COMPANY REGISTRATION NUMBER 02446185

ntl CableComms Oldham and Tameside

Financial Statements

31 December 2013

ntl CableComms Oldham and Tameside

Financial Statements

Year ended 31 December 2013

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Company Information

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

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

At 31 December 2013 the company was a wholly owned subsidiary undertaking of Virgin Media Inc (Virgin Media) Virgin Media became a wholly-owned subsidiary of Liberty Global plc (Liberty Global) as a result of a series of mergers that were completed on 7 June 2013 (the LG/VM Transaction) This is referred to in more detail in the consolidated financial statements of Virgin Media Inc which are available from the company secretary at Virgin Media, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP

The Virgin Media 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 customers The group believes its advanced, deep-fibre cable access network enables it 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 digital cable services available in the U K market

As of 31 December 2013, the group provided services to approximately 4 9 million residential cable customers on its network The group is also one of the UK's largest mobile virtual network operators by number of customers, providing mobile telephony services to 1 9 million contract mobile customers and 1 1 million prepay mobile customers over third party networks As of 31 December 2013, 84% of residential customers on the group's cable network received multiple services from the group, and 66% were "triple play" customers, receiving broadband internet, digital cable and fixed-line telephony services from the group

In addition the group provides broadband internet, fixed-line and mobile telephony and other connectivity services to businesses, public sector organisations and service providers

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

	2013	2012	Comments
Turnover (£000)	**20,685**	19,896	Turnover has increased by 4 0% primarily due to an increased uptake of broadband internet and selective price increases There was also an increase in the uptake of digital cable and fixed-line telephone
Operating profit before exceptional items (£000)	**3,336**	3,239	Operating profit before exceptional items has increased by 3 0%, primarily due to an increase in gross profit resulting from increased turnover, partially offset by an increase in administrative expenses, driven by share based compensation recharges associated with the LG/VM transaction

Selected statistics for residential cable customers served by the company at 31 December 2013 and 31 December 2012 are shown in the table below

	2013	2012
Products		
Digital cable	**27,100**	27,000
Fixed-line telephone	**30,000**	29,800
Broadband internet	**30,500**	29,300
Total	**87,600**	86,100
Total customers	**34,300**	33,800
Products per customer	**2.55**	2 55

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 an increase in both net current assets and total assets less current liabilities for the year ended 31 December 2013 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 2013, which are available from the company secretary at Virgin Media, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP

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 30 June 2014

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Directors' Report

Year ended 31 December 2013

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2013

Results and dividends
The profit for the financial year, after tax, amounted to £7,759,000 (2012 - profit of £13,051,000) The directors have not recommended an ordinary dividend (2012 - £nil)

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

C B E Withers	(Resigned 31 March 2014)
R D Dunn	(Appointed 29 November 2013)
M O Hifzi	(Appointed 31 March 2014)
R C Gale	(Resigned 29 November 2013)

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 2013, 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 2013 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 30 June 2014

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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

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Profit and Loss Account

Year ended 31 December 2013

	Note	2013 £000	2012 £000
Turnover		**20,685**	19,896
Cost of sales		**(4,991)**	(5,074)
Gross profit		**15,694**	14,822
Administrative expenses		**(4,706)**	(11,665)
Operating profit	**2**	**10,988**	3,157
Attributable to			
Operating profit before exceptional items		**3,336**	3,239
Operating exceptional items	**2**	**7,652**	(82)
		10,988	3,157
Interest payable and similar charges	**4**	**(1,161)**	(1,262)
Profit on ordinary activities before tax		**9,827**	1,895
Tax on profit on ordinary activities	**5**	**(2,068)**	11,156
Profit for the financial year	**14**	**7,759**	13,051

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 9 to 18 form part of these financial statements.

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Balance Sheet

31 December 2013

	Note	2013 £000	2012 £000
Fixed assets			
Tangible assets	6	**16,386**	16,514
Current assets			
Debtors due after one year - Deferred tax	7,8	**9,191**	11,215
Debtors due within one year	7	**49,809**	39,375
		59,000	50,590
Creditors: Amounts falling due within one year	9	**(23,824)**	(23,787)
Net current assets		**35,176**	26,803
Total assets less current liabilities		**51,562**	43,317
Creditors: Amounts falling due after more than one year	10	**(9,341)**	(8,855)
Net assets		**42,221**	34,462
Capital and reserves			
Share capital	13	**114,889**	114,889
Profit and loss account	14	**(72,668)**	(80,427)
Shareholders' funds	14	**42,221**	34,462

For the year ended 31 December 2013 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

Directors' responsibilities

(i) the members have 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 30 June 2014 and are signed on their behalf by

Robert D D

R D Dunn
Director

The notes on pages 9 to 18 form part of these financial statements.

1. Accounting policies

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

Basis of accounting
The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006, and applicable UK accounting standards

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

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

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

1. Accountıng polıcıes *(contınued)*

Deferred tax

Deferred tax ıs recognısed, as appropriate, ın respect of all tımıng dıfferences that have orıgınated but not reversed at the balance sheet date where transactıons or events have occurred at that date that wıll result ın an oblıgatıon to pay more, or a rıght to pay less or to receıve more tax, wıth the followıng exceptıons

- provısıon ıs made for deferred tax on gaıns arısıng from the revaluatıon (and sımılar faır value adjustments) of fixed assets, and gaıns on dısposal of fixed assets that have been rolled over ınto replacement assets, only to the extent that, at the balance sheet date, there ıs a bındıng agreement to dıspose of the assets concerned However, no provısıon ıs made where, on the basıs of all avaılable evıdence at the balance sheet date, ıt ıs more lıkely than not that the taxable gaın wıll be rolled over ınto replacement assets and charged to tax only where the replacement assets are sold, and

- deferred tax assets are recognısed only to the extent that the dırectors consıder that ıt ıs more lıkely than not that there wıll be suıtable taxable profits from whıch the future reversal of the underlyıng tımıng dıfferences can be deducted

Deferred tax ıs measured on an undıscounted basıs at the tax rates that are expected to apply ın the perıods ın whıch tımıng dıfferences reverse, based on tax rates and laws enacted or substantıvely enacted at the balance sheet date

Classıficatıon of shares as debt or equıty

The company has financıal ınstruments ın the form of preference shares As a condıtıon of the shares there ıs a contractual oblıgatıon to accrue for dıvıdends, regardless of performance As thıs condıtıon ıs potentıally unfavourable the preference shares have been classıfied ın the balance sheet as financıal lıabılıtıes, rather than equıty, ın accordance wıth FRS 25 "Fınancıal Instruments Dısclosure and Presentatıon"

Fınance payments assocıated wıth financıal lıabılıtıes are dealt wıth as part of ınterest payable and sımılar charges

Trade and other debtors

Trade and other debtors are stated at theır recoverable amount Provısıon ıs made when the amount receıvable ıs not consıdered recoverable and the amount ıs fully wrıtten off when the probabılıty for recovery of a balance ıs assessed as beıng remote

2. Operating profit

Operatıng profit ıs stated after chargıng

	2013	2012
	£000	£000
Depreciatıon of owned tangıble fixed assets	**2,625**	2,359
Loss on dısposal of fixed assets	**–**	58
(Release of)/ıncrease ın provısıon agaınst amounts due from group undertakıngs	**(7,652)**	82

2. Operating profit *(continued)*

The group's inter-company funding arrangements are managed centrally Recoverability of inter-company receivables is assessed annually The provision for non-recoverability may increase or decrease as a result of that review The impairment review of inter-company indebtedness as at 31 December 2013 concluded that a release of provision against amounts due from group undertakings totalling £7,652,000 should be made (2012 - increase of £82,000)

Auditor's remuneration of £nil (2012 - £2,000) represents costs allocated to the company by fellow group undertakings that pay all auditor's remuneration on behalf of the group

The directors received remuneration for the year of £3,831 (2012 - £1,936) in relation to qualifying services as directors of this company, all of which was paid by, and is disclosed in the financial accounts of Virgin Media Limited In 2013 this included an element relating to compensation for loss of office

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. Interest payable and similar charges

	2013	2012
	£000	£000
Preference share dividend payable	486	486
Interest on amounts owed to group undertakings	675	776
	1,161	1,262

5. Tax on profit on ordinary activities

The tax charge/(credit) is made up as follows

	2013	2012
	£000	£000
Current tax charge:		
Current tax on profit for the year - UK	-	-
Current tax on profit for the year - US	44	59
Total current tax	44	59
Deferred tax:		
Origination and reversal of timing differences	561	(11,215)
Effect of tax rate change on opening balances	1,463	-
Total deferred tax (note 8)	2,024	(11,215)
Total tax charge/(credit) on profit on ordinary activities	2,068	(11,156)

The tax assessed on the profit on ordinary activities for the year is lower than (2012 - lower) the standard rate of corporation tax in the UK of 23 25% (2012 - 24 50%) The differences are explained below

	2013	2012
	£000	£000
Profit on ordinary activities before tax	9,827	1,895
Profit on ordinary activities multiplied by rate of tax	2,285	464
Effects of		
(Income not taxable) / expenses not deductible	(1,642)	142
Accelerated capital allowances	(643)	(606)
US tax expense	44	59
Total current tax	44	59

Factors affecting current and future tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were 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% (2012 - 23%)

6. Tangible fixed assets

	Network assets £000	Other £000	Total £000
Cost			
At 1 January 2013	69,448	1,062	70,510
Additions	2,497	–	2,497
Disposals	(352)	–	(352)
At 31 December 2013	71,593	1,062	72,655
Depreciation			
At 1 January 2013	53,317	679	53,996
Charge for the year	2,581	44	2,625
On disposals	(352)	–	(352)
At 31 December 2013	55,546	723	56,269
Net book value			
At 31 December 2013	16,047	339	16,386
At 31 December 2012	16,131	383	16,514

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

	2013 £000	2012 £000
Freehold property	222	234

7. Debtors

	2013 £000	2012 £000
Amounts owed by group undertakings	49,809	39,375
Deferred tax (note 8)	9,191	11,215
	59,000	50,590

7. Debtors *(continued)*

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

	2013	2012
	£000	£000
Deferred tax	**9,191**	11,215

The analysis of amounts owed by group undertakings is

	2013	2012
	£000	£000
Amounts owed by group undertakings	**56,017**	53,235
Impairment provision on amounts owed by group undertakings	**(6,208)**	(13,860)
	49,809	39,375

Amounts owed by group undertakings are unsecured and repayable on demand

8. Deferred tax

The deferred tax included in the balance sheet is as follows

	2013	2012
	£000	£000
Included in debtors (note 7)	**9,191**	11,215

The movement in deferred tax during the year was

	2013	2012
	£000	£000
Balance at 1 January	**11,215**	-
Profit and loss account movement arising during the year	**(2,024)**	11,215
Balance at 31 December	**9,191**	11,215

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

	2013	2012
	£000	£000
Depreciation in excess of capital allowances	**9,191**	11,215
	9,191	11,215

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

9. Creditors: Amounts falling due within one year

	2013	2012
	£000	£000
Amounts owed to group undertakings	23,824	23,787

The analysis of amounts owed to group undertakings is

	2013	2012
	£000	£000
Loans advanced by group undertakings	16,696	16,702
Other amounts owed to group undertakings	7,128	7,085
	23,824	23,787

Amounts owed to group undertakings are unsecured and repayable on demand

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

	2013	2012
	£000	£000
2 preference shares of £1 each	–	–
Preference share dividend payable to group undertakings	9,341	8,855
	9,341	8,855

Details of the preference shares which are held by group undertakings, are set out in note 13

11. 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 2013, this comprised term facilities that amounted to £2,638 million (2012 - £750 million) and a revolving credit facility of £660 million (2012 - £450 million) With the exception of the revolving credit facility, all available amounts were borrowed under the senior secured credit facility with an equivalent aggregate value of £2,638 million (2012 - £750 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 2013 amounted to £4,081 million (2012 - £2,582 million) Borrowings under the notes are secured against the assets of certain members of the group including those of this company

11. Contingent liabilities *(continued)*

During March 2014, a fellow group undertaking of the company, issued (i) \$425 million principal amount of 5 5% senior secured notes due 15 January 2025 (ii) £430 million principal amount of 5 5% senior secured notes due 15 January 2025 and (iii) £225 million principal amount of 6 25% senior secured notes due 28 March 2029 The net proceeds of the issuance of these senior secured notes were used to redeem an equivalent aggregate amount of £875 million of the group's existing senior secured notes

In April 2014, a fellow group undertaking issued a further £175 million principal amount of 6 25% senior secured notes due 28 March 2029 In addition, fellow group undertakings entered into (i) a new £100 million term loan ("Facility D") that matures on 30 June 2022 and (ii) a new £849 4 million term loan ("Facility E") that matures on 30 June 2023, each under the existing senior secured credit facility, and for which all available amounts were borrowed with an equivalent aggregate value of £949 4 million

On 22 May 2014, the net proceeds from the issuance of the £175 million senior secured notes, along with borrowings under Facility D and Facility E, were used to fully redeem an equivalent aggregate amount of £592 7 million and £600 million of the group's existing senior secured notes and senior secured credit facility respectively

Following the refinancing activities detailed above, the amounts borrowed under the senior secured credit facility amounted to £1,324 4 million and \$2,755 0 million and the amounts borrowed under the senior secured notes amounted to £2,558 4 million and \$1,872 9 million

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

12. 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 15)

13. Share capital

Allotted, called up and fully paid:

	2013		2012	
	No	**£000**	No	£000
Ordinary 'A' shares of £1 each	**114,889,091**	**114,889**	114,889,091	114,889

13. Share capital *(continued)*

The preference shares which are held by group undertakings are classified as a liability under FRS 25 and shown in note 10

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 2014 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 2012 and 2013 has been treated as an expense in the profit and loss account in accordance with FRS 25 "Financial Instruments Disclosure and Presentation"

14. Reconciliation of shareholders' funds and movement on reserves

	Share capital £000	Profit and loss account £000	Total share-holders' funds £000
At 1 January 2012	114,889	(93,478)	21,411
Profit for the year	–	13,051	13,051
At 31 December 2012 and 1 January 2013	114,889	(80,427)	34,462
Profit for the year	–	7,759	7,759
At 31 December 2013	114,889	(72,668)	42,221

15. Parent undertakıng and controlling party

The company's ımmedıate parent undertakıng ıs ntl CableComms Holdıngs No 1 Lımıted

The smallest and largest groups of whıch the company ıs a member and ın to whıch the company's accounts were consolıdated at 31 December 2013 are Vırgın Medıa Fınance PLC and Lıberty Global plc, respectıvely

On 7 June 2013 Lıberty Global, Inc and Vırgın Medıa Inc completed a senes of mergers, whıch resulted ın the company's ultımate parent and controllıng party changıng to Lıberty Global plc

The company's ultımate parent undertakıng and controllıng party at 31 December 2013 was Lıberty Global plc

Copıes of group accounts referred to above whıch ınclude the results of the company are avaılable from the company secretary, Vırgın Medıa, Bartley Wood Busıness Park, Hook, Hampshıre, RG27 9UP

In addıtıon copıes of the consolıdated Lıberty Global plc accounts are avaılable on Lıberty Global's websıte at www lıbertyglobal com