

NTL CABLECOMMS DERBY LEASING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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NTL CABLECOMMS DERBY LEASING LIMITED

COMPANY INFORMATION

Directors	R D Dunn M O Hrfzi
Company secretary	G E James
Registered number	07981361
Registered office	Bartley Wood Business Park Hook Hampshire RG27 9UP

NTL CABLECOMMS DERBY LEASING LIMITED

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NTL CABLECOMMS DERBY LEASING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

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

Principal activities and business review

The principal activity of the company during the year was, and will continue to be, that of a leasing company. The company entered into a 10 year headlease agreement over certain network fixed assets of ntl CableComms Derby in 2012. Subsequently ntl CableComms Derby entered into a 5 year sublease agreement over the same assets with the company.

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

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

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

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

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

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

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

Future outlook

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

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

Results and dividends

The profit for the year, after tax, amounted to £20,000 (2014 - £24,000).

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

Directors

The directors who served during the year were

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.

NTL CABLECOMMS DERBY LEASING LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

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 2015, 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 2015 by virtue of section 479A of the Companies Act 2006.

Small company 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 11 July 2016 and signed on its behalf

M. O. Hifzi

M O Hifzi
Director

NTL CABLECOMMS DERBY LEASING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

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 unaudited 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 unaudited financial statements unless satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

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

NTL CABLECOMMS DERBY LEASING LIMITED

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

		2015 £000	2014 £000
Lease interest receivable	4	20	28
Lease interest payable	5	(18)	(20)
		<hr/>	<hr/>
Gross profit and operating profit	6	2	8
Other interest receivable and similar income	8	18	16
		<hr/>	<hr/>
Profit on ordinary activities before tax		20	24
Tax on profit on ordinary activities	9	-	-
		<hr/>	<hr/>
Profit for the year		<u>20</u>	<u>24</u>

The notes on pages 7 to 12 form part of these financial statements

There was no other comprehensive income or expenditure for 2015 or 2014 other than that included in the profit and loss account

All results were derived from continuing operations

NTL CABLECOMMS DERBY LEASING LIMITED
REGISTERED NUMBER:07981361

BALANCE SHEET
AS AT 31 DECEMBER 2015

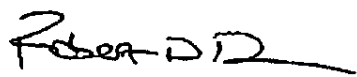
	Note	2015 £000	2014 £000
Current assets			
Debtors due after more than one year	10	871	998
Debtors due within one year	10	303	138
		<u>1,174</u>	<u>1,136</u>
Creditors: amounts falling due within one year	11	<u>(352)</u>	<u>-</u>
Net current assets		822	1,136
Creditors: amounts falling due after more than one year	12	<u>(74)</u>	<u>(408)</u>
Net assets		<u>748</u>	<u>728</u>
Capital and reserves			
Share capital	15	659	659
Profit and loss account	14	89	69
Shareholder's funds		<u>748</u>	<u>728</u>

For the year ended 31st December 2015 the company was entitled to exemption under section 479A of the Companies Act 2006 ("the Act"). No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006

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

These accounts have been prepared 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 11 July 2016.



R D Dunn
Director

The notes on pages 7 to 12 form part of these financial statements.

NTL CABLECOMMS DERBY LEASING LIMITED

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

	Share capital	Profit and loss account	Shareholder's funds
	£000	£000	£000
At 1 January 2015	659	69	728
Comprehensive Income for the year			
Profit for the year	-	20	20
Total comprehensive income for the year	-	20	20
At 31 December 2015	659	89	748

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

	Share capital	Profit and loss account	Shareholder's funds
	£000	£000	£000
At 1 January 2014	659	45	704
Comprehensive Income for the year			
Profit for the year	-	24	24
Total comprehensive income for the year	-	24	24
At 31 December 2014	659	69	728

The notes on pages 7 to 12 form part of these financial statements

NTL CABLECOMMS DERBY LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Company Information

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

2 Accounting policies

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

2.1 Basis of accounting and transition from UK GAAP

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

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

In the transition to FRS 101, the company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the company is provided in note 18.

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

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

- a cash flow statement and related notes,
- comparative period reconciliations for share capital,
- disclosures in respect of related party transactions with fellow group undertakings,
- disclosures in respect of capital management,
- the effects of new but not yet effective IFRSs,
- an additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy,
- disclosures in respect of the compensation of Key Management Personnel, and
- certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

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

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

2.2 Changes in accounting policies

This is the first year in which the financial statements have been prepared in accordance with FRS 101. The date of transition to FRS 101 is 1 January 2014. An explanation of the transition is included in note 18 to the financial statements. In applying FRS 101 for the first time the company has applied early the amendment to FRS 101 which permits a first time adopter not to present an opening statement of financial position at the beginning of the earliest comparative period presented.

2.3 Other interest income

Interest income is recognised in the profit and loss account using the effective interest method.

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 CABLECOMMS DERBY LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. Accounting policies (continued)

2.5 Trade and other creditors

Creditors are future installments payable under finance leases, recognised net of finance charges

2.6 Finance leases

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

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

2.7 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

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

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

4. Lease interest receivable

	2015 £000	2014 £000
Lease interest receivable owed by parent undertaking	20	28

Finance lease arrangements were made with ntl CableComms Derby and are referred to in more detail in note 13

5. Lease interest payable

	2015 £000	2014 £000
Lease interest payable owed to parent undertaking	18	20

Finance lease arrangements were made with ntl CableComms Derby and are referred to in more detail in note 13

NTL CABLECOMMS DERBY LEASING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

6. Operating profit

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.

7. Staff costs

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

8. Other interest receivable and similar income

	2015 £000	2014 £000
Interest on amounts owed by parent undertakings	<u>18</u>	<u>16</u>

9. Tax on profit on ordinary activities

	2015 £000	2014 £000
Current tax		
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

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

	2015 £000	2014 £000
Profit on ordinary activities before tax	<u>20</u>	<u>24</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%)	4	5
Effects of:		
Utilisation of unrecognised tax assets	<u>(4)</u>	<u>(5)</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors affecting current and future tax charges

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

NTL CABLECOMMS DERBY LEASING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

10. Debtors

	2015	2014
	£000	£000
Due after more than one year		
Loans and advances to parent undertaking	56	37
Called up share capital not paid	659	659
Lease debtor with parent undertaking	156	302
	871	998

	2015	2014
	£000	£000
Due within one year		
Loans and advances to parent undertaking	157	-
Lease debtor with parent undertaking	146	138
	303	138

Net finance debtor comprises

	2015	2014
	£000	£000
Total amount receivable	316	474
Less interest relating to future periods	(14)	(34)
	302	440

Finance lease arrangements were made with ntl CableComms Derby and are referred to in more detail in note 13

11. Creditors' amounts falling due within one year

	2015	2014
	£000	£000
Obligations under finance leases with parent undertaking	352	-

Finance lease arrangements were made with ntl CableComms Derby and are referred to in more detail in note 13

12. Creditors' amounts falling due after more than one year

	2015	2014
	£000	£000
Obligations under finance leases with parent undertaking	74	408

Finance lease arrangements were made with ntl CableComms Derby and are referred to in more detail in note 13

NTL CABLECOMMS DERBY LEASING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

13. Commitments under finance lease agreements

Future commitments under finance lease agreements are as follows

	2015 £000	2014 £000
Amounts payable within one year	351	-
Amounts payable between one and five years	-	351
Amounts payable after more than five years	101	101
	<u>452</u>	<u>452</u>
Less interest and finance charges relating to future periods	(26)	(44)
	<u>426</u>	<u>408</u>

The present value of minimum lease payments is analysed as follows

	2015 £000	2014 £000
Amounts payable within one year	348	-
Amounts payable between one and five years	-	334
Amounts payable after more than five years	78	74
	<u>426</u>	<u>408</u>

Commitments under finance lease agreements relate to a lease and leaseback transaction. The transaction took place on 23 March 2012 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. The headlease has an implicit interest rate of 4.35%.

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 (note 10) 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 6.35%, which is the rate of interest implicit in the lease.

14. Reserves

Profit and loss account

Includes all current and prior year retained profits and losses

15. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
658,890 Ordinary shares shares of £1 each	<u>658,890</u>	<u>658,890</u>

The amount of called up share capital that remained unpaid at the balance sheet date was £658,890 (2014 - £658,890)

NTL CABLECOMMS DERBY LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

16. Contingent liabilities

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

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

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

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

17. Controlling party

The company's immediate parent undertaking is ntl CableComms Derby.

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

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

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

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

18. First time adoption of FRS 101

The policies applied under the entity's previous accounting framework are not materially different to FRS 101 and have not had an impact on equity or profit or loss.