

Windsor Television Limited

Financial Statements

31 December 2012

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Windsor Television Limited

Financial Statements

Year ended 31 December 2012

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Windsor Television Limited

Company Information

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

Auditor

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Windsor Television Limited

The Directors' Report

Year ended 31 December 2012

The directors present their report and the financial statements of the company for the year ended 31 December 2012

Principal activities and business review

The principal activity of the company during the year was, and will continue to be, the provision of cable television, telephony, broadband internet and other telecommunication services as well as running some of the telecommunication systems over which they are provided

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 prepay 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.

During the year the company acquired 100% of the share capital of W Television Leasing Limited for consideration of the issue of debt of £1,259,114 for 1,259,114 ordinary shares of £1.

On 23 March 2012 the company undertook a lease and leaseback transaction with W Television Leasing Limited, whereby W Television Leasing Limited entered into a 10 year headlease agreement over certain of the network fixed assets of the company. Subsequently the company entered into a 5 year sublease agreement over the same assets with that subsidiary.

Windsor Television Limited

The Directors' Report *(continued)*

Year ended 31 December 2012

Key performance indicators (KPI's)

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

	2012	2011	Comments
Turnover (£000)	10,633	7,234	Turnover has increased by 47.0% primarily due to recognition of premium television services revenue in the company and an increased uptake of broadband, television and telephony services, partially offset by higher price discounting
Gross profit margin (%)	74.0	78.8	Gross profit margin has decreased due mainly to the increase in revenue from premium television services, which have a low gross margin, together with higher price discounting partially offset by an increase in customers subscribing to the higher margin broadband product
Administrative expenses (£000)	3,903	3,459	Administrative expenses have increased by 12.8% during 2012 primarily due to higher asset usage recharges allocated to the company by fellow group undertakings, together with an increase in depreciation expense due to fixed asset additions, partially offset by a higher release of the provision against amounts due from group undertakings £2,264,000 (2011 - £1,160,000)

Selected statistics for residential cable customers served by the company at 31 December 2012 and 31 December 2011 are shown in the table below

	2012	2011
Products		
Television	10,400	7,400
Fixed line telephone	14,600	11,200
Broadband	15,300	10,700
Total	40,300	29,300
Total customers	17,500	13,400
Products per customer	2.30	2.19

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

The company reported an increase in net current liabilities and an increase in net liabilities for the year ended 31 December 2012 as a result of normal operations. During the year, no new external finance was arranged and there was no movement in the called up equity share capital of the company. Operations were financed through the company's inter-company balances with fellow group undertakings.

Windsor Television Limited

The Directors' Report *(continued)*

Year ended 31 December 2012

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 loss for the financial year amounted to £4,188,000 (2011 - loss of £12,053,000) The directors have not recommended an ordinary dividend (2011 - £nil)

Principal risks and uncertainties

Financial and operational risk management is undertaken as part of the group operations as a whole. The company's operations expose it to a variety of operational and financial risks. These are considered in more detail in the financial statements of Virgin Media Inc which are available from the company secretary at Virgin Media, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP

Directors

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

R C Gale	
C B E Withers	(Appointed 31 December 2012)
J C Tillbrook	(Resigned 31 December 2012)
C L E Grafin von Brockdorff	
Ahlefeldt (Alternate Director)	(Resigned 29 February 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 and obtaining the necessary assurances from Virgin Media Inc, a wholly owned subsidiary of Liberty Global plc and the intermediate holding company which heads the Virgin Media group, that sufficient resources will be made available to meet any liabilities as they fall due should the company's income not be sufficient. 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.

Windsor Television Limited

The Directors' Report *(continued)*

Year ended 31 December 2012

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Signed on behalf of the directors



C B E Withers
Director

Approved by the directors on 15 September 2013

Windsor Television Limited

Statement of Directors' Responsibilities

Year ended 31 December 2012

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 year.

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.

Windsor Television Limited

Independent Auditor's Report to the Member of Windsor Television Limited

Year ended 31 December 2012

We have audited the financial statements of Windsor Television Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Windsor Television Limited

Independent Auditor's Report to the Member of Windsor Television Limited *(continued)*

Year ended 31 December 2012

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Ernst & Young LLP

J I Gordon (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

25 September 2013

Windsor Television Limited

Profit and Loss Account

Year ended 31 December 2012

	Note	2012 £000	2011 £000
Turnover		10,633	7,234
Cost of sales		<u>(2,760)</u>	<u>(1,537)</u>
Gross profit		7,873	5,697
Administrative expenses		<u>(3,903)</u>	<u>(3,459)</u>
Other operating income	2	—	38
Operating profit	3	3,970	2,276
Attributable to			
Operating profit before exceptional items		<u>1,706</u>	<u>1,116</u>
Exceptional items	3	<u>2,264</u>	<u>1,160</u>
		3,970	2,276
Income from shares in group undertakings	5	58	—
Interest receivable	6	9,930	10,460
Interest payable and similar charges	7	<u>(18,146)</u>	<u>(24,789)</u>
Loss on ordinary activities before taxation		(4,188)	(12,053)
Tax on loss on ordinary activities	8	—	—
Loss for the financial year		<u>(4,188)</u>	<u>(12,053)</u>

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 11 to 22 form part of these financial statements.

Windsor Television Limited**Balance Sheet****31 December 2012**

	Note	2012 £000	2011 £000
Fixed assets			
Tangible assets	9	34,641	38,986
Investments	10	1,259	–
		<u>35,900</u>	<u>38,986</u>
Current assets			
Debtors due after one year	11	1,301	–
Debtors due within one year	11	165,143	163,380
		<u>166,444</u>	<u>163,380</u>
Creditors Amounts falling due within one year	12	<u>(377,300)</u>	<u>(374,222)</u>
Net current liabilities		<u>(210,856)</u>	<u>(210,842)</u>
Total assets less current liabilities		<u>(174,956)</u>	<u>(171,856)</u>
Creditors: Amounts falling due after more than one year	13	<u>(1,088)</u>	<u>–</u>
Net liabilities		<u>(176,044)</u>	<u>(171,856)</u>
Capital and reserves			
Share capital	17	826	826
Share premium account	18	6,871	6,871
Profit and loss account	18	<u>(183,741)</u>	<u>(179,553)</u>
Deficit	18	<u>(176,044)</u>	<u>(171,856)</u>

These financial statements were approved by the directors on ^{25th} September 2013 and are signed on their behalf by



R C Gale
Director

The notes on pages 11 to 22 form part of these financial statements.

Windsor Television Limited

Notes to the Financial Statements

Year ended 31 December 2012

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.

Fundamental accounting concept

The financial statements have been prepared on the going concern basis because Virgin Media Inc, a wholly owned subsidiary of Liberty Global plc and the intermediate holding company which heads the Virgin Media group, has given the necessary assurances that sufficient resources will be made available so that the company can meet its liabilities as and when they fall due, for at least twelve months from the date of approval of these financial statements.

Group accounts

The company has taken advantage of the exemption from preparing group accounts afforded by Section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of another company incorporated in the United Kingdom which prepares group accounts (see note 19). These financial statements therefore present information about the company as an individual undertaking and not about its group.

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.

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.

Turnover

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

Tangible fixed assets

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

Windsor Television Limited

Notes to the Financial Statements

Year ended 31 December 2012

1. Accounting policies (*continued*)

Network assets 3 - 30 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable

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

Windsor Television Limited

Notes to the Financial Statements

Year ended 31 December 2012

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. Other operating income

	2012 £000	2011 £000
Other operating income	—	38

Other operating income represents an allocation of a VAT rebate received by the group during 2011.

3. Operating profit

Operating profit is stated after charging

	2012 £000	2011 £000
Depreciation of owned tangible fixed assets	344	5,954
Depreciation of tangible fixed assets held under finance lease agreements	5,882	—
Loss on disposal of fixed assets	10	24
Release of provision against amounts owed by group undertakings	(2,264)	(1,160)

Windsor Television Limited

Notes to the Financial Statements

Year ended 31 December 2012

3 Operating profit *(continued)*

The group's inter-company funding arrangements are managed centrally. Recoverability of inter-company receivables is assessed annually. The provision for non-recoverability may increase or decrease as a result of that review. The impairment review of inter-company indebtedness as at 31 December 2012 concluded that a release of provision against amounts due from group undertakings totalling £2,264,000 should be made (2011 - release of £1,160,000).

Auditor's remuneration of £1,000 (2011 - £1,000) represents costs allocated to the company by fellow group undertakings that pay all auditor's remuneration on behalf of the group.

The directors received remuneration for the year of £1,034 (2011 - £844) in relation to qualifying services as directors of this company, all of which was paid by Virgin Media Limited.

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

4. Staff costs

The company does not have any directly employed staff but is charged an allocation of staff costs by the group. Details of staff numbers and staff costs of the group are disclosed in the group accounts of Virgin Media Finance PLC.

5. Income from shares in group undertakings

	2012	2011
	£000	£000
Income from group undertakings	58	—

6. Interest receivable

	2012	2011
	£000	£000
Interest on amounts owed by group undertakings	9,888	10,460
Lease interest receivable due from group undertakings	42	—
	9,930	10,460

Lease arrangements were made with W Television Leasing Limited and are referred to in more detail in notes 9 and 14.

Windsor Television Limited

Notes to the Financial Statements

Year ended 31 December 2012

7 Interest payable and similar charges

	2012	2011
	£000	£000
Lease interest payable on amounts owed to group undertakings	62	–
Interest on amounts owed to group undertakings	18,017	24,699
Other finance charges	67	90
	<u>18,146</u>	<u>24,789</u>

Lease arrangements were made with W Television Leasing Limited and are referred to in more detail in notes 9 and 14

8. Taxation on loss on ordinary activities

The tax charge is made up as follows

	2012	2011
	£000	£000
Current tax charge:		
Current tax on loss for the year	–	–
Total current tax	–	–
Deferred tax:		
Origination and reversal of timing differences	–	–
Total deferred tax	–	–
Total tax charge on loss on ordinary activities	<u>–</u>	<u>–</u>

The tax assessed on the loss on ordinary activities for the year is higher than (2011 - higher) the standard rate of corporation tax in the UK of 24.50% (2011 - 26.50%). The differences are explained below

	2012	2011
	£000	£000
Loss on ordinary activities before taxation	<u>(4,188)</u>	<u>(12,053)</u>
Loss on ordinary activities multiplied by rate of tax	(1,026)	(3,194)
Effects of		
Expenses not deductible for tax purposes	2,848	1,270
Depreciation in excess of capital allowances	4	1,494
Utilisation of tax losses	(1,826)	–
Group relief surrendered without payment	–	430
Total current tax	<u>–</u>	<u>–</u>

Windsor Television Limited

Notes to the Financial Statements

Year ended 31 December 2012

8 Taxation on loss on ordinary activities *(continued)*

Deferred tax assets in respect of the following amounts 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

	2012 £000	2011 £000
Tax losses	3,737	7,616
Depreciation in excess of capital allowances	6	22,770
	<u>3,743</u>	<u>30,386</u>

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. The unrecognised deferred tax assets have been calculated using the enacted rate of 23%.

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.

9. Tangible fixed assets

	Network £000
Cost	
At 1 January 2012	179,491
Additions	1,891
Disposals	(300)
At 31 December 2012	<u>181,082</u>
Depreciation	
At 1 January 2012	140,505
Charge for the year	6,226
On disposals	(290)
At 31 December 2012	<u>146,441</u>
Net book value	
At 31 December 2012	<u>34,641</u>
At 31 December 2011	<u>38,986</u>

Windsor Television Limited

Notes to the Financial Statements

Year ended 31 December 2012

9. Tangible fixed assets *(continued)*

On 23 March 2012 the company undertook a lease and leaseback transaction with W Television Leasing Limited, whereby W Television Leasing Limited entered into a 10 year headlease agreement over certain of the network fixed assets of the company. Subsequently the company entered into a 5 year sublease agreement over the same assets with that subsidiary.

Included within the net book value of £34,641,000 is £33,093,000 (2011 - £Nil) relating to the assets held under these finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £5,882,000 (2011 - £Nil).

As the rights of use of these assets remained with the company, the assets have not been derecognised and presented as reacquired.

10. Investments

	Subsidiary undertakings
	£000
Cost	
At 1 January 2012	25
Additions	1,259
At 31 December 2012	<u>1,284</u>
Amounts written off	
At 1 January 2012 and 31 December 2012	<u>25</u>
Net book value	
At 31 December 2012	<u>1,259</u>
At 31 December 2011	<u>-</u>

On 9 March 2012 the company acquired 100% of the share capital of W Television Leasing Limited for consideration of the issue of debt of £1,259,142 for 1,259,142 ordinary shares of £1.

During the year the company undertook a lease and leaseback transaction with W Television Leasing Limited, whereby W Television Leasing Limited entered into a 10 year headlease agreement over certain of the network fixed assets of the company. As part of this transaction the company made a capital contribution of £124,655,014 to W Television Leasing Limited which was immediately applied by that entity under the terms of the headlease. Subsequently the company entered into a 5 year sublease agreement over the same assets with that subsidiary.

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.

Windsor Television Limited

Notes to the Financial Statements

Year ended 31 December 2012

10 Investments *(continued)*

The company has taken advantage of the exemption under Section 400 of the Companies Act 2006 not to disclose the aggregate amount of capital and reserves and the result for the year for each of the subsidiary undertakings on the basis that their results are included in the group accounts of Virgin Media Finance PLC (see note 19)

The material 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	Country of Incorporation	Holdings	Proportion	Nature of Business
W Television Leasing Limited	UK	Ordinary	100%	Leasing

The company has taken advantage of Section 409 of the Companies Act 2006 and disclosed only those investments whose results or financial position materially affected the figures shown in the company's annual financial statements

The company is registered in England and Wales

11. Debtors

	2012 £000	2011 £000
Amounts owed by group undertakings	<u>166,444</u>	<u>163,380</u>

Windsor Television Limited

Notes to the Financial Statements

Year ended 31 December 2012

11. Debtors (continued)

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

	2012	2011
	£000	£000
Net investment in finance lease with group undertakings	<u>1,301</u>	<u>–</u>

The analysis of amounts owed by group undertakings is -

	2012	2011
	£000	£000
Loans advanced to group undertakings	165,599	166,171
Net investment in finance lease with group undertakings	1,301	–
Other amounts owed by group undertakings	13,929	13,858
Impairment provision on amounts owed by group undertakings	<u>(14,385)</u>	<u>(16,649)</u>
	<u>166,444</u>	<u>163,380</u>

Amounts owed by group undertakings are unsecured and repayable on demand

Net investment in finance leases comprises

	2012	2011
	£000	£000
Total amounts receivable	1,481	–
Less Interest allocated to future periods	<u>(180)</u>	<u>–</u>
	<u>1,301</u>	<u>–</u>

12. Creditors Amounts falling due within one year

	2012	2011
	£000	£000
Amounts owed to group undertakings	377,067	374,222
Obligations under leases with group undertakings	233	–
	<u>377,300</u>	<u>374,222</u>

The analysis of amounts owed to group undertakings is

	2012	2011
	£000	£000
Loans advanced by group undertakings	219,233	218,673
Other amounts owed to group undertakings	157,834	155,549
	<u>377,067</u>	<u>374,222</u>

Amounts owed to group undertakings are unsecured and repayable on demand

Finance lease arrangements are referred to in more detail in note 14

Windsor Television Limited

Notes to the Financial Statements

Year ended 31 December 2012

13. Creditors: Amounts falling due after more than one year

	2012	2011
	£000	£000
Obligations under leases with group undertakings	<u>1,088</u>	<u>—</u>

Finance lease arrangements are referred to in more detail in note 14

14. Commitments under hire purchase and finance lease agreements

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

	2012	2011
	£000	£000
Amounts payable within 1 year	302	-
Amounts payable between 2 to 5 years	<u>1,207</u>	<u>-</u>
	1,509	-
Less interest and finance charges relating to future periods	<u>(188)</u>	<u>-</u>
	<u>1,321</u>	<u>-</u>

Commitments under finance lease agreements relate to a lease and leaseback transaction with W Television Leasing Limited, the company's subsidiary, whereby a 10 year headlease was granted over certain of the network fixed assets of Windsor Television Limited. On the same date, W Television Leasing Limited entered into a 5 year sublease agreement over the same assets with the company in return for the company contributing capital to partially fund W Television Leasing Limited's headlease obligations. The intercompany lease debtor 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.

15. 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.

Windsor Television Limited

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Year ended 31 December 2012

15. 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.

16. 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 19).

17. Share capital

Authorised share capital:

	2012	2011
	£000	£000
5,800,000 Ordinary shares of £0.25 each	<u>1,450</u>	<u>1,450</u>

Allotted, called up and fully paid:

	2012		2011	
	No	£000	No	£000
Ordinary shares of £0.25 each	<u>3,305,716</u>	<u>826</u>	<u>3,305,716</u>	<u>826</u>

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Year ended 31 December 2012

18. Reconciliation of deficit and movement on reserves

	Share capital £000	Share premium account £000	Profit and loss account £000	Deficit £000
At 1 January 2011	826	6,871	(167,500)	(159,803)
Loss for the year	—	—	(12,053)	(12,053)
At 31 December 2011 and 1 January 2012	826	6,871	(179,553)	(171,856)
Loss for the year	—	—	(4,188)	(4,188)
At 31 December 2012	826	6,871	(183,741)	(176,044)

19. Parent undertaking and controlling party

The company's immediate parent undertaking is The Cable Corporation 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 2012 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

On 7 June 2013 pursuant to the merger agreement, Liberty Global, Inc and Virgin Media Inc completed a series of mergers, which resulted in the company's ultimate parent and controlling party changing 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