

**ntl CableComms Oldham and Tameside**  
**Financial Statements**  
**31 December 2008**

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# **ntl CableComms Oldham and Tameside**

## **Financial Statements**

**Year ended 31 December 2008**

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# **ntl CableComms Oldham and Tameside**

## **Company Information**

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<b>The board of directors</b>	Virgin Media Directors Limited Virgin Media Secretaries Limited
<b>Company secretary</b>	Virgin Media Secretaries Limited
<b>Registered office</b>	160 Great Portland Street London W1W 5QA
<b>Auditor</b>	Ernst & Young LLP 1 More London Place London SE1 2AF

# **ntl CableComms Oldham and Tameside**

## **The Directors' Report**

**Year ended 31 December 2008**

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The directors present their report and the financial statements of the company for the year ended 31 December 2008.

### **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. The Virgin Media group is a leading UK entertainment and communications business providing a "quad-play" offering of television, broadband, fixed line telephone and mobile telephone services.

At 31 December 2008, by customer numbers, the Virgin Media group was the UK's largest residential broadband provider and mobile virtual network provider and the second largest provider in the UK of pay television and fixed line telephone services by number of customers. The group owned and operated cable networks that passed approximately 12.6 million homes in the UK and at 31 December 2008 provided services to approximately 4.8 million cable customers on its network, approximately 56% of which were "triple-play" customers, receiving broadband, television and fixed line telephone services. In addition, at 31 December 2008 the Virgin Media group provided mobile telephone services to 2.7 million pre-pay customers and 0.6 million contract customers over third party networks.

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. As a result it provides its customers with leading next generation broadband service and one of the most advanced TV on-demand services available in the UK market.

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 Virgin1, Living and Bravo; and through UKTV, its joint ventures with BBC Worldwide.

# ntl CableComms Oldham and Tameside

## The Directors' Report *(continued)*

### Year ended 31 December 2008

#### Principal activity and business review *(continued)*

Turnover has decreased by 1.0% to £17,173,000 for the year ended 31 December 2008 from £17,338,000 in 2007. The decrease was primarily due to a reduction in the number of fixed-line telephone subscribers, a decline 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, the full year impact of which has been reflected in 2008. Partially offsetting these decreases have been increases in revenue from selective telephony and television price increases and from additional customers subscribing to television and broadband services.

Gross profit margins have increased to 71.7% for the year ended 31 December 2008 from 71.3% in 2007. The increase was primarily due to the change in the mix of services provided with increased, higher margin, broadband customers. Partially offsetting the increase were the price discounting and alignment measures described above.

Selected statistics for residential cable customers served by the company at 31 December 2008 and 31 December 2007 are shown in the table below:

Year ended 31 December	2008	2007
Revenue generating units:		
Television	26,900	26,700
Fixed-line telephone	31,100	31,400
Broadband	27,100	26,900
Total	85,100	85,000
 Total customers	 35,200	 37,500

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 49.5% in 2008 over 2007 mainly due to a reduced impairment charge against amounts due from group undertakings totalling £2,483,000 (2007 - £15,774,000). In addition there was a decrease in costs allocated to the company as a result of lower employee costs, primarily due to fewer employees, and a reduction in costs relating to marketing and the rebrand to Virgin Media in 2007. The decrease was partially offset by an increase in the depreciation charge and unfavourable foreign exchange movements on amounts denominated in US dollars, which were borrowed from group undertakings during the year and an increase in the legal and professional fees, bad debt expense and use of assets charges allocated to the company by the Virgin Media group.

The operating profit for the year totalled £289,000, compared to the operating loss of £11,453,000 for the year ended 31 December 2007. The change was predominantly due to the reasons stated above.

The company reported a decrease in net current assets and a decrease in net assets as at 31 December 2008 as a result of normal operations. No external finance was arranged or settled and there was no movement in the called up equity share capital of the company as at 31 December 2008. Operations are financed through the company's own working capital and inter-company balances with fellow group undertakings.

#### Results and dividends

The loss for the financial year amounted to £1,299,000 (2007 - loss of £12,964,000). The directors have not recommended an ordinary dividend (2007 - £nil).

# ntl CableComms Oldham and Tameside

## The Directors' Report *(continued)*

Year ended 31 December 2008

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### Financial risk management

The company's operations expose it to a variety of financial risks that include liquidity, interest rate, currency and credit 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, including the repayment date and interest rate, 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.

#### *Currency risk*

Foreign currency risk arises when the company has financial instruments denominated in a currency that is not the functional currency. The group's policy is to manage currency risk in relation to third party borrowings through the use of external hedging instruments. The group's policy is not to hedge against inter-company debt held in foreign currencies. However, the company may reduce all or part of the risk by loaning funds to other group undertakings in the same currency as the original borrowing.

#### *Credit risk*

Credit risk is the risk that one party to a transaction will cause a financial loss for the other party by failing to discharge an obligation. The company's policies are aimed at minimising such losses, by generally requiring that customers satisfy credit worthiness criteria. The group's inter-company funding arrangements are managed centrally. Recoverability of inter-company receivables is assessed annually. The provision for non-recoverability may increase or decrease as a result of that review.

The company's financial instruments comprise the liability for the payment of dividends to the preference shareholder. The cumulative dividend will be paid when the company has sufficient distributable reserves.

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

### 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 the Virgin Media group further invested in its cable network with the deployment of the next generation of wideband cable broadband technology, which significantly increased both upstream and downstream transmissions speeds. This technology enables the Virgin Media group to offer high-speed broadband services of 50Mb and higher and provides a platform for incremental upgrades in line with consumer demand. The investment in the next generation broadband access technologies is the latest in a series of infrastructure investments to support entertainment services in the UK. In 2009, the group expects to complete the roll-out of wideband cable broadband technology, allowing 50Mb services to be made available to over 96% of its network.

# **ntl CableComms Oldham and Tameside**

## **The Directors' Report** *(continued)*

**Year ended 31 December 2008**

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### **Directors**

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

Virgin Media Directors Limited

Virgin Media Secretaries Limited

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.

### **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 22 October 2009

# **ntl CableComms Oldham and Tameside**

## **Statement of Directors' Responsibilities**

**Year ended 31 December 2008**

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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.



# **ntl CableComms Oldham and Tameside**

## **Independent Auditor's Report to the Members of ntl CableComms Oldham and Tameside**

**Year ended 31 December 2008**

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We have audited the company's financial statements for the year ended 31 December 2008 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, 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 members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, 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 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.

# ntl CableComms Oldham and Tameside

Independent Auditor's Report to the Members of ntl CableComms Oldham and Tameside *(continued)*

Year ended 31 December 2008

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## 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 2008 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

22 October 2009

# ntl CableComms Oldham and Tameside

## Profit and Loss Account

Year ended 31 December 2008

	Note	2008 £000	2007 £000
Turnover		17,173	17,338
Cost of sales		(4,855)	(4,973)
Gross profit		12,318	12,365
Administrative expenses		(12,029)	(23,818)
Operating profit/(loss)	2	289	(11,453)
Attributable to:			
Operating profit before exceptional items		2,915	4,499
Exceptional items	2	(2,626)	(15,952)
		289	(11,453)
Interest payable and similar charges	4	(1,588)	(1,511)
Loss on ordinary activities before taxation		(1,299)	(12,964)
Tax on loss on ordinary activities	5	—	—
Loss for the financial year	13	(1,299)	(12,964)

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 £1,299,000 attributable to the shareholders for the year ended 31 December 2008 (2007 - loss of £12,964,000).

The notes on pages 11 to 18 form part of these financial statements.


# ntl CableComms Oldham and Tameside

## Balance Sheet

31 December 2008

	Note	2008 £000	2007 £000
<b>Fixed assets</b>			
Tangible assets	6	<u>17,441</u>	<u>18,719</u>
<b>Current assets</b>			
Debtors due within one year	7	21,654	–
Debtors due after one year	7	–	<u>19,539</u>
		<u>21,654</u>	<u>19,539</u>
<b>Creditors: Amounts falling due within one year</b>	8	<u>(19,734)</u>	<u>–</u>
<b>Net current assets</b>		<b>1,920</b>	<b>19,539</b>
<b>Total assets less current liabilities</b>		<u><b>19,361</b></u>	<u><b>38,258</b></u>
<b>Creditors: Amounts falling due after more than one year</b>	9	<u><b>(11,182)</b></u>	<u><b>(28,780)</b></u>
		<u><b>8,179</b></u>	<u><b>9,478</b></u>
<b>Capital and reserves</b>			
Called-up equity share capital	12	114,889	114,889
Profit and loss account	13	<u>(106,710)</u>	<u>(105,411)</u>
<b>Shareholders' funds</b>	13	<u><b>8,179</b></u>	<u><b>9,478</b></u>

These financial statements were approved by the directors on 22 October 2009 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 18 form part of these financial statements.

# ntl CableComms Oldham and Tameside

## Notes to the Financial Statements

Year ended 31 December 2008

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### 1. Accounting policies

#### *Accounting convention*

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

#### *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 FRS 25 'Financial Instruments: Disclosure and Presentation'.

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

#### *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 14).

#### *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
Other fixed assets:	
- Freehold property	30 years
- Leasehold property	period of lease
- Other	3 - 12 years

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

# ntl CableComms Oldham and Tameside

## Notes to the Financial Statements

Year ended 31 December 2008

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

#### *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.

#### *Foreign currencies*

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### *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 full amount is written off when the probability for recovery of a balance is assessed as being remote.

### 2. Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	2008	2007
	£000	£000
Depreciation of owned fixed assets	2,300	808
Loss on disposal of fixed assets	—	89
Auditor's remuneration		
- as auditor	1	2
Net loss on foreign currency translation	254	—
Exceptional item:		
Increase in provision against amounts due from group undertakings	2,483	15,774
Reorganisation costs	143	178

# ntl CableComms Oldham and Tameside

## Notes to the Financial Statements

Year ended 31 December 2008

### 2. Operating profit/(loss) (continued)

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.

During 2008 the Virgin Media group commenced the implementation of a restructuring plan aimed at driving further improvements in operational performance and eliminating inefficiencies in order to create a fully-integrated, customer focused organisation. Reorganisation costs for the year ended 31 December 2008 related primarily to the company's share of contract and lease exit costs in connection with this restructuring plan.

Reorganisation costs for the year ended 31 December 2007 mainly represented 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.

The group's inter-company funding arrangements are managed centrally. Recoverability of inter-company receivables is assessed annually. The provision for non-recoverability may decrease or increase as a result of that review. For the year ended 31 December 2008, there was an increase in the provision totalling £2,483,000 (2007 - £15,774,000). The primary driver for the change in the provision was a decline in the valuation of the underlying assets in the Virgin Media group as shown by a third party valuation as at 31 December 2008.

During the year the company borrowed funds from group undertakings which were denominated in US dollars (see note 9). Unfavourable movements in foreign exchange rates resulted in a net loss on foreign currency translation of £254,000. During the prior year the company did not have any foreign currency denominated debt.

### 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 are disclosed in the group accounts of Virgin Media Finance PLC.

### 4. Interest payable and similar charges

	2008	2007
	£000	£000
Accrued dividend on shares classed as financial liabilities	486	486
Interest on amounts owed to group undertakings	1,102	1,025
	<u>1,588</u>	<u>1,511</u>

# ntl CableComms Oldham and Tameside

## Notes to the Financial Statements

Year ended 31 December 2008

### 5. Taxation on ordinary activities

#### (a) Analysis of charge in the year

The tax charge is made up as follows:

	2008 £000	2007 £000
<b>Current tax charge:</b>		
Current tax on loss for the year	-	-
<b>Deferred tax:</b>		
Origination and reversal of timing differences	-	-
<b>Total tax charge on loss on ordinary activities</b>	<u>-</u>	<u>-</u>

#### (b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year differs from the standard rate of corporation tax in the UK. In 2008 the average tax rate was 28.50% (2007 - 30%).

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

	2008 £000	2007 £000
Loss on ordinary activities before taxation	<u>(1,299)</u>	<u>(12,964)</u>
Loss on ordinary activities multiplied by the rate of tax	(370)	(3,889)
Expenses not deductible for tax purposes	859	4,893
Depreciation in excess of capital allowances	661	314
Utilisation of tax losses	<u>(1,150)</u>	<u>(1,318)</u>
<b>Total current tax (note 5(a))</b>	<u>-</u>	<u>-</u>

#### (c) Factors that may affect future tax charges

Deferred tax assets in respect of the following amounts have not been recognised as there is currently no persuasive evidence that there will be suitable taxable profits against which these timing differences will reverse.

	2008 £000	2007 £000
Tax losses	4,625	5,714
Capital allowances in excess of depreciation	<u>12,874</u>	<u>12,267</u>
	<u>17,499</u>	<u>17,981</u>

The UK Corporation tax rate decreased from 30% to 28% from 1 April 2008. This rate change will affect the amount of future tax payments to be made by the company. The unprovided deferred tax assets reflect this change.



# ntl CableComms Oldham and Tameside

## Notes to the Financial Statements

Year ended 31 December 2008

### 6. Tangible fixed assets

	Network £000	Other £000	Total £000
<b>Cost</b>			
At 1 January 2008	70,381	2,939	73,320
Additions	1,312	–	1,312
Disposals	(2,232)	(32)	(2,264)
Transfers	–	(422)	(422)
<b>At 31 December 2008</b>	<b>69,461</b>	<b>2,485</b>	<b>71,946</b>
<b>Depreciation</b>			
At 1 January 2008	52,588	2,013	54,601
Charge for the year	2,244	56	2,300
On disposals	(2,232)	(32)	(2,264)
Transfers	–	(132)	(132)
<b>At 31 December 2008</b>	<b>52,600</b>	<b>1,905</b>	<b>54,505</b>
<b>Net book value</b>			
<b>At 31 December 2008</b>	<b>16,861</b>	<b>580</b>	<b>17,441</b>
At 31 December 2007	17,793	926	18,719

Transfers are to fellow group undertakings.

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

	2008 £000	2007 £000
Freehold	274	285
Short leasehold improvements	271	592

### 7. Debtors

	2008 £000	2007 £000
Trade debtors	1,280	–
Amounts owed by group undertakings	20,374	19,539
	<b>21,654</b>	<b>19,539</b>

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

	2008 £000	2007 £000
Amounts owed by group undertakings	–	19,539

Amounts owed by group undertakings are interest free and stated after deducting an impairment provision of £18,257,000 (2007 - £15,774,000). Amounts owed by group undertakings are repayable on demand.

# ntl CableComms Oldham and Tameside

## Notes to the Financial Statements

Year ended 31 December 2008

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

	2008	2007
	£000	£000
Amounts owed to group undertakings	19,734	—

Amounts owed to group undertakings represent are unsecured, interest free and repayable on demand.

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

	2008	2007
	£000	£000
Preference share dividend payable	6,911	6,425
Amounts owed to group undertakings	4,271	22,355
2 Preference shares of £1 each	—	—
	11,182	28,780

Details of the preference shares are set out in note 12.

Amounts owed to group undertakings are unsecured and repayable on demand but are not expected to be repaid in full within five years. The rates of interest on the amounts payable ranged from 5.15% to 7.99% (2007 - nil% to 7.99%). Included in amounts owed to group undertakings are loan notes denominated in US dollars totalling £1,196,000.

### 10. 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 amount outstanding, which as at 31 December 2008 amounted to approximately £4,289 million (2007 - £4,905 million). Borrowings under the facility are secured against the assets of certain members of the group including those of the company.

On 3 June 2009 and 21 July 2009 Virgin Media Finance PLC, a parent undertaking, issued 9.5% Senior Notes due in 2016. The proceeds of the issues, together with existing cash balances, were used to repay £1,012.1 million of the Virgin Media group's obligations under its senior credit facility.

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

### 11. 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.

# ntl CableComms Oldham and Tameside

## Notes to the Financial Statements

Year ended 31 December 2008

### 12. Share capital

#### Authorised share capital:

	2008 £000	2007 £000
114,889,091 Ordinary A shares of £1 each	114,889	114,889
2 Preference shares of £1 each	-	-
	<u>114,889</u>	<u>114,889</u>

#### Allotted, called up and fully paid:

	2008 No	£000	2007 No	£000
Ordinary A shares of £1 each	<u>114,889,091</u>	<u>114,889</u>	<u>114,889,091</u>	<u>114,889</u>

The preference shares are classified as a liability under FRS 25 and shown in note 9.

#### *Shareholders' voting rights*

In the opinion of the directors, 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 shareholders*

The company's Articles of Association provide for a fixed cumulative dividend at the rate of £486,000 per annum. This dividend will accrue on a daily basis from 31 December 1993 until 31 December 2013. After payment of the preference dividend, the preference shareholder is entitled to 15% of the remaining distributable profits on winding up.

##### *Ordinary Shareholders*

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

#### *Dividends*

The preference dividend of £486,000 due to the non-equity shareholder for each of the years ended 31 December 2007 and 2008 has been treated as an expense in the Profit and Loss Account in accordance with FRS 25 'Financial Instruments: Disclosure and Presentation'.

## ntl CableComms Oldham and Tameside

### Notes to the Financial Statements

Year ended 31 December 2008

#### 13. Reconciliation of shareholders' funds and movement on reserves

	Share capital	Profit and loss account	Total share- holders' funds
	£000	£000	£000
At 1 January 2007	114,889	(92,447)	22,442
Loss for the year	—	(12,964)	(12,964)
At 31 December 2007 and 1 January 2008	114,889	(105,411)	9,478
Loss for the year	—	(1,299)	(1,299)
At 31 December 2008	114,889	(106,710)	8,179

#### 14. Parent undertaking and controlling party

The company's immediate parent undertaking is ntl CableComms Holdings No. 1 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 2008 was Virgin Media Inc., a company incorporated in the state of Delaware, United States of America.

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.