

**COMPANY REGISTRATION NUMBER 02357645**

**ntl Midlands Limited**  
**Financial Statements**  
**31 December 2014**

THURSDAY



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# **ntl Midlands Limited**

## **Financial Statements**

**Year ended 31 December 2014**

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# **ntl Midlands Limited**

## **Company Information**

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### **The board of directors**

R D Dunn  
M O Hifzi

### **Company secretary**

G E James

### **Registered office**

Bartley Wood Business Park  
Hook  
Hampshire  
RG27 9UP

# **ntl Midlands Limited**

## **Strategic Report**

**Year ended 31 December 2014**

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

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

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 (U K )

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

The group provides mobile services to our customers using a third-party network through an MVNO arrangement.

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 U K.

At 31 December 2014, the group provided services to approximately 5.0 million residential cable customers on its network. The group is also one of the largest mobile virtual network operators by number of customers, providing mobile telephony services to 2.1 million contract mobile customers and 1.0 million prepay mobile customers over third party networks. At 31 December 2014, 84% of residential customers on the group's cable network received multiple services and 66% 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 with operations in 14 countries. At 31 December 2014, Liberty Global's 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, Liberty Global served 5 million mobile subscribers across nine countries at 31 December 2014.

# ntl Midlands Limited

## Strategic Report *(continued)*

Year ended 31 December 2014

### Key performance indicators (KPI's)

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

	2014	2013	Comments
Turnover (£000)	213,064	210,532	Turnover has increased by 1.2%, primarily due to an increase in the number of digital cable, telephony, broadband internet subscribers and selective price increases
Operating profit (£000)	52,066	39,591	Operating profit has increased 31.5%, primarily due to a decrease in administrative expenses, driven by a decrease in management recharges from fellow group undertakings, and an increase in turnover

Selected statistics for residential cable customers served by the company at 31 December 2014 and 31 December 2013 are shown in the table below

	2014	2013
Products		
Digital cable	263,600	262,700
Fixed-line telephone	303,300	301,600
Broadband internet	327,200	319,200
Total	894,100	883,500
Total customers	361,700	358,200
Products per customer	2.47	2.47

Each digital cable, fixed-line telephone and broadband internet subscriber directly connected to the company's network counts as one product. Accordingly, a subscriber who receives both telephone and digital cable 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 a decrease in net current liabilities and an increase in net assets for the year ended 31 December 2014 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.

### 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 2014, which are available from the company secretary at Virgin Media, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

# **ntl Midlands Limited**

## **Strategic Report** *(continued)*

**Year ended 31 December 2014**

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### **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.

Signed on behalf of the directors



G E James  
Company Secretary

Approved by the directors on 1 July 2015

# ntl Midlands Limited

## Directors' Report

Year ended 31 December 2014

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The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2014

### Results and dividends

The profit for the financial year, after tax, amounted to £10,257,000 (2013 - profit of £1,911,000) The directors have not recommended an ordinary dividend (2013 - £nil)

### Directors

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

R D Dunn

M O Hifzi

C B E Withers

(Appointed 31 March 2014)

(Resigned 31 March 2014)

The directors of the company have been indemnified against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006 Such qualifying third party indemnity provision is in force for directors serving during the financial year and as at the date of approving the Directors' Report

### Going concern

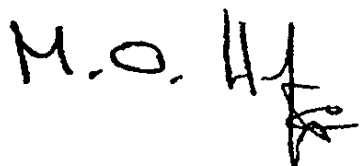
After making suitable enquiries and obtaining the necessary assurances from Virgin Media Inc , a wholly owned subsidiary of Liberty Global plc and the intermediate holding company which heads the Virgin Media group, that sufficient resources will be made available to meet any liabilities as they fall 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 As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although at the date of approval of these financial statements they have no reason to believe that it will not do so On this basis the directors believe that it remains appropriate to prepare the financial statements on a going concern basis

### Audit exemption

Virgin Media Finance PLC issued a guarantee against all outstanding liabilities to which the company is subject at 31 December 2014, 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 2014 by virtue of Section 479A of the Companies Act 2006

Signed on behalf of the directors

M O Hifzi  
Director



Approved by the directors on 1 July 2015

# **ntl Midlands Limited**

## **Directors' Responsibilities Statement**

**Year ended 31 December 2014**

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The directors are responsible for preparing the Strategic Report, 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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, 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



# ntl Midlands Limited

## Profit and Loss Account

Year ended 31 December 2014

	Note	2014 £000	2013 £000
Turnover		213,064	210,532
Cost of sales		(44,001)	(44,692)
Gross profit		169,063	165,840
Administrative expenses		(116,997)	(126,249)
Operating profit	2	52,066	39,591
Other interest receivable and similar income	4	277	407
Interest payable and similar charges	5	(28,733)	(26,722)
Profit on ordinary activities before tax		23,610	13,276
Tax on profit on ordinary activities	6	(13,353)	(11,365)
Profit for the financial year	17	10,257	1,911

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 10 to 19 form part of these financial statements.

## **ntl Midlands Limited**

### **Note of Historical Cost Profits and Losses**

**Year ended 31 December 2014**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Reported profit on ordinary activities before taxation	<b>23,610</b>	13,276
Difference between a historical cost depreciation charge and the actual charge calculated on the revalued amount	<b>93</b>	93
Historical cost profit on ordinary activities before taxation	<b><u>23,703</u></b>	<b><u>13,369</u></b>
Historical cost profit for the year after taxation	<b><u>10,350</u></b>	<b><u>2,004</u></b>

**The notes on pages 10 to 19 form part of these financial statements.**

**ntl Midlands Limited****Balance Sheet****31 December 2014**

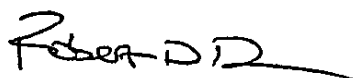
	Note	2014 £000	2013 £000
<b>Fixed assets</b>			
Tangible assets	7	196,777	206,777
Investments	8	9,078	9,078
		<u>205,855</u>	<u>215,855</u>
<b>Current assets</b>			
Debtors due after one year - Deferred tax	9,10	13,036	26,389
Debtors due after one year	9	5,619	5,619
Debtors due within one year	9	133,400	103,630
		<u>152,055</u>	<u>135,638</u>
<b>Creditors: Amounts falling due within one year</b>	11	<u>(268,835)</u>	<u>(270,777)</u>
<b>Net current liabilities</b>		<u>(116,780)</u>	<u>(135,139)</u>
<b>Total assets less current liabilities</b>		<u>89,075</u>	<u>80,716</u>
<b>Creditors: Amounts falling due after more than one year</b>	12	<u>(4,163)</u>	<u>(6,061)</u>
<b>Net assets</b>		<u>84,912</u>	<u>74,655</u>
<b>Capital and reserves</b>			
Share capital	16	725	725
Share premium account	17	1,042,612	1,042,612
Revaluation reserve	17	1,449	1,542
Other reserves	17	5,494	5,494
Profit and loss account	17	<u>(965,368)</u>	<u>(975,718)</u>
<b>Shareholder's funds</b>	17	<u>84,912</u>	<u>74,655</u>

For the year ended 31 December 2014 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

**Directors' responsibilities**

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

These financial statements were approved by the directors on 1 July 2015 and are signed on their behalf by



R D Dunn  
Director

The notes on pages 10 to 19 form part of these financial statements.

# ntl Midlands Limited

## Notes to the Financial Statements

Year ended 31 December 2014

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### 1. Accounting policies

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

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention as modified to include the revaluation of certain fixed assets in accordance with the Companies Act 2006, and applicable UK accounting standards.

#### **Fundamental accounting concept**

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. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although at the date of approval of these financial statements they have no reason to believe that it will not do so. On this basis the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

#### **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 18). 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 digital cable, fixed-line telephony, broadband internet and other telecommunication services and to run certain of the telecommunication systems over which they are provided. Turnover is all derived from operations in the United Kingdom and is recognised as the services are provided to customers. The directors consider this to be a single class of business.

# ntl Midlands Limited

## Notes to the Financial Statements

Year ended 31 December 2014

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

#### **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

Network assets	3 - 30 years
Other fixed assets	
- Freehold property	30 years
- Short leasehold improvements	period of lease
- Other	3 - 12 years

No depreciation is provided on freehold land

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

#### **Capitalised labour**

Labour relating to the design, construction and development of the network, capital projects, and related services have been capitalised. Depreciation of capitalised labour is provided on a straight-line basis over 15 years or the life of the relevant assets

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve

#### **Deferred tax**

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

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

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

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

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

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

# ntl Midlands Limited

## Notes to the Financial Statements

Year ended 31 December 2014

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

#### Finance leases

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

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

#### Future accounting pronouncements

From 1 January 2015 the company will be required to adopt FRS 101 or FRS 102

### 2. Operating profit

Operating profit is stated after charging

	2014	2013
	£000	£000
Depreciation of owned tangible fixed assets	13,372	9,120
Depreciation of tangible fixed assets held under finance lease agreements	<u>21,139</u>	<u>26,233</u>

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.

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.

### 3. 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.

### 4. Other interest receivable and similar income

	2014	2013
	£000	£000
Lease interest receivable due from group undertakings	<u>277</u>	<u>407</u>

Lease arrangements were made with ntl Midlands Leasing Limited and are referred to in more detail in note 13.

# ntl Midlands Limited

## Notes to the Financial Statements

Year ended 31 December 2014

### 5. Interest payable and similar charges

	2014	2013
	£000	£000
Lease interest payable on amounts owed to group undertakings	391	498
Interest on amounts owed to group undertakings	24,712	24,734
Other finance charges	3,630	1,490
	<u>28,733</u>	<u>26,722</u>

Lease arrangements were made with ntl Midlands Leasing Limited and are referred to in more detail in note 13

### 6. Tax on profit from ordinary activities

The tax charge is made up as follows

	2014	2013
	£000	£000
<b>Current tax charge:</b>		
Current tax on profit for the year	-	-
Total current tax	-	-
<b>Deferred tax:</b>		
Origination and reversal of timing differences	13,353	6,443
Adjustments to tax charge in respect of prior periods	-	(2)
Effect of tax rate change on opening balances	-	4,924
Total deferred tax (note 10)	<u>13,353</u>	<u>11,365</u>
Total tax charge on profit on ordinary activities	<u>13,353</u>	<u>11,365</u>

The tax assessed on the profit on ordinary activities for the year is lower than (2013 - lower) the standard rate of corporation tax in the UK of 21 49% (2013 - 23 25%) The differences are explained below

	2014	2013
	£000	£000
Profit on ordinary activities before tax	<u>23,610</u>	<u>13,276</u>
Profit on ordinary activities multiplied by rate of tax	5,074	3,087
Effects of		
Net expenses not deductible for tax purposes	-	2,264
Depreciation in excess of capital allowances	7,418	8,237
Utilisation of tax losses and other deductions	(12,102)	(13,588)
Income not taxable	(390)	-
Total current tax	<u>-</u>	<u>-</u>

# ntl Midlands Limited

## Notes to the Financial Statements

Year ended 31 December 2014

### 6. Tax on profit from ordinary activities (continued)

#### Factors affecting current and future tax charges

Reductions in the UK corporation tax rate from 24% to 23% (effective from 1 April 2013) and to 21% (effective 1 April 2014) were substantively enacted on 3 July 2012 and 2 July 2013 respectively. A further reduction to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax assets have been calculated using the enacted rate of 20% (2013 – 20%).

### 7. Tangible fixed assets

	Network assets £000	Other £000	Total £000
<b>Cost or valuation</b>			
At 1 January 2014	732,277	11,545	743,822
Additions	25,376	673	26,049
Disposals	(8,131)	–	(8,131)
Transfers	–	(3,636)	(3,636)
<b>At 31 December 2014</b>	<b>749,522</b>	<b>8,582</b>	<b>758,104</b>
<b>Depreciation</b>			
At 1 January 2014	530,145	6,900	537,045
Charge for the year	34,124	387	34,511
On disposals	(8,131)	–	(8,131)
Transfers	–	(2,098)	(2,098)
<b>At 31 December 2014</b>	<b>556,138</b>	<b>5,189</b>	<b>561,327</b>
<b>Net book value</b>			
<b>At 31 December 2014</b>	<b>193,384</b>	<b>3,393</b>	<b>196,777</b>
At 31 December 2013	202,132	4,645	206,777

Included in "Other" are the following net book values of land and buildings

	2014 £000	2013 £000
Freehold property	2,491	4,291

Included within the net book value of £196,777,000 is £139,234,000 (2013 - £160,373,000) relating to the assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £21,139,000 (2013 - £26,233,000). As the rights of use of these assets remained with the company, the assets have not been derecognised and presented as reacquired.

The transitional provisions of FRS 15 are being followed and that the valuation has not been updated since it was first revalued.



# ntl Midlands Limited

## Notes to the Financial Statements

Year ended 31 December 2014

### 7. Tangible fixed assets *(continued)*

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows

	2014 £000	2013 £000
<b>Historical cost</b>	<b>8,182</b>	<b>8,182</b>
<b>Depreciation:</b>		
At 1 January 2014	5,259	5,014
Charge for year	245	245
At 31 December 2014	<b>5,504</b>	<b>5,259</b>
<b>Net historical cost value:</b>		
At 31 December 2014	<b>2,678</b>	<b>2,923</b>
At 1 January 2014	<b>2,923</b>	<b>3,168</b>

### 8. Investments

	Subsidiary undertakings
	£000
<b>Cost</b>	
At 1 January 2014 and 31 December 2014	<b>9,078</b>
<b>Net book value</b>	
At 31 December 2014 and 31 December 2013	<b>9,078</b>

In the opinion of the directors the aggregate value of the investments in subsidiary undertakings is not less than the amount at which they are stated in the financial statements

The investments in which the company holds at least 20% of the nominal value of any class of share capital, all of which are unlisted, are as follows

Name of Company	Holdings	Proportion held	Nature of Business
ntl Midlands Leasing Limited	Ordinary	100%	Leasing

The company is registered in England and Wales

### 9. Debtors

	2014 £000	2013 £000
Amounts owed by group undertakings	139,019	109,249
Deferred tax (note 10)	13,036	26,389
	<b>152,055</b>	<b>135,638</b>

# ntl Midlands Limited

## Notes to the Financial Statements

Year ended 31 December 2014

### 9. Debtors (continued)

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

	2014	2013
	£000	£000
Net investment in finance leases with group undertakings	5,619	5,619
Deferred tax	13,036	26,389
	<u>18,655</u>	<u>32,008</u>

The analysis of amounts owed by group undertakings is

	2014	2013
	£000	£000
Net investment in finance leases with group undertakings	5,619	9,790
Amounts owed by group undertakings	133,400	99,459
	<u>139,019</u>	<u>109,249</u>

Amounts owed by group undertakings are unsecured and repayable on demand

Net investment in finance leases comprises

	2014	2013
	£000	£000
Total amounts receivable	6,234	10,682
Less Interest allocated to future periods	(615)	(892)
	<u>5,619</u>	<u>9,790</u>

### 10. Deferred tax

The deferred tax included in the balance sheet is as follows

	2014	2013
	£000	£000
Included in debtors (note 9)	13,036	26,389

The movement in deferred tax during the year was

	2014	2013
	£000	£000
Balance at 1 January	26,389	37,754
Profit and loss account movement arising during the year	(13,353)	(11,365)
Balance at 31 December	<u>13,036</u>	<u>26,389</u>

The deferred tax balance consists of the tax effect of timing differences in respect of

	2014	2013
	£000	£000
Depreciation in excess of capital allowances	3,961	6,075
Tax losses	9,075	20,314
	<u>13,036</u>	<u>26,389</u>

# ntl Midlands Limited

## Notes to the Financial Statements

Year ended 31 December 2014

### 10. Deferred tax (continued)

A deferred tax asset has been recognised as it is considered, based upon all available evidence, more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

### 11. Creditors: Amounts falling due within one year

	2014 £000	2013 £000
Amounts owed to group undertakings	266,937	268,992
Obligations under leases with group undertakings	1,898	1,785
	<u>268,835</u>	<u>270,777</u>

The analysis of amounts owed to group undertakings is

	2014 £000	2013 £000
Loans advanced by group undertakings	266,937	268,992

Amounts owed to group undertakings are unsecured and repayable on demand

Finance lease arrangements are referred to in more detail in note 13

### 12. Creditors: Amounts falling due after more than one year

	2014 £000	2013 £000
Obligations under leases with group undertakings	4,163	6,061

Finance lease arrangements are referred to in more detail in note 13

There were no aggregate liabilities disclosed under creditors falling due after more than one year that were due for repayment after more than five years at 31 December 2014 or 31 December 2013

### 13. Commitments under hire purchase and finance lease agreements

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

	2014 £000	2013 £000
Amounts payable within 1 year	2,176	2,176
Amounts payable between 1 and 2 years	2,176	2,176
Amounts payable between 2 to 5 years	2,175	4,351
	<u>6,527</u>	<u>8,703</u>
Less interest and finance charges relating to future periods	(466)	(857)
	<u>6,061</u>	<u>7,846</u>

Commitments under finance lease agreements relate to a lease and leaseback transaction. The transaction took place on 23 March 2012 with ntl Midlands Leasing Limited, the company's subsidiary, whereby a 10 year headlease was granted over certain of the network fixed assets of the company. The headlease has an implicit interest rate of 4.35%.

# ntl Midlands Limited

## Notes to the Financial Statements

Year ended 31 December 2014

### 13. Commitments under hire purchase and finance lease agreements *(continued)*

On the same date, ntl Midlands 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 ntl Midlands 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 6.35%, which is the rate of interest implicit in the lease.

### 14. Contingent liabilities

The company, along with fellow group undertakings, is party to a senior secured credit facility with a syndicate of banks. As at 31 December 2014 this comprised term facilities that amounted to £3,083 million (2013 - £2,638 million) and a revolving facility of £660 million (2013 - £660 million). Borrowings under the facilities are secured against the assets of certain members of the group including those of this company.

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 2014 amounted to £3,760 million (2013 - £4,081 million). Borrowings under the notes are secured against the assets of certain members of the group including those of this company.

On 28 January 2015, a fellow group undertaking issued senior secured notes with an aggregate principal amount of £300 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.

On 30 March 2015, a fellow group undertaking issued senior secured notes with an aggregate principal amount of £862 million. There was a further issue of these senior secured notes on 30 April 2015 of £326 million. The new senior secured notes rank pari passu with the group's existing senior secured notes and senior secured credit facility, and subject to certain exceptions, share in the same guarantees and security granted in favour of its existing senior secured notes. The net proceeds were used to repay existing debt obligations within the group.

On 5 June 2015, a fellow group undertaking transferred \$1,855 million (£1,214 million) of its existing term facility due 2020 to a new dollar denominated term facility due 2023, under the existing senior secured credit facility. The new term facility 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.

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

### 15. 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 Liberty Global plc and its subsidiaries (see note 18).

### 16. Share capital

Allotted, called up and fully paid:

	2014		2013	
	No	£000	No	£000
Ordinary shares of £0.025 each	29,016,691	725	29,016,691	725

# ntl Midlands Limited

## Notes to the Financial Statements

Year ended 31 December 2014

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

	Share capital	Share premium account	Revaluation reserve	Other reserve	Profit and loss account	Total shareholder's funds
	£000	£000	£000	£000	£000	£000
At 1 January 2013	725	1,042,612	1,635	5,494	(977,722)	72,744
Profit for the year	-	-	-	-	1,911	1,911
Transfer to/from revaluation reserve	-	-	(93)	-	93	-
At 31 December 2013 and 1 January 2014	725	1,042,612	1,542	5,494	(975,718)	74,655
Profit for the year	-	-	-	-	10,257	10,257
Transfer to/from revaluation reserve	-	-	(93)	-	93	-
At 31 December 2014	725	1,042,612	1,449	5,494	(965,368)	84,912

### 18. Parent undertaking and controlling party

The company's immediate parent undertaking is Diamond Cable Communications 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 2014 are Virgin Media Finance PLC and Liberty Global plc, respectively

The company's ultimate parent undertaking and controlling party at 31 December 2014 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](http://www.libertyglobal.com)