

COMPANY REGISTRATION NUMBER 1795642

Cable Camden Limited
Financial Statements
31 December 2007

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Cable Camden Limited

Financial Statements

Year ended 31 December 2007

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Cable Camden Limited

Company Information

The board of directors	Virgin Media Secretaries Limited Virgin Media Directors Limited
Company secretary	Virgin Media Secretaries Limited
Registered office	160 Great Portland Street London W1W QA
Auditor	Ernst & Young LLP 1 More London Place London SE1 2AF

Cable Camden Limited

The Directors' Report

Year ended 31 December 2007

The directors present their report and the financial statements of the company for the year ended 31 December 2007

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, internet and other telecommunication services and to run certain of the telecommunication systems over which they are provided

The company is a wholly owned subsidiary undertaking of Virgin Media Inc, which changed its name from NTL Incorporated on 6 February 2007 as part of the rebrand to Virgin Media. Virgin is one of the most recognised consumer brands in the world and gives the group a prominent profile in a crowded communications marketplace. The Virgin Media group believes that the strong heritage and reputation of the Virgin brand is a powerful competitive advantage and the Virgin Media group's distinctive approach to advertising, packaging and marketing differentiates it from the competition.

The Virgin Media group is a leading UK entertainment and communications business providing the first "quad-play" offering of television, broadband, fixed line telephone and mobile telephone services in the UK, together with one of the most advanced TV on demand services available in the UK market.

At 31 December 2007, by customer numbers, the Virgin Media group was the UK's largest residential broadband and mobile virtual network provider and the second largest provider in the UK of pay television and fixed line telephone services. The Virgin Media 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.

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

Through Virgin Media Television, the Virgin Media group also provides a broad range of programming through its wholly-owned channels, such as Virgin 1, Living and Bravo, through UKTV, its joint ventures with BBC Worldwide, and through the portfolio of retail television channels operated by sit-up tv.

Cable Camden Limited

The Directors' Report *(continued)*

Year ended 31 December 2007

Turnover has decreased by 4.9% to £21,156,000 for the year ended 31 December 2007 from £22,239,000 in 2006. The decrease was primarily due to reductions in telephony usage and higher price discounting to stimulate customer activity and retention in light of competitive factors in the market place. In addition, during 2007 the Virgin Media group took steps to increase alignment of the prices paid by existing customers with the prices paid by new customers. Partially offsetting these decreases have been increases in revenue from selective telephony price increases and from additional customers subscribing to television, fixed-line telephone and broadband services.

Gross profit margins have fallen to 73.1% for the year ended 31 December 2007 from 76.1% in 2006. The decrease was predominantly due to the price discounting measures described above.

Selected statistics for residential cable customers served by the company at 31 December 2007 and 31 December 2006 are shown in the table below.

Year ended 31 December	2007	2006
Revenue generating units		
Television	21,400	20,600
Fixed-line telephone	20,200	19,700
Broadband	21,300	18,300
Total	<u>62,900</u>	<u>58,600</u>
 Total customers	 27,700	 26,500

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

Administrative expenses decreased by 6.0% in 2007 over 2006 mainly due to a reduction in depreciation charges.

Operating profit has decreased from £6,383,000 in 2006 to £5,560,000 in 2007 predominantly due to the reasons stated above.

The company reported an increase in net current liabilities and net liabilities for the year ending 31 December 2007 as a result of normal operations. During this year, no external finance was arranged or settled 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.

Future developments

The Virgin Media group's deep fibre access network has enabled it to take a leading position in the roll-out of next generation broadband access technologies in the UK. During 2008 and 2009, the Virgin Media group plans to deploy the next generation of wideband cable broadband technology enabling ultra-fast broadband services of 50Mb and higher. The investment in next generation broadband access technologies is the latest in a series of significant infrastructure investments to ensure that the Virgin Media group remains at the forefront of communication and entertainment services in the UK.

Results and dividends

The loss for the financial year amounted to £2,229,000 (2006 - loss of £2,532,000). The directors have not recommended an ordinary dividend (2006 - £nil).

Cable Camden Limited

The Directors' Report *(continued)*

Year ended 31 December 2007

Financial risk management

The company's operations expose it to a variety of financial risks that include liquidity and interest rate risks

Liquidity risk

The Virgin Media group manages its financial risk via secure, long-dated and cost-effective funding for the group's operations in order to minimise the adverse effects of fluctuations in the financial markets on the value of its financial assets and liabilities, profitability and cash flows

The Virgin Media group's external debt is used to satisfy the funding requirements of group undertakings via inter-company loans on terms which generally match those of the external debt. In addition, working capital is managed centrally within the Virgin Media group creating further inter-company trading balances, on terms which are generally interest free

Interest rate risk

The group's policy is to manage its interest cost using a mix of fixed and variable rate financial instruments and to hedge all or part of the exposure to increased interest rates. The group's policy is not to hedge against interest rate risk in respect of inter-company debt. However, the company may reduce all or part of the risk by loaning funds to other group undertakings and charging interest at the same rate as the original borrowing

The company's financial instruments mainly comprise interest bearing inter-company debt and as a result it is subject to the risk that interest rates will be increased

The directors will revisit the appropriateness of these policies should the company's operations change in size or nature

Directors

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

Virgin Media Secretaries Limited

Virgin Media Directors Limited

On 16 February 2007, the names of ntl Directors Limited and ntl Secretaries Limited were changed to Virgin Media Directors Limited and Virgin Media Secretaries Limited respectively

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

Cable Camden Limited

The Directors' Report *(continued)*

Year ended 31 December 2007

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 is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Ernst & Young LLP will be re-appointed as the company's auditor in accordance with the elective resolution passed by the company under Section 386 of the Companies Act 1985.

Signed on behalf of the directors



R M Mackenzie

For and on behalf of Virgin Media Secretaries Limited

Approved by the directors on **7** October 2008

Cable Camden Limited

Statement of Directors' Responsibilities

Year ended 31 December 2007

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 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 proper accounting records that 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 1985. 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.

Cable Camden Limited

Independent Auditor's Report to the Member of Cable Camden Limited

Year ended 31 December 2007

We have audited the company's financial statements for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to it 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Cable Camden Limited

Independent Auditor's Report to the Member of Cable Camden Limited *(continued)*

Year ended 31 December 2007

Opinion

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the directors' report is consistent with the financial statements

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

7 October 2008

Cable Camden Limited

Profit and Loss Account

Year ended 31 December 2007

	Note	2007 £000	2006 £000
Turnover		21,156	22,239
Cost of sales		(5,698)	(5,324)
Gross profit		15,458	16,915
Administrative expenses		(9,898)	(10,532)
Operating profit	2	5,560	6,383
Interest payable and similar charges	4	(7,789)	(8,915)
Loss on ordinary activities before taxation		(2,229)	(2,532)
Tax on loss on ordinary activities	5	—	—
Loss for the financial year	11	(2,229)	(2,532)

All of the activities of the company are classed as continuing

Statement of Total Recognised Gains and Losses

There are no recognised gains or losses other than the loss of £2,229,000 attributable to the shareholder for the year ended 31 December 2007 (2006 - loss of £2,532,000)

The notes on pages 11 to 15 form part of these financial statements.

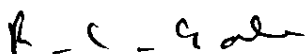
Cable Camden Limited

Balance Sheet

31 December 2007

	Note	2007 £000	2006 £000
Fixed assets			
Tangible assets	6	<u>7,039</u>	<u>8,549</u>
Creditors: Amounts falling due within one year	7	<u>(9,031)</u>	<u>(8,312)</u>
Total assets less current liabilities		<u>(1,992)</u>	<u>237</u>
Capital and reserves			
Called-up equity share capital	10	2	2
Share premium account	11	57,496	57,496
Profit and loss account	11	<u>(59,490)</u>	<u>(57,261)</u>
(Deficit)/shareholder's funds	11	<u>(1,992)</u>	<u>237</u>

These financial statements were approved by the directors on 7 October 2008 and are signed on their behalf by



R C Gale

For and on behalf of Virgin Media Directors Limited

The notes on pages 11 to 15 form part of these financial statements.

Cable Camden Limited

Notes to the Financial Statements

Year ended 31 December 2007

1. Accounting policies

Accounting convention

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

Fundamental accounting concept

The financial statements have been prepared on the going concern basis because the ultimate parent undertaking 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

Cash flow statement

The company has taken advantage of the exemption under FRS 1 (revised) not to prepare a cash flow statement as it is a subsidiary which is at least 90% controlled by the ultimate parent undertaking (see note 12)

Turnover

Turnover represents the value of services provided, stated net of Value Added Tax, and is attributable to continuing activities, being the provision of cable television, telephony, 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, less its estimated residual value, on a straight line basis over the useful economic life of that asset as follows

Network assets	3 - 30 years
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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 taxation

Deferred tax is recognised 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

Cable Camden Limited

Notes to the Financial Statements

Year ended 31 December 2007

2 Operating profit

Operating profit is stated after charging

	2007	2006
	£000	£000
Depreciation of owned fixed assets	2,228	3,849
Auditor's remuneration		
- as auditor	2	2
Reorganisation costs	179	—

The company has corporate directors which receive no remuneration

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.

Auditor's remuneration disclosed above represents costs allocated to the company by the fellow group undertakings that pay all auditor's remuneration on behalf of the Virgin Media group. The company is exempt from disclosing additional information regarding non-audit services, as the disclosures required under Regulation 4 (1) (b) of Section 390B of the Companies Act 1985, are made in the group accounts of Virgin Media Finance PLC on a consolidated basis.

Reorganisation costs mainly represent the company's allocation of redundancy and property exit costs resulting from the group's ongoing restructuring programme following the merger of the NTL group with the Telewest group.

3. Staff costs

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

4 Interest payable and similar charges

	2007	2006
	£000	£000
On amounts due to group undertakings	7,789	8,915

5. Taxation

(a) Analysis of charge in the year

The tax charge is made up as follows

	2007	2006
	£'000	£'000
Current tax charge		
Current tax on loss for the year	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Total tax charge on loss on ordinary activities	-	-

Cable Camden Limited

Notes to the Financial Statements

Year ended 31 December 2007

5. Taxation (continued)

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2006 - 30%)

The difference between the effective statutory rate and the actual current tax charge is reconciled as follows

	2007 £000	2006 £000
Loss on ordinary activities before taxation	<u>(2,229)</u>	<u>(2,532)</u>
Loss on ordinary activities multiplied by the rate of tax	(668)	(760)
Expenses not deductible for tax purposes	6	1
Decelerated capital allowances	586	1,155
Group relief surrendered/(claimed) without payment	<u>76</u>	<u>(396)</u>
Total current tax (note 5(a))	<u>-</u>	<u>-</u>

(c) Factors that may affect future tax charges

Deferred tax assets of £19,599,000 (2006 - £18,978,000) in respect of depreciation in excess of capital allowances 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

The UK corporation tax rate will decrease from 30% to 28% from 1 April 2008. This rate change will affect the amount of the future cash tax payments to be made by the Virgin Media group. The deferred tax asset not recognised has been reduced by £1,400,000 in the current year to reflect this tax rate change.

6. Tangible fixed assets

	Network £000
Cost	
At 1 January 2007	84,394
Additions	718
Disposals	<u>(8,442)</u>
At 31 December 2007	<u>76,670</u>
Depreciation	
At 1 January 2007	75,845
Charge for the year	2,228
On disposals	<u>(8,442)</u>
At 31 December 2007	<u>69,631</u>
Net book value	
At 31 December 2007	<u>7,039</u>
At 31 December 2006	<u>8,549</u>

Cable Camden Limited

Notes to the Financial Statements

Year ended 31 December 2007

7. Creditors: Amounts falling due within one year

	2007	2006
	£000	£000
Amounts owed to group undertakings	<u>9,031</u>	<u>8,312</u>

Amounts due to group undertakings are unsecured and repayable on demand. The rate of interest on the amounts due to group undertakings ranged from nil% to 6.7% (2006 - nil% to 6.7%).

8. Contingent liabilities

The company, along with fellow group undertakings, is party to a senior secured credit facility with a syndicate of banks under which it has guaranteed the borrowings of certain Virgin Media group companies. At 31 December 2007, the maximum contingent liability represented by outstanding borrowings by these companies amounted to approximately £4,905 million (2006 - £5,125 million). Borrowings under the facility are secured against the assets of certain members of the group including those of the company.

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

9. Related party transactions

The company has taken advantage of the exemption under FRS 8 not to disclose transactions with group undertakings as it is a subsidiary undertaking which is at least 90% controlled by the ultimate parent undertaking.

10. Share capital

Authorised share capital:

	2007	2006
	£000	£000
2,000 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

Allotted, called up and fully paid:

	2007		2006	
	No	£000	No	£000
Ordinary shares of £1 each	<u>1,892</u>	<u>2</u>	<u>1,892</u>	<u>2</u>

Cable Camden Limited

Notes to the Financial Statements

Year ended 31 December 2007

11 Reconciliation of shareholder's funds and movement on reserves

	Share capital	Share premium account	Profit and loss account	Total shareholder's funds
	£000	£000	£000	£000
At 1 January 2006	1	37,500	(54,729)	(17,228)
Loss for the year	—	—	(2,532)	(2,532)
Other movements				
New equity share capital subscribed	1	19,996	—	19,997
At 31 December 2006 and 1 January 2007	2	57,496	(57,261)	237
Loss for the year	—	—	(2,229)	(2,229)
At 31 December 2007	2	57,496	(59,490)	(1,992)

12. Parent undertaking and controlling party

The company's immediate parent undertaking is Cable London Limited

The smallest and largest groups of which the company is a member and for which group accounts have been drawn up are those headed by Virgin Media Finance PLC and Virgin Media Inc, respectively

The company's ultimate parent undertaking and controlling party at 31 December 2007 was Virgin Media Inc, a company incorporated in the state of Delaware, United States of America. Virgin Media Inc changed its name from NTL Incorporated on 6 February 2007

Copies of all sets of group accounts, which include the results of the company, are available from the Secretary, Virgin Media, 160 Great Portland Street, London, W1W 5QA