

Registered number: 02379804

NTL CABLECOMMS CHESHIRE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017



NTL CABLECOMMS CHESHIRE

COMPANY INFORMATION

Directors	R D Dunn M O Hifzi
Company secretary	G E James
Registered number	02379804
Registered office	Bartley Wood Business Park Hook Hampshire RG27 9UP

NTL CABLECOMMS CHESHIRE

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NTL CABLECOMMS CHESHIRE

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

Principal activities and business review

The principal activity of the company during the year was the provision of video, fixed-line telephony, broadband internet and other telecommunication services as well as running some of the telecommunication services over which they were provided. On 1 August 2017, the trade and assets of the company were acquired by ntl CableComms Holdings No.1 Limited, a fellow group undertaking. It is the intention of the directors that this entity will become dormant.

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

The Virgin Media Inc consolidated group (the group) operates under the Virgin Media brand in the United Kingdom (UK) and Republic of Ireland (Ireland).

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

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

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

At 31 December 2017, the group provided services to approximately 5.9 million residential cable customers on its network. The group is also one of the largest MVNO by number of customers, providing mobile telephony services to 2.5 million contract mobile customers and 0.5 million prepay mobile customers over third party networks. At 31 December 2017, 82% of residential customers on the group's cable network received multiple services and 62% were "triple-play" customers, receiving broadband internet, video and fixed-line telephony services from the group.

Liberty Global is the world's largest international TV and broadband company with operations in 12 European countries. Its substantial scale and commitment to innovation enables it to develop market-leading products delivered through next-generation networks that, as of 31 December 2017, connected over 22 million customers subscribing to 46 million television, broadband internet and telephony services. In addition at 31 December 2017, Liberty Global served over 6 million mobile subscribers and offered WiFi service across 10 million access points.

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 and are available at Liberty Global's website at www.libertyglobal.com.

Key performance indicators (KPIs)

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

	2017	2016	Commentary
Turnover	19,084	31,754	Turnover has decreased by 39.9% primarily due to the company only trading for 7 months in 2017, compared to a full year of trading activity in 2016.
Operating profit before exceptional items	3,288	6,222	Operating profit before exceptional items has decreased by 47.2% primarily due to the company only trading for 7 months in 2017, compared to a full year of trading activity in 2016.

NTL CABLECOMMS CHESHIRE

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

Selected statistics for residential cable customers served by the company at 31 December 2017 and 31 December 2016 are shown in the table below:

	2017	2016
Products:		
Video	-	36,200
Fixed-line telephony	-	41,800
Broadband internet	-	45,000
	<hr/>	<hr/>
Total	-	123,000

	2017 £000	2016 £000
	-	47,900
	<hr/>	<hr/>
Total customers		

Products per customer	-	2.57
	<hr/>	<hr/>

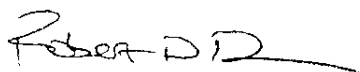
Each video, fixed-line telephone and broadband internet subscriber directly connected to the company's network counts as one product. Accordingly, a subscriber who receives both telephone and video services counts as two products. Products may include subscribers receiving some services for free or at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

The company reported an increase in both net current assets and net assets for the year ended 31 December 2017 as a result of the acquisition by ntl CableComms Holdings No. 1 of the trade and assets of the company.

Future outlook

It is the intention of the directors that this entity will become dormant. 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, including consideration of the impact of the UK referendum in June 2016 and the withdrawal from the European Union, is provided in Virgin Media Inc.'s financial statements and annual report for 2016, which are available from the company secretary at Virgin Media, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

This report was approved by the board on 25 September 2018 and signed on its behalf.



R D Dunn
Director

NTL CABLECOMMS CHESHIRE

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements of the company for the year ended 31 December 2017.

Results and dividends

The profit for the year, after tax, amounted to £74,737,000 (2016 - £3,876,000).

The directors have not recommended an ordinary dividend (2016 - £nil)

Directors

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

R D Dunn
M O Hifzi

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

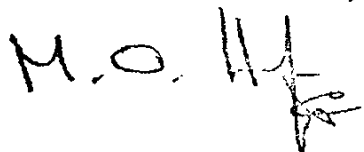
Going concern

After making suitable enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Audit exemption

Virgin Media Finance PLC issued a guarantee against all outstanding liabilities to which the company is subject as at 31 December 2017, 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 2017 by virtue of section 479A of the Companies Act 2006.

This report was approved by the board on 25 September 2018 and signed on its behalf.



M O Hifzi
Director

NTL CABLECOMMS CHESHIRE

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements of the company in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Under company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 CABLECOMMS CHESHIRE

**PROFIT AND LOSS ACCOUNT AND STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £000	2016 £000
Turnover		19,084	31,754
Cost of sales		(5,467)	(9,057)
Gross profit		13,617	22,697
Administrative expenses		(10,329)	(16,475)
Exceptional administrative income	4	69,580	66
Operating profit		72,868	6,288
Other interest receivable and similar income	6	2,287	-
Interest payable and similar charges	7	(418)	(1,079)
Profit before tax		74,737	5,209
Tax on profit	8	-	(1,333)
Profit for the year		74,737	3,876

The notes on pages 8 to 16 form part of these financial statements.

There was no other comprehensive income or expenditure for 2017 or 2016 other than that included in the profit and loss account.

All results were from continuing operations, however it is the intention of the directors that the company will become dormant.

NTL CABLECOMMS CHESHIRE
REGISTERED NUMBER:02379804

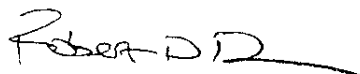
BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £000	2016 £000
Fixed assets			
Tangible assets	9	-	23,569
Current assets			
Debtors due after one year	10	-	6,883
Debtors due within one year	10	155,074	49,806
		155,074	56,689
Creditors: amounts falling due within one year	11	(2,084)	(2,005)
Net current assets		152,990	54,684
Total assets less current liabilities		152,990	78,253
Creditors: amounts falling due after more than one year	12	(9,884)	(9,884)
Net assets		143,106	68,369
Capital and reserves			
Share capital	14	-	124,615
Profit and loss account	15	143,106	(56,246)
Shareholder's funds		143,106	68,369

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 September 2018



R D Dunn
Director

The notes on pages 8 to 16 form part of these financial statements

NTL CABLECOMMS CHESHIRE

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Share capital	Profit and loss account	Shareholder's funds
	£000	£000	£000
At 1 January 2017	124,615	(56,246)	68,369
Comprehensive income for the year			
Profit for the year	-	74,737	74,737
Total comprehensive income for the year	-	74,737	74,737
Capital reduction	(124,615)	-	(124,615)
Transfer to profit and loss account	-	124,615	124,615
At 31 December 2017	-	143,106	143,106

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Share capital	Profit and loss account	Shareholder's funds
	£000	£000	£000
At 1 January 2016	124,615	(60,122)	64,493
Comprehensive income for the year			
Profit for the year	-	3,876	3,876
Total comprehensive income for the year	-	3,876	3,876
At 31 December 2016	124,615	(56,246)	68,369

The notes on pages 8 to 16 form part of these financial statements.

NTL CABLECOMMS CHESHIRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Company information

ntl CableComms Cheshire (the "company") is a private company incorporated, domiciled and registered in the UK. The registered number is 02379804 and the registered address is Bartley Wood Business Park, Hook, Hampshire, RG27 9UP

2. Accounting policies

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

2.1 Basis of accounting

These financial statements have been prepared on a going concern basis and under the historical cost basis in accordance with the Companies Act 2006 and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 have been applied

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

The company's parent undertaking, Virgin Media Finance PLC includes the company in its consolidated financial statements. The consolidated financial statements of Virgin Media Finance PLC are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital and tangible fixed assets;
- disclosures in respect of related party transactions with fellow group undertakings;
- disclosures in respect of capital management,
- the effects of new but not yet effective IFRSs,
- disclosures in respect of the compensation of key management personnel; and
- disclosures of transactions with a management entity that provides key management personnel services to the company.

2.2 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 video, fixed-line telephony, broadband internet and other telecommunication services and to run certain telecommunication systems over which they are provided. All turnover is 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 CABLECOMMS CHESHIRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.3 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
- Leasehold property	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. The useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

Network assets includes construction in progress which is not depreciated and comprises of materials, consumables and direct labour relating to network construction and is stated at the cost incurred in bringing each product to its present location and condition, as follows:

Raw materials and consumables	- Purchase cost
Work in progress	- Cost of direct materials and labour

Labour cost relating to the design, construction and development of the network, capital projects, and related services are capitalised and depreciated on a straight-line basis over the life of the relevant assets.

2.4 Trade and other debtors

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

2.5 Classification of shares as debt or equity

The company has financial instruments in the form of preference shares. As a condition of the shares there is a contractual obligation to accrue for dividends, regardless of performance. As this condition is potentially unfavourable the preference shares have been classified in the balance sheet as financial liabilities, rather than equity, in accordance with IAS 32 "Financial Instruments: Disclosure and Presentation"

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.6 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside of profit or loss

Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

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

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

Property, plant and equipment

Depreciation is provided on all property, plant and equipment, other than freehold land, on a straight-line basis at rates calculated to write off the cost of each asset over the shorter of its leasing period or estimated useful life. The estimation of an asset's useful economic life has a significant effect on the annual depreciation charge.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses and allowances to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Recoverability of intercompany debtors

Intercompany debtors are stated at their recoverable amount less any necessary provision. Recoverability of intercompany debtors is assessed annually and a provision is recognised if any indications exist that the debtor is not considered recoverable.

NTL CABLECOMMS CHESHIRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

4. Operating profit

The operating profit is stated after charging/(crediting):

	2017 £000	2016 £000
Gain on disposal of fixed assets	(36)	-
Gain on sale of company trade and assets to fellow group undertakings	(66,688)	-
Release of intercompany debtor impairment provision	(2,856)	(66)
Exceptional administrative income	(69,580)	(66)
Depreciation of tangible fixed assets	2,567	4,027

Recoverability of inter-company debtors is assessed annually. Based on the impairment review of inter-company indebtedness as at 31 December 2017, and a wider group restructure, the directors concluded on a release of provision against amounts due from group undertakings totalling £2,856,000 (2016 - £66,000).

On 1 August 2017 the company made a gain on the sale of its trade and assets to ntl Cablecomms Holdings No 1, a fellow group undertaking, of £66,688,000.

The company made a gain on disposal of fixed assets following the sale of property to Virgin Media Properties II Limited of £36,000 (2016 - £nil)

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, a fellow group undertaking.

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.

5. 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.

6. Other interest receivable and similar income

	2017 £000	2016 £000
Interest on amounts owed by group undertakings	2,286	-
Other finance income	1	-
	2,287	-

NTL CABLECOMMS CHESHIRE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

7. Interest payable and similar charges

	2017 £000	2016 £000
Interest on amounts owed to group undertakings	143	617
Other finance charges	275	462
	418	1,079

8. Tax on profit

	2017 £000	2016 £000
Current tax		
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	1,333
Total deferred tax	-	1,333
Tax on profit	-	1,333

The tax assessed for the year is lower than (2016 - higher than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%). The differences are explained below:

	2017 £000	2016 £000
Profit before tax	74,737	5,209
Profit multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%)	14,387	1,042
Effects of:		
Expenses not deductible for tax purposes	1	7
Depreciation on ineligible fixed assets	-	7
Net effect of tax rate changes on deferred tax asset	(916)	290
Fixed asset adjustments on transfer to fellow group undertaking	6,941	-
Income not taxable	(13,386)	(13)
Group relief claimed	(144)	-
Deferred tax asset transferred to fellow group undertaking	(6,883)	-
Total tax charge for the year	-	1,333

NTL CABLECOMMS CHESHIRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

8. Tax on profit (continued)

Factors affecting current and future tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2016) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

9. Tangible assets

	Network assets £000	Other £000	Total £000
Cost			
At 1 January 2017	107,894	1,935	109,829
Additions	2,426	150	2,576
Transfer on sale of trade & assets	(110,320)	(1,975)	(112,295)
Disposals	-	(110)	(110)
At 31 December 2017	-	-	-
At 1 January 2017	85,294	966	86,260
Charge for the year	2,417	150	2,567
Transfer on sale of trade & assets	(87,711)	(1,049)	(88,760)
Disposals	-	(67)	(67)
At 31 December 2017	-	-	-
Net book value			
At 31 December 2017	-	-	-
At 31 December 2016	22,600	969	23,569

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

	2017 £000	2016 £000
Freehold property	-	58

NTL CABLECOMMS CHESHIRE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. Debtors

	2017 £000	2016 £000
Due after one year		
Deferred tax asset (note 13)	-	6,883

	2017 £000	2016 £000
Due within one year		
Amounts owed by group undertakings	155,074	49,806

The analysis of amounts owed by group undertakings is.

	2017 £000	2016 £000
Loans advanced to group undertakings	140,854	-
Other amounts owed by group undertakings	14,220	52,662
Impairment provision on amounts owed by group undertakings	-	(2,856)
	155,074	49,806

Amounts owed by group undertakings are unsecured and repayable on demand.

11. Creditors: amounts falling due within one year

	2017 £000	2016 £000
Amounts owed to group undertakings	2,084	2,005

The analysis of amounts owed to group undertakings is

	2017 £000	2016 £000
Loans advanced by group undertakings	2,084	2,005

Amounts owed to group undertakings are unsecured and repayable on demand

NTL CABLECOMMS CHESHIRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

	2017 £000	2016 £000
Preference share dividend payable to group undertakings	9,884	9,884
Share capital treated as debt	-	-
	<u>9,884</u>	<u>9,884</u>

Details of the preference shares which are held by group undertakings are set out in note 14.

13. Deferred tax

	2017 £000	2016 £000
At 1 January	6,883	8,216
Charged to the profit and loss account	-	(1,333)
Deferred tax asset transferred to fellow group undertaking	(6,883)	-
At 31 December	<u>-</u>	<u>6,883</u>

The deferred tax asset is made up as follows:

	2017 £000	2016 £000
Accelerated capital allowances	-	6,883

14. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted called up and fully paid		
124,615,385 (2016 - 124,615,385) Ordinary shares of £0.00000001 each (2016 - £1)	<u>1</u>	<u>124,615,385</u>
Shares classified as debt		
Allotted called up and fully paid		
300 (2016 - 300) Preference shares of £0.00000001 each (2016 - £1)	<u>-</u>	<u>300</u>

NTL CABLECOMMS CHESHIRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

14. Share capital (continued)

On 4 July 2017, the company reduced its issued share capital from £124,615,685 to £1 by reducing the nominal value of the ordinary and preference shares from £1 to £0.00000001.

The preference shares which are held by group undertakings are classified as a liability under IAS 32 "Financial Instruments. Presentation" and shown in note 12.

Shareholders' voting rights

The primary rights attached to the various classes of shares are as follows:

£1 Preference shares

The right to attend and speak, but not vote at all general meetings of the company.

£1 'A' Ordinary shares

The right to attend, speak and vote at all general meetings of the company

Distributable profits

Distributable profits are allocated on the following basis:

Preference shareholder

The company's Articles of Association provide for a fixed cumulative dividend at the rate of £494,000 per annum. This dividend accrued on a daily basis from 11 October 1994 until 11 October 2014. After payment of the preference dividend, the preference shareholder is entitled to 15% of the remaining distributable profits on winding up.

All Ordinary shareholders

After payment of the preference dividend, all ordinary shareholders are entitled to 85% of the remaining distributable profits on winding up.

15. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses net of dividends paid

16. Guarantees

Fellow group undertakings are party to a senior secured credit facility with a syndicate of banks. As at 31 December 2017, this comprised term facilities that amounted to £3,410 million (2016 - £3,595 million) and an outstanding balance of £nil (2016 - £nil) which was borrowed under a revolving facility of £675 million (2016 - £675 million). Borrowings under the facilities are secured against the assets of certain members of the group.

In addition, a fellow group undertaking has issued senior secured notes which, subject to certain exceptions, share the same guarantees and security which have been granted in favour of the senior secured credit facility. The amount outstanding under the senior secured notes at 31 December 2017 amounted to £4,870 million (2016 - £5,024 million). Borrowings under the notes are secured against the assets of certain members of the group.

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

17. Parent undertaking and controlling party

The company's immediate parent undertaking is ntl CableComms Holdings No 1 Limited.

The company's ultimate parent undertaking and controlling party at 31 December 2017 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