which it immediately applied under the terms of the headlease. Subsequently ntl CableComms Derby entered into a 5 year sublease agreement over the same assets with the company.



# **ntl CableComms Derby Leasing Limited**

## **Notes to the Financial Statements**

**Period from 8 March 2012 to 31 December 2012**

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### **15. Parent undertaking and controlling party**

The company's immediate parent undertaking from 8 March 2012 was ntl CableComms Derby

The smallest and largest groups of which the company is a member and in to which the company's accounts are consolidated are Virgin Media Finance PLC and Virgin Media Inc , respectively

The company's ultimate parent undertaking and controlling party at 31 December 2012 was Virgin Media Inc , a company incorporated in the state of Delaware, United States of America

Following the merger of Virgin Media Inc and Liberty Global Inc , the company's ultimate parent and controlling party changed to Liberty Global plc

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