COMPANY REGISTRATION NUMBER 2514287

Virgin Media Wholesale Limited
(Formerly Telewest Communications Group Limited)

Financial Statements

31 December 2009

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Financial Statements

Year ended 31 December 2009

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Company Information

The board of directors	R C Gale R M Mackenzie
Company secretary	G E James
Registered office	160 Great Portland Street London W1W 5QA
Auditor	Ernst & Young LLP 1 More London Place London SE1 2AF

The directors present their report and the financial statements of the company for the year ended 31 December 2009

Principal activities and business review

The principal activity of the company during the year was, and will continue to be, to provide national and international communications transport services and wholesale internet access solutions for communications companies in the UK

The company changed its name to Virgin Media Wholesale Limited from Telewest Communications Group Limited on 11 February 2010

The company is a wholly owned subsidiary undertaking of Virgin Media Inc The Virgin Media group is a leading provider of entertainment and communications services in the UK, offering "quad-play" television, broadband internet, fixed line telephony and mobile telephony services

As at 31 December 2009, the Virgin Media group provided services to approximately 4 8 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 and at 31 December 2009 provided mobile telephone services to approximately 2 2 million prepay mobile customers and approximately 950,000 contract mobile customers over third party networks. As of 31 December 2009, approximately 60 5% of residential customers on the group's cable network were "triple play" customers, receiving broadband internet, television and fixed line telephone services from the group and approximately 10 7% were "quad play" customers, also receiving the group's mobile telephone services

The Virgin Media group believes that its advanced, deep fibre access network enables it to offer faster and higher quality broadband services than its digital subscriber line, or DSL, competitors As a result it provides its customers with a leading next generation broadband service and one of the most advanced TV on-demand services available in the UK market.

Through Virgin Media 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

During the year the Virgin Media group also provided a broad range of television programming through Virgin Media Television (VMtv), which operated wholly owned television channels, such as Virgin1, Living and Bravo. The Virgin Media group sold its VMtv operations on 12 July 2010

The Virgin Media group continues to provide television programming through UKTV, its joint ventures with BBC Worldwide.

Principal activities and business review *(continued)*

There are no key performance indicators used for the company by management, other than the main headings as shown in the company's Profit and Loss Account and Balance Sheet

Turnover has increased by 8.0% to £224,131,000 for the year ended 31 December 2009 from £207,496,000 in 2008 The company offers a wide product range and revenues vary depending on the customer take up of the products and services available

The gross profit margin has increased to 75 3% for the year ended 31 December 2009 compared to 63 6% in 2008 primarily due to the increase in revenues for products with higher gross margins Certain products have no directly attributable cost of sales but instead are attributed indirect expenses as referred to below

As part of their trading activities, certain fellow group undertakings make substantial use of the company's backbone network assets In the current year, the company has received compensation of £121,286,000 from these companies for the use of these assets, which is shown in other operating income in the Profit and Loss Account (2008 - £121,980,000).

Administrative expenses, excluding exceptional items, have decreased by 11 3% in 2009 over 2008 mainly due to a decrease in IT and employee and use of asset charges allocated to the company, lower depreciation and amortisation charges and a gain on foreign currency translation. The decrease was partially offset by an increase in facilities costs allocated to the company by the Virgin Media group In addition, administrative expenses have also increased due to the inclusion of certain product revenues which have no direct cost of sales but are attributed indirect expenses, such as network maintenance costs.

As a result of a review of the recoverability of inter-company receivables, a release of provision against inter-company debt of £102,493,000 has been made (2008 - increase £220,686,000).

The impairment review of investments concluded that their carrying value was in excess of their recoverable amount. As a result there was an increase in the investment impairment provision totalling £139,348,000 (2008 - £503,485,000)

Operating loss has decreased from £781,452,000 in 2008 to £24,920,000 in 2009 predominately due to the reasons stated above

No dividends were received during 2009 In 2008 the company received a dividend from one of its wholly-owned subsidiaries amounting to £860,355,000

The company reported an increase in net current assets and an increase in net liabilities for the year ending 31 December 2009 as a result of normal operations During this 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 own working capital and inter-company balances with fellow group undertakings

Future developments
The company's activities fall within the Business segment of the Virgin Media group During February 2010 the Virgin Media group announced that it would rebrand its Business segment using the Virgin trade marks from ntl Telewest Business to "Virgin Media Business", creating the largest business-to-business Virgin brand in the world. As a major player in the UK telecoms market, Virgin Media Business is committed to continue providing a complete portfolio of voice, data and internet solutions to leading businesses, public sector organizations and service providers in the UK.

During 2010 Virgin Media Business will launch a High Capacity Services (HCS) portfolio that will leverage the Virgin Media group's deep fibre access network footprint. There will be three HCS product variants Dedicated High Capacity Services, National High Capacity Services and Optical Backhaul, the latter is only available for Wholesale Markets customers Each of these services enable geographically dispersed sites to be connected at bandwidths of 1Gbit/s up to 10Gbit/s and are fully managed point-to-point solutions available nationally.

Virgin Media Business will make significant investments in network security and operational process improvement to ensure that it complies with the 'Public Sector Network' shared services initiatives. Virgin Media Business will also offer fibre-based Ethernet services to help mobile operators address the increase in backhaul bandwidth required to provide mobile broadband services

Results and dividends
The loss for the financial year amounted to £33,388,000 (2008 - profit of £30,796,000) The directors have not recommended an ordinary dividend (2008 - £nil)

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

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

R M Mackenzie
R C Gale

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 are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Signed on behalf of the directors

R M Mackenzie
Director

Approved by the directors on 30 September 2010

Statement of Directors' Responsibilities

Year ended 31 December 2009

The directors are responsible for preparing the 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 period. In preparing those 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

Independent Auditor's Report to the Member of Virgin Media Wholesale Limited (formerly Telewest Communications Group Limited)

Year ended 31 December 2009

We have audited the financial statements of Virgin Media Wholesale Limited (formerly Telewest Communications Group Limited) for the year ended 31 December 2009 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 20 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member 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 member, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

Opinion on financial statements
In our opinion the financial statements

give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and

have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or

the financial statements are not in agreement with the accounting records and returns, or

certain disclosures of directors' remuneration specified by law are not made, or

we have not received all the information and explanations we require for our audit

Ernst & Young LLP

Michael Rudberg (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

30 September 2010

Virgin Media Wholesale Limited
(Formerly Telewest Communications Group Limited)

Profit and Loss Account

Year ended 31 December 2009

	Note	2009 £000	2008 £000
Turnover		**224,131**	207,496
Cost of sales		**(55,375)**	(75,630)
Gross profit		**168,756**	131,866
Administrative expenses		**(314,962)**	(1,035,298)
Other operating income	2	**121,286**	121,980
Operating loss	3	**(24,920)**	(781,452)
Attributable to:			
Operating profit/(loss) before exceptional items		**14,370**	(57,069)
Exceptional items	3	**(39,290)**	(724,383)
		(24,920)	(781,452)
Income from shares in group undertakings	5	**–**	860,355
Interest receivable	6	**66,555**	146,328
Interest payable and similar charges	7	**(75,023)**	(194,435)
(Loss)/profit on ordinary activities before taxation		**(33,388)**	30,796
Tax on (loss)/profit on ordinary activities	8	**–**	–
(Loss)/profit for the financial year		**(33,388)**	30,796

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 £33,388,000 attributable to the shareholder for the year ended 31 December 2009 (2008 - profit of £30,796,000).

The notes on pages 12 to 23 form part of these financial statements.

Virgin Media Wholesale Limited
(Formerly Telewest Communications Group Limited)

Balance Sheet

31 December 2009

	Note	2009 £000	2008 £000
Fixed assets			
Intangible assets	9	13,600	50,434
Tangible assets	10	708,056	869,210
Investments	11	396,010	535,358
		1,117,666	1,455,002
Current assets			
Debtors due within one year	12	1,996,467	2,281,591
Debtors due after one year	12	2,459,539	2,495,908
Cash at bank		276	274
		4,456,282	4,777,773
Creditors: Amounts falling due within one year	13	(3,826,884)	(4,568,747)
Net current assets		629,398	209,026
Total assets less current liabilities		1,747,064	1,664,028
Creditors: Amounts falling due after more than one year	14	(2,026,743)	(1,910,319)
		(279,679)	(246,291)
Capital and reserves			
Called-up equity share capital	18	1,735,851	1,735,851
Other reserves	19	1,650	1,650
Profit and loss account	19	(2,017,180)	(1,983,792)
Deficit	19	(279,679)	(246,291)

These financial statements were approved by the directors on 30 September 2010 and are signed on their behalf by

R C Gale

R C Gale
Director

The notes on pages 12 to 23 form part of these financial statements.

1. Accounting policies

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

Fundamental accounting concept
The financial statements have been prepared on the going concern basis because the ultimate parent undertaking has given the necessary assurances that sufficient resources will be made available, so that the company can meet its liabilities as and when they fall due, for at least twelve months from the date of approval of these financial statements

Group accounts
The company has taken advantage of the exemption from preparing group accounts afforded by Section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of another company incorporated in the United Kingdom which prepares group accounts (see note 20). These financial statements therefore present information about the company as an individual undertaking and not about its group

Investments
Investments are recorded at cost, less any provision for impairment. The company assesses at each reporting date whether there is an indication that an investment may be impaired If any such indication exists, the company makes an estimate of the asset's recoverable amount Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. A previously recognised impairment loss is reversed only if there was an event not foreseen in the original impairment calculations, such as a change in use of the assets or a change in economic conditions The reversal of impairment loss would be to the extent of the lower of the recoverable amount and the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years

Cashflow
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 20).

Turnover
Turnover represents the value of services provided stated net of Value Added Tax and is attributable to continuing activities, comprising principally the sale of spare capacity on the Virgin Media network to third parties The directors consider this to be a single class of business. All turnover is derived from operations in the United Kingdom

Intangible fixed assets
Positive goodwill arising on an acquisition is capitalised and classified as an asset on the Balance Sheet Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value might not be recovered.

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Separately identifiable intangible assets such as customer lists and purchased goodwill are amortised over their useful economic lives, estimated to be five years, on a straight line basis

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

Tangible fixed assets
Depreciation is provided on all tangible fixed assets, other than land, so as to write off the cost of a tangible fixed asset, less its estimated residual value, 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
- 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

Finance leases
Where the company enters into a lease under which it takes substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease The asset is recorded in the Balance Sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments payable under such leases, net of finance charges, are included within creditors. Rentals payable under finance leases are apportioned between the finance element, which is charged to the Profit and Loss Account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments

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

1. Accounting policies *(continued)*

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date The resulting exchange differences are taken to the Profit and Loss Account.

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. Other operating income

	2009	2008
	£000	£000
Rentals receivable from fellow group undertakings	**121,286**	121,980

As part of their trading activities, certain fellow group undertakings make substantial use of the company's backbone network assets In the current year, the company has received compensation of £121,286,000 (2008 - £121,980,000) from these companies for the use of these assets.

3. Operating loss

Operating loss is stated after charging/(crediting)

	2009	2008
	£000	£000
Amortisation of intangible assets	**36,834**	38,173
Depreciation of owned fixed assets	**171,708**	183,424
Depreciation of assets held under finance lease agreements	**12,902**	19,450
Profit on disposal of fixed assets	**(1,402)**	(215)
Auditor's remuneration		
- as auditor	**16**	13
Net profit on foreign currency translation	**(7,140)**	(755)

3. Operating loss *(continued)*

Exceptional items as analysed below	**39,290**	724,383

The exceptional items are -

	2009 **£000**	2008 £000
(Release of)/increase in the provision against amounts owed by group undertakings	**(102,493)**	220,686
Value of investments impaired	**139,348**	503,485
Reorganisation costs	**2,435**	212
Total	**39,290**	724,383

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 2009, there was a release of the provision totalling £102,493,000 (2008 - increase of £220,686,000). The primary drivers for the change in the provision were the settlement of previously impaired inter-company receivables and an increase (2008 – decrease) in the estimated value of the underlying assets in the Virgin Media group as at 31 December 2009

The impairment review of investments concluded that their carrying value was in excess of their recoverable amount As a result, investments have been written down by £139,348,000 (2008 - £503,485,000) The primary driver for the change in the provisions was the reduced capacity for the subsidiaries to settle inter-company liabilities and pay dividends to the company, which is partly demonstrated by a reduction in the net assets of those direct subsidiaries

The directors' remuneration is paid by Virgin Media Limited and disclosed in the group accounts of Virgin Media Finance PLC

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 Following guidance from Statutory Instrument 2008/489(6)(2)-(3), the company is not required to disclose amounts in respect of non-audit services, as it is a subsidiary of Virgin Media Finance PLC and the group accounts of Virgin Media Finance PLC are required to disclose this information 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 2009 related primarily to the company's share of redundancy and lease exit costs in connection with this restructuring plan The reorganisation costs incurred for the year ended 31 December 2008 related primarily to the company's share of contract and lease exit costs in connection with the same restructuring plan.

4. Staff costs

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

5. Income from shares in group undertakings

	2009	2008
	£000	£000
Dividend receivable from subsidiary undertaking	–	860,355

6. Interest receivable

	2009	2008
	£000	£000
Interest from group undertakings	66,555	146,328

7. Interest payable and similar charges

	2009	2008
	£000	£000
Finance charges	1,901	2,721
Interest on amounts owed to group undertakings	73,122	191,714
	75,023	194,435

8. Taxation

(a) Analysis of charge in the year

The tax charge is made up as follows

	2009	2008
	£000	£000
Current tax charge:		
Current tax on (loss)/profit for the year	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Total tax (credit)/charge on (loss)/profit on ordinary activities	-	-

8. Taxation *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2008 – 28 5%)

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

	2009 £000	2008 £000
(Loss)/profit on ordinary activities before taxation	**(33,388)**	30,796
(Loss)/profit on ordinary activities multiplied by the rate of tax	**(9,349)**	8,777
Expenses not deductible for tax purposes	**20,660**	217,331
Income not taxable	**-**	(245,201)
Group relief claimed without payment	**(55,290)**	(29,879)
Other short term timing differences	**(342)**	140
Decelerated capital allowances	**44,321**	48,832
Total current tax (note 8(a))	**-**	-

(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 insufficient evidence that there will be suitable taxable profits against which these timing differences will reverse

	2009 £000	2008 £000
Depreciation in excess of capital allowances	**143,130**	172,826

(d) Change in tax rate

In the 2010 Emergency budget the UK government announced its intention to set out legislation for Parliament to reduce the UK corporate income tax rate from 28% As at the balance sheet date the change in the tax rate was not substantively enacted.

9. Intangible fixed assets

	Goodwill £000	Customer lists £000	Total £000
Cost			
At 1 January 2009 and 31 December 2009	156,863	34,000	190,863
Amortisation			
At 1 January 2009	126,829	13,600	140,429
Charge for the year	30,034	6,800	36,834
At 31 December 2009	156,863	20,400	177,263
Net book value			
At 31 December 2009	–	13,600	13,600
At 31 December 2008	30,034	20,400	50,434

10. Tangible fixed assets

	Network £000	Other £000	Total £000
Cost			
At 1 January 2009	1,960,358	170,765	2,131,123
Additions	24,149	81	24,230
Disposals	(6,904)	(51,116)	(58,020)
At 31 December 2009	1,977,603	119,730	2,097,333
Depreciation			
At 1 January 2009	1,161,428	100,485	1,261,913
Charge for the year	143,890	40,720	184,610
On disposals	(6,904)	(50,342)	(57,246)
At 31 December 2009	1,298,414	90,863	1,389,277
Net book value			
At 31 December 2009	679,189	28,867	708,056
At 31 December 2008	798,930	70,280	869,210

Land and buildings

Included within the 'other' net book value is £19,019,000 (2008 - £19,219,000) relating to freehold land and buildings

Finance lease agreements

Included within the net book value of £708,056,000 is £31,132,000 (2008 - £55,388,000) relating to assets held under finance lease agreements The depreciation charged to the financial statements in the year in respect of such assets amounted to £12,902,000 (2008 - £19,450,000)

11. Investments

	Subsidiary undertakings
	£000
Cost	
At 1 January 2009 and 31 December 2009	1,186,583
Value impaired	
At 1 January 2009	651,225
Value impaired in year	139,348
At 31 December 2009	790,573
Net book value	
At 31 December 2009	396,010
At 31 December 2008	535,358

The company assesses at each reporting date whether there is an indication that an investment may be impaired. If any such indication exists, the company makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

The company has taken advantage of the exemption under Section 400 of the Companies Act 2006 not to disclose the aggregate amount of capital and reserves and the result for the year for each of the subsidiary undertakings on the basis that their results are included in the group accounts of Virgin Media Finance PLC (see note 20)

The company has taken advantage of Section 405(2) of the Companies Act 2006 and disclosed only those investments whose results or financial position materially affected the figures shown in the company's annual financial statements.

All of the material investments in which the company holds at least 20% of the nominal value of any class of share capital, all of which are unlisted, are dormant except for

Name of Company	*Country of Incorporation*	*Holdings*	*Proportion Held*	*Nature of Business*
Birmingham Cable Limited	UK	Ordinary	47%	Telecoms
ntl Funding Limited	UK	Ordinary	100%	Finance
ntl National Networks Limited	UK	Ordinary	100%	Finance

12. Debtors

	2009 £000	2008 £000
Trade debtors	–	17,662
Amounts owed by group undertakings	**4,418,812**	4,710,431
Other debtors	**4**	–
Prepayments and accrued income	**37,190**	49,406
	4,456,006	4,777,499

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

	2009 £000	2008 £000
Amounts owed by group undertakings	**2,436,297**	2,472,396
Prepayments and accrued income	**23,242**	23,512
	2,459,539	2,495,908

Amounts owed by group undertakings are -

	2009 £000	2008 £000
Loans advanced to group undertakings	**3,230,547**	3,425,969
Interest receivable from loans to group undertakings	**62,269**	143,744
Other amounts owed by group undertakings	**1,977,076**	2,094,291
Impairment provision	**(851,080)**	(953,573)
	4,418,812	4,710,431

Loans advanced to group undertakings are repayable on demand but are not expected to be repaid in full within one year. The rate of interest on the loans ranged from nil% to 7 58% (2008 - 4 80% to 8 39%). Loans advanced to group undertakings include an amount recoverable from a parent undertaking denominated in US dollars amounting to $69,747,000 (2008 - $66,037,000) which had a carrying value of £43,142,000 (2008 - £45,172,000)

Other amounts owed by group undertakings are interest free and repayable on demand but are not expected to be repaid in full within one year

Interest receivable is interest free and repayable on demand

13. Creditors: Amounts falling due within one year

	2009	2008
	£000	£000
Amounts owed to group undertakings	3,797,763	4,529,107
Finance lease agreements	4,953	11,124
Other creditors	-	2,178
Accruals and deferred income	24,168	26,338
	3,826,884	4,568,747

The analysis of amounts owed to group undertakings is

	2009	2008
	£000	£000
Other amounts owed to group undertakings	3,730,924	4,361,215
Interest on loan notes due to group undertakings	66,839	167,892
	3,797,763	4,529,107

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

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

	2009	2008
	£000	£000
Amounts owed to group undertakings	1,960,313	1,840,093
Finance lease agreements	18,607	23,656
Accruals and deferred income	47,823	46,570
	2,026,743	1,910,319

Amounts owed to group undertakings are -

	2009	2008
	£000	£000
Loans advanced by group undertakings	1,869,513	1,840,093
Other amounts owed to group undertakings	90,800	–
Total	1,960,313	1,840,093

Amounts owed to group undertakings representing loans are unsecured and repayable on demand but are not expected to be repaid within five years. The rate of interest on the loans advanced by group undertakings ranged from 3 41% to 6 77% (2008 - 5 23% to 8 39%)

Other amounts owed to group undertakings are unsecured, interest free and repayable on demand but are not expected to be repaid within five years

15. Commitments under finance lease agreements

Future commitments under finance lease agreements are as follows

	2009	2008
	£000	£000
Amounts payable within 1 year	4,953	11,124
Amounts payable between 1 and 2 years	18,607	5,056
Amounts payable between 3 and 5 years	-	18,600
	23,560	34,780

Finance lease agreements are analysed as follows		
Current obligations	4,953	11,124
Non-current obligations	18,607	23,656
	23,560	34,780

16. 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 2009 amounted to approximately £3,213 million (2008 - £4,289 million) Borrowings under the facility are secured against the assets of certain members of the group including those of the company.

On 19 January 2010 Virgin Media Secured Finance PLC, a fellow group undertaking, issued $1 0 billion aggregate principal amount of 6.50% senior secured notes due 2018 and £875 million aggregate principal amount of 7 00% senior secured notes due 2018 Subject to certain exceptions the senior secured notes due 2018 share in the same guarantees and security which have been granted in favour of the senior credit facility The net proceeds from the issuance of the senior secured notes were used to repay £1,453 million of the group's obligations under its senior credit facility

On 19 April 2010, the Virgin Media group drew down an aggregate principle amount of £1,675 million under its new senior credit facility dated 16 March 2010 and applied the proceeds towards the repayment of all amounts outstanding under its old senior credit facility and for general corporate purposes The new senior credit facility comprises a term loan A facility in an aggregate principle amount of £1,000 million, a term loan B facility in an aggregate principle amount of £675 million and a revolving credit facility in aggregate principle amount of £250 million The group also utilised £20.4 million of the new revolving credit facility for bank guarantees and standby letters of credit. The new senior credit facility dated 16 March 2010 shares substantially the same guarantees and security as the senior credit facility which was in place at the balance sheet date.

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

17. 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 100% controlled by the ultimate parent undertaking.

18. Share capital

Authorised share capital:

	2009 £000	2008 £000
1,750,000,000 Ordinary shares of £1 each	**1,750,000**	1,750,000

Allotted, called up and fully paid:

	2009 No	2009 £000	2008 No	2008 £000
Ordinary shares of £1 each	**1,735,850,552**	**1,735,851**	1,735,850,552	1,735,851

19. Reconciliation of deficit and movement on reserves

	Share capital £000	Capital reserve £000	Profit and loss account £000	Total £000
At 1 January 2008	1,735,851	1,650	(2,014,588)	(277,087)
Profit for the year	–	–	30,796	30,796
At 31 December 2008 and 1 January 2009	1,735,851	1,650	(1,983,792)	(246,291)
Loss for the year	–	–	(33,388)	(33,388)
At 31 December 2009	1,735,851	1,650	(2,017,180)	(279,679)

20. Parent undertaking and controlling party

The company's immediate parent undertaking is Telewest Communications Holdings 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 2009 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