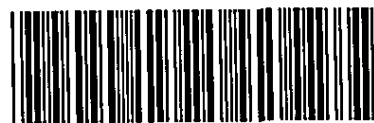


Virgin Media Limited
Financial Statements
31 December 2009

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Virgin Media Limited

Financial Statements

Year ended 31 December 2009

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Virgin Media Limited

Company Information

The board of directors

R C Gale
R M Mackenzie

Joint company secretaries

R M Mackenzie
G E James

Registered office

160 Great Portland Street
London
W1W 5QA

Auditor

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Virgin Media Limited

The Directors' Report

Year ended 31 December 2009

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

Principal activity and business review

The principal activity of the company during the year was, and will continue to be, that of an investment holding company. A full list of its principal investments is shown in note 11 to the financial statements. The company is a principal employer within the Virgin Media group, and manages the majority of its working capital, finance leases, operating leases, capital commitments and construction in progress.

The company's trading activities include the provision of cable television, fixed line telephony, broadband 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 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.

Virgin Media Limited

The Directors' Report *(continued)*

Year ended 31 December 2009

Principal activity and business review *(continued)*

Turnover has decreased by 7.0% to £409,806,000 for the year ended 31 December 2009 from £440,639,000 in 2008. The decrease was primarily due to higher price discounting to stimulate customer activity and retention in light of competitive factors in the marketplace together with a reduction in business customer revenues. Partially offsetting these decreases have been increases in revenue from selective telephony, broadband and television price increases and from additional customers subscribing to television, broadband and fixed line telephone services.

The gross profit margin has increased from 75.1% to 78.3%. The increase was predominantly due to an increase in the number of customers subscribing to the higher margin broadband product, the selective price increases described above and lower telephony costs resulting from lower telephony usage. The increase was partially offset by the higher price discounting measures described above and the increased cost of wireless routers introduced during 2008.

Selected statistics for residential cable customers served by the company at 31 December 2009 and 31 December 2008 are shown in the table below

	2009	2008
Products		
Television	591,400	575,800
Fixed line telephone	616,000	601,200
Broadband	584,600	556,800
Total	1,792,000	1,733,800
Total customers	749,400	747,000

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

Administrative expenses, including exceptional items, decreased by 47.0% in 2009 over 2008 mainly due to gains on foreign currency translations and significant impairment provisions made against amounts recoverable from group undertakings in 2008 not repeated in 2009.

Other operating income increased from £1,148,193,000 in 2008 to £4,574,375,000 in 2009. The principal reasons are described below.

The company is a principal employer of the Virgin Media group, and manages the majority of its working capital, finance leases, operating leases, capital commitments and construction in progress. During 2009 the costs incurred by the company on behalf of, and subsequently recharged to, fellow group undertakings increased to £1,034,134,000 from £953,122,000 in 2008.

As a result of a review of the recoverability of inter-company receivables a decrease in provision against inter-company debt of £654,603,000 has been made (2008 - net increase of £888,047,000). The primary drivers for the change in the provision were the settlement of previously impaired inter-company receivables and an increase in the estimated value of the underlying assets in the Virgin Media group as at 31 December 2009. In addition, as part of a group reorganisation, the waiver of amounts payable to fellow group and subsidiary undertakings gave rise to a credit to the Profit and Loss Account amounting to £3,065,638,000 (2008 - £nil).

The company has moved from an operating loss of £1,038,177,000 in 2008 to an operating profit of £3,742,151,000 in 2009 predominantly due to the reasons stated above.

Interest payable decreased to £97,738,000 (2008 - £135,258,000) due to the decrease in interest rates charged on inter-company loans and interest receivable decreased to £148,885,000 (2008 - £249,870,000) due to the decrease in interest rates charged on receivable inter-company loans.

Virgin Media Limited

The Directors' Report *(continued)*

Year ended 31 December 2009

Principal activity and business review *(continued)*

The company reported an increase in net current assets predominantly due to normal trading operations. The company reported a movement to net assets as at 31 December 2009 from net liabilities as at 31 December 2008, predominantly due to the waiver of amounts payable to fellow group and subsidiary undertakings as described above. No external finance was arranged or settled, other than operating and finance leases, and there was no movement in the called up equity share capital of the company during 2009. Operations are financed through the company's own working capital and inter-company balances with fellow group undertakings, many of which are classified as falling due after more than one year.

Future developments

During 2009 the Virgin Media group completed significant upgrades to its network, resulting in improvements in upstream and downstream data transmission speeds. Following these upgrades, in July 2009, the group became the first provider in the UK to offer download speeds of up to 50 Mbps, making the service available to over 12 million homes. The group is planning to roll out a 100 Mbps service and is trialling download speeds of up to 200 Mbps and upload speeds of 20 Mbps within limited geographical areas.

The Virgin Media group is expecting to grow the amount of available high definition (HD) content in 2010. In March 2010 the group launched an HD ready set top box, the V HD Box, which is available for no extra monthly fee. The V+ HD digital video recorder (DVR) subscriber base is expected to grow and the group continues to work with TiVo to develop a new converged TV and Broadband interactive platform.

During 2009 the Virgin Media group increased its network footprint by over 100,000 new homes and plans to reach a total of 500,000 additional homes by the end of 2012.

Results and dividends

The profit for the financial year amounted to £3,793,298,000 (2008 - loss of £923,565,000). 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 comprise both interest free and interest bearing inter-company debt and as a result it is subject to the risk that interest rates will be increased.

Virgin Media Limited

The Directors' Report *(continued)*

Year ended 31 December 2009

Financial risk management *(continued)*

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 deposits surplus cash balances with banks and other financial institutions with suitably high independent ratings.

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.

Environmental policies

The Virgin Media group is committed to building an environmentally sound business and has taken a number of steps to understand its impact on the environment and how best to reduce that impact.

Virgin Media released its Corporate Responsibility Report in July 2009. Full details of Virgin Media's environment programme can be found in that report along with details on how, in a wider context, Virgin Media is passionate about becoming a truly responsible business. The report is available for download from the website at the following address:

www.virginmedia.com/about/cr/

The CR report outlines the Virgin Media group's approach to carbon management, its commitment to a CO₂ reduction target (15% by 2015 of the 2007 base year) and how it intends to achieve these targets (including increasing energy efficiency of its product set, efficiencies in property and infrastructure, the Virgin Media group's fleet of vehicles and other equipment, creating new ways to work and investing in external programmes).

In addition the report outlines Virgin Media's commitment to the development and implementation of a group wide Environmental Management System (for ISO 14001 certification) as well as the steps taken and planned by the group in order to reduce the amount of resources used and increasing the amount of waste recycled.

Virgin Media Limited

The Directors' Report *(continued)*

Year ended 31 December 2009

Policy on the payment of creditors

It is the group's and company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Virgin Media group and its suppliers, provided that all trading terms and conditions have been complied with. Trade creditors, at the year-end, represented 48 days (2008 - 45 days) of purchases

Donations

During the year the company made the following contributions

	2009	2008
	£	£
Charitable donations	<u>360,800</u>	<u>394,848</u>

Employment policies and disabled employees

The Virgin Media group remains committed to the continuing introduction and practice of progressive employment policies which reflect changing business, social and employee needs.

The Virgin Media group aims to ensure that everyone connected to it is treated fairly and equally, whether they are a current or former member of staff, job applicant, customer or supplier

Nobody should be discriminated against, either directly or indirectly, on the grounds of their gender, marital status, gender reassignment, pregnancy, race, ethnic origin, colour, nationality, national origin, disability, sexual orientation, religion or belief, age, political affiliation or trade union membership. The policy applies to anyone who works for, who has worked for or who applies to work for Virgin Media or its partners. That means permanent, temporary, casual or part-time staff, anyone on a fixed-term contract, agency staff and consultants working with the Virgin Media group, ex-employees and people applying for jobs. This applies to all aspects of employment, including recruitment and training

The Virgin Media group gives full consideration to applications from employees with disabilities where they can adequately fulfil the requirements of the job. Depending on their skills and abilities, employees with a disability have the same opportunities for promotion, career development and training as other employees. Where existing employees become disabled, it is the Virgin Media group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Employee involvement

The Virgin Media group is dedicated to increasing the practical involvement of individuals in the running of its business. It seeks to achieve this in two ways, as follows

- all employees are encouraged to understand the aims of the overall Virgin Media group and their own business segment and to contribute to improving business performance through their knowledge, experience, ideas and suggestions. This requires strong communication to ensure that employees are briefed as widely as possible about activities and developments across the Virgin Media group. The online news channel, open forums, newsletters and team meetings play important roles in this, as does the development of people management skills and the ongoing conversations about performance and development which underpin mid and year end reviews; and

- the group ensures that all employees are involved and consulted with through local involvement and consultation forums

The Virgin Media group fosters a team spirit among employees and their greater involvement by offering participation in bonus or in local variable reward schemes, through the Virgin Media Sharesave Plan, designed to encourage Virgin Media share ownership, and team development opportunities. The group also operates a recognition scheme, designed to reward employees for behaviours which are consistent with the group's values and has launched a volunteering scheme which allows employees to take a day to volunteer with a charity or organisation of their choice

Virgin Media Limited

The Directors' Report *(continued)*

Year ended 31 December 2009

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
Company Secretary and Director

Approved by the directors on 30 September 2010

Virgin Media Limited

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.

Virgin Media Limited

Independent Auditor's Report to the Member of Virgin Media Limited

Year ended 31 December 2009

We have audited the financial statements of Virgin Media 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 30. 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 8, 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.

Virgin Media Limited

Independent Auditor's Report to the Member of Virgin Media Limited *(continued)*

Year ended 31 December 2009

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 profit 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

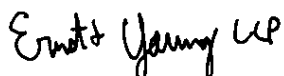
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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.



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

30 September 2010

Virgin Media Limited

Profit and Loss Account

Year ended 31 December 2009

	Note	2009 £000	2008 £000
Turnover		409,806	440,639
Cost of sales		(89,072)	(109,674)
Gross profit		320,734	330,965
Administrative expenses		(1,332,958)	(2,517,335)
Other operating income	2	4,754,375	1,148,193
Operating profit/(loss)	3	3,742,151	(1,038,177)
Attributable to:			
Operating profit/(loss) before exceptional items		41,185	(146,462)
Exceptional items	3	3,700,966	(891,715)
		3,742,151	(1,038,177)
Interest receivable and similar income	6	148,885	249,870
Interest payable and similar charges	7	(97,738)	(135,258)
Profit/(loss) on ordinary activities before taxation		3,793,298	(923,565)
Tax on profit/(loss) on ordinary activities	8	—	—
Profit/(loss) for the financial year		3,793,298	(923,565)

All of the activities of the company are classed as continuing.

The notes on pages 14 to 43 form part of these financial statements.

Virgin Media Limited

Statement of Total Recognised Gains and Losses

Year ended 31 December 2009

	2009 £000	2008 £000
Profit/(loss) for the financial year attributable to the member	3,793,298	(923,565)
Actuarial loss in respect of defined benefit pension scheme	<u>(48,168)</u>	<u>(42,721)</u>
Total gains and losses recognised since the last financial statements	<u>3,745,130</u>	<u>(966,286)</u>

The notes on pages 14 to 43 form part of these financial statements.

Virgin Media Limited**Balance Sheet****31 December 2009**

	Note	2009 £000	2008 £000
Fixed assets			
Intangible assets	9	—	—
Tangible assets	10	1,492,361	1,395,589
Investments	11	10,747	13,010
		<u>1,503,108</u>	<u>1,408,599</u>
Current assets			
Stocks	12	2,105	863
Debtors due within one year	13	3,262,791	3,397,269
Debtors due after one year	13	1,446,407	1,368,891
Cash at bank		37,626	17,165
		<u>4,748,929</u>	<u>4,784,188</u>
Creditors: Amounts falling due within one year	14	<u>(3,353,693)</u>	<u>(3,890,743)</u>
Net current assets		<u>1,395,236</u>	<u>893,445</u>
Total assets less current liabilities		<u>2,898,344</u>	<u>2,302,044</u>
Creditors: Amounts falling due after more than one year	15	<u>(1,539,554)</u>	<u>(4,720,942)</u>
Provisions for liabilities	17	<u>(122,428)</u>	<u>(128,657)</u>
Net assets/(liabilities) excluding pension liability		<u>1,236,362</u>	<u>(2,547,555)</u>
Defined benefit pension scheme liability	19	(71,570)	(33,880)
Net assets/(liabilities)		<u>1,164,792</u>	<u>(2,581,435)</u>
Capital and reserves			
Called-up equity share capital	23	726	726
Share premium account	24	12,214,200	12,214,200
Share options reserve	25	15,115	14,018
Other reserves	26	11	11
Profit and loss account	27	(11,065,260)	(14,810,390)
Shareholder's funds/(deficit)	28	<u>1,164,792</u>	<u>(2,581,435)</u>

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 14 to 43 form part of these financial statements.

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

1. Accounting policies

Accounting convention

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

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 30). 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.

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 30).

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 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.

Intangible fixed assets

Goodwill

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.

Customer lists

Costs incurred in securing customer lists have been capitalised and written off to the profit and loss account over their useful economic lives up to a maximum of five years. Costs are also reviewed for impairment on the same basis as goodwill.

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

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
- Leasehold property	period of lease
- Other	3 - 12 years

Construction in progress

Construction in progress comprising materials, consumables and direct labour relating to network construction has been included in tangible fixed assets and is stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value as follows

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

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

Capitalised overheads

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

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

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

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

1. Accounting policies (*continued*)

Pensions

The company contributes to the Virgin Media-sponsored group personal pension plans for eligible employees. Contributions are charged to the Profit and Loss Account as they become payable in accordance with the rules of each of the plans.

The company operates two defined benefit pension plans. The plans are funded by the payment of contributions to separately administered trust funds and are closed to new entrants.

The regular cost of providing benefits under the defined benefit plans is attributed to individual years using the projected unit credit method. Variations in pension cost, which are identified as a result of actuarial valuations, are amortised over the average expected remaining working lives of employees in proportion to their expected payroll costs. Past service costs are recognised in profit or loss on a straight-line basis over the vesting period or immediately if the benefits have vested.

When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related scheme assets are re-measured using the current actuarial assumptions and the resultant gain or loss recognised in the Profit and Loss Account during the period in which the settlement or curtailment occurs.

The interest element of the defined benefit pension cost represents the change in present value of scheme obligations resulting from the passage of time and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on scheme assets is based on an assessment made at the beginning of the year of long term market returns on scheme assets, adjusted for the effect of fair value of the scheme assets of contributions received and benefits paid during the year. The difference between the expected return on scheme assets and the interest cost is recognised in the Profit and Loss Account.

Actuarial gains and losses are recognised in full in the Statement of Total Recognised Gains and Losses in the period in which they occur.

The defined benefit pension asset or liability in the Balance Sheet comprises the total for each scheme of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less any past service cost not yet recognised and less the fair value of scheme assets out of which the obligations are to be settled directly. Fair value is based on market price information and, in the case of quoted securities, is the published bid price.

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

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 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 when 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

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.

Share-based payments

The company is an indirect, wholly-owned subsidiary of Virgin Media Inc. Accordingly, the company has no share-based compensation plans of its own. Certain of the group's employees participate in the share-based compensation plans of Virgin Media Inc., which are described in Virgin Media Inc.'s Annual Report and summarised in note 18 below, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions) of Virgin Media Inc. common stock.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using the Black-Scholes model. These transaction costs are recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, which ends on the date on which the relevant employees become fully entitled to the award (vesting date). The cumulative expense recognised for equity settled transactions at each reporting date, until the vesting date, reflects the extent to which the vesting period has expired and the number of awards that will ultimately vest, in the opinion of management at that date and based on the best available estimates.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

To the extent that the expense for share-based payments is recharged by the ultimate parent company which issues the shares, no expense is separately identifiable in reserves as it is included within inter-company debt.

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

1. Accounting policies (*continued*)

Provisions for liabilities

A provision is recognised when the company has a present, legal or constructive obligation as a result of a past event which it is probable that the company will be required to settle by an outflow of resources and for which a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where the effect of the time value of money is material, the amount of the provision shall be the present value of the expenditures expected to be required to settle the obligation.

Provisions for the expected cost of dilapidation to leasehold properties are charged against profits when the cost of returning a property to its original state can be reliably estimated. When the effect of the time value of money is material provisions are discounted using a rate that reflects the risks specific to the liability. Where discounting is used, the unwinding of the discount is expensed as incurred and recognised in profit and loss as an interest expense.

Asset retirement obligation

The company is a provider of electrical equipment that falls under the EU directive on Waste Electrical and Electronic Equipment. The Virgin Media group has deemed all equipment purchased prior to the date that the law came into effect (2 January 2007) to be historical waste and all waste purchased after that date to be new waste.

A provision for the expected cost of disposal is recognised when products that fall within the EU directive are purchased and the disposal costs can be reliably measured. The expected costs are capitalised within tangible fixed assets and depreciated over the useful economic life of the asset. The provision is utilised when the asset is retired or disposed of.

Where the effect of the time value of money is material, the amount of the provision shall be the present value of the expenditures expected to be required to settle the obligation.

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.

Employee benefits

When an employee has rendered services to the company during an accounting period, short-term benefits expected to be paid in exchange for those services are recognised in the same accounting period. Cash based long-term incentives are accrued at fair value, recognising the movement in the accrual in the financial statements where the conditions and the plan extend beyond a year.

2. Other operating income

	2009	2008
	£000	£000
Recharges to group undertakings (see note 3)	1,034,134	953,122
Other operating income (see note 3)	3,720,241	195,071
	<u>4,754,375</u>	<u>1,148,193</u>

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

3. Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting)

	2009 £000	2008 £000
Depreciation of owned fixed assets	239,979	231,832
Depreciation of assets held under finance lease agreements	29,580	13,988
(Profit)/loss on disposal of fixed assets	(120)	1,362
Profit on transfer of fixed assets	-	(9,646)
Auditor's remuneration		
- as auditor	29	37
Operating lease costs		
- Plant and equipment	28,931	14,477
- Other	18,872	17,073
Net (gain)/loss on foreign currency translation	(62,338)	188,225
Costs allocated to Virgin Media group companies (note 2)	(1,034,134)	(953,122)
<i>Exceptional items</i>		
Waiver of amounts payable to group and subsidiary undertakings (note 2)*	(3,065,638)	-
Release of impairment provision against amounts due from group and subsidiary undertakings (note 2)*	(654,603)	(195,071)
Increase of impairment provision against amounts due from group and subsidiary undertakings	-	1,083,118
Increase of impairment provision against investments (note 11)	2,263	-
Reorganisation costs (note 17)	17,012	3,668
	(3,700,966)	891,715

* Included in other operating income (note 2). All other exceptional items are included in administrative expenses

Auditor's remuneration disclosed above represents costs allocated to the company, although it pays 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.

The company is a principal employer of the Virgin Media group, and manages the majority of its working capital, finance leases, operating leases, capital commitments and construction in progress. During 2009 the company saw an increase in the costs incurred on behalf of, and subsequently recharged to, fellow group undertakings to £1,034,134,000 from £953,122,000 in 2008. Where costs are incurred on behalf of other group companies, expenses are allocated by the company on a basis that, in the opinion of the directors, is reasonable.

As a result of a review of the recoverability of inter-company receivables a decrease in provision against inter-company debt of £654,603,000 has been made (2008 - net increase of £888,047,000). The primary drivers for the change in the provision were the settlement of previously impaired inter-company receivables and an increase in the estimated value of the underlying assets in the Virgin Media group as at 31 December 2009.

The waiver of amounts payable to group and subsidiary undertakings gave rise to a credit to the Profit and Loss Account amounting to £3,065,638,000 (2008 - £nil). These amounts owed to group undertakings were eliminated as part of a group reorganisation of some of the company's direct and indirect subsidiaries.

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

3. Operating profit/(loss) (continued)

A review of impairment provisions against investments was performed as at 31 December 2009 and an increase in provision was required amounting to £2,263,000 as a result of the group reorganisation referred to above (2008 - £nil)

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, net of amounts recharged to fellow group and subsidiary undertakings, 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 to with the same restructuring plan.

4. Staff costs

The average number of staff employed by the company during the financial year amounted to

	2009 No	2008 No
Consumer	5,100	4,990
Business	1,098	1,641
Access and Networks	4,539	4,070
Corporate	1,169	1,081
Technology	1,168	1,219
	<u>13,074</u>	<u>13,001</u>

The aggregate payroll costs of the above were

	2009 £000	2008 £000
Wages and salaries	433,707	444,809
Social security costs	49,183	43,561
Other pension costs	15,551	14,727
Equity-settled share-based payments	15,031	11,506
	<u>513,472</u>	<u>514,603</u>

The analysis of other pension costs charged to operating profit is

	2009 £000	2008 £000
Defined contribution scheme	14,348	13,317
Defined benefit scheme - total operating charge	1,203	1,410
	<u>15,551</u>	<u>14,727</u>

Other pension costs are amounts charged to operating profit and do not include amounts credited to finance income or charged to finance costs (see notes 6 & 7) and amounts recognised in the Statement of Total Recognised Gains and Losses

The company is one of the principal employers of the Virgin Media group. Staff costs are allocated to other groups companies as described in note 3

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

5. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were

	2009	2008
	£000	£000
Emoluments receivable	678	635
Value of company pension contributions to money purchase schemes	34	34
	<u>712</u>	<u>669</u>

Emoluments of highest paid director

	2009	2008
	£000	£000
Total emoluments (excluding pension contributions)	336	321
Value of company pension contributions to money purchase schemes	21	14
	<u>357</u>	<u>335</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2009	2008
	No	No
Money purchase schemes	2	2
Number of directors exercising share options in the ultimate parent company	<u>1</u>	<u>1</u>

6. Interest receivable and similar income

	2009	2008
	£000	£000
Bank interest receivable	1,024	9,285
Interest on amounts owed by group undertakings	147,861	238,426
Net finance income in respect of defined benefit pension schemes	–	2,159
	<u>148,885</u>	<u>249,870</u>

7. Interest payable and similar charges

	2009	2008
	£000	£000
Finance charges	13,373	8,657
Other finance charges including accretion	4,833	4,850
Net finance costs in respect of defined benefit pension schemes	1,726	–
Interest on amounts owed to group undertakings	77,806	121,751
	<u>97,738</u>	<u>135,258</u>

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

8. Taxation

(a) Analysis of charge in the year

The tax charge is made up as follows.

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

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2008 - 28.50%). The difference between the effective statutory rate and the actual current tax charge is reconciled as follows:

	2009 £000	2008 £000
Profit/(loss) on ordinary activities before taxation	3,793,298	(923,565)
Profit/(loss) on ordinary activities multiplied by the rate of tax	1,062,123	(263,216)
Expenses not deductible for tax purposes	2,017	256,758
Decelerated capital allowances	65,242	63,867
Utilisation of tax losses & other deductions	-	(6,830)
Group relief claimed without payment	(84,218)	(33,252)
Income not taxable	(1,046,469)	-
Unrelieved tax losses & other deductions	3,917	-
Other short term timing differences	(2,612)	(17,327)
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
Tax losses	3,917	1,740
Depreciation in excess of capital allowances	689,581	598,370
Other timing differences	33,002	36,845
	726,500	636,955

(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

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

9. Intangible fixed assets

	Goodwill £000	Customer lists £000	Total £000
Cost			
At 1 January 2009	2,817,472	2,500	2,819,972
Written off	(2,817,472)	(2,500)	(2,819,972)
At 31 December 2009	<u>—</u>	<u>—</u>	<u>—</u>
Amortisation			
At 1 January 2009	2,817,472	2,500	2,819,972
Written off	(2,817,472)	(2,500)	(2,819,972)
At 31 December 2009	<u>—</u>	<u>—</u>	<u>—</u>
Net book value			
At 31 December 2009	<u>—</u>	<u>—</u>	<u>—</u>
At 31 December 2008	<u>—</u>	<u>—</u>	<u>—</u>

10. Tangible fixed assets

	Network £000	Construction in progress £000	Other £000	Total £000
Cost				
At 1 January 2009	2,771,266	9,347	492,395	3,273,008
Additions	12,726	251,753	101,084	365,563
Disposals	(111,605)	—	(104,502)	(216,107)
Transfers	206,371	(206,371)	—	—
Transfers from fellow group undertakings	—	22,754	3,247	26,001
At 31 December 2009	<u>2,878,758</u>	<u>77,483</u>	<u>492,224</u>	<u>3,448,465</u>
Depreciation				
At 1 January 2009	1,597,862	—	279,557	1,877,419
Charge for the year	199,973	—	69,586	269,559
On disposals	(89,395)	—	(103,466)	(192,861)
Transfers from fellow group undertakings	—	—	1,987	1,987
At 31 December 2009	<u>1,708,440</u>	<u>—</u>	<u>247,664</u>	<u>1,956,104</u>
Net book value				
At 31 December 2009	<u>1,170,318</u>	<u>77,483</u>	<u>244,560</u>	<u>1,492,361</u>
At 31 December 2008	<u>1,173,404</u>	<u>9,347</u>	<u>212,838</u>	<u>1,395,589</u>

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

10. Tangible fixed assets *(continued)*

Transfers include the net of amounts transferred to and from other group undertakings at book value

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

	2009 £000	2008 £000
Freehold	19,127	19,285
Short leasehold improvements	50,625	50,395
	<u>69,752</u>	<u>69,680</u>

Finance lease agreements

Included within the net book value of £1,492,361,000 is £110,160,000 (2008 - £102,667,000) 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 £29,580,000 (2008 - £13,988,000).

11. Investments

	Subsidiary undertakings £000
Cost	
At 1 January 2009 and 31 December 2009	<u>10,216,459</u>
Value impaired	
At 1 January 2009	10,203,449
Written off in year (see note 3)	<u>2,263</u>
At 31 December 2009	<u>10,205,712</u>
Net book value	
At 31 December 2009	<u>10,747</u>
At 31 December 2008	<u>13,010</u>

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

11. Investments *(continued)*

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 30).

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 as follows. All are registered in England and Wales unless otherwise noted

<i>Name of Company</i>	<i>Holdings</i>	<i>Proportion Held</i>	<i>Nature of Business</i>
<i>Direct subsidiaries</i>			
<i>Limited companies - direct:</i>			
ntl Rectangle Limited	Ordinary	100%	Holding
Virgin Media Payments Limited	Ordinary	100%	Collections
X-Tant Limited	Ordinary	100%	Telecoms
<i>Limited liability corporation incorporated in the USA:</i>			
NTL (Triangle) LLC	Common Stock	100%	Holding
<i>Indirect subsidiaries</i>			
<i>Limited companies:</i>			
ntl Cambridge Limited	Ordinary	100% #	Telecoms
ntl Irish Holdings Limited	Ordinary	100% #	Telecoms
ntl (CWC) Limited	Ordinary	100% #	Holding
ntl (B) Limited	Ordinary	100% #	Holding
ntl Communications Services Limited	Ordinary	100% #	Telecoms
ntl CableComms Limited	Ordinary	100% #	Telecoms
ntl (South Hertfordshire) Limited	Ordinary	33.3% #	Telecoms
BCMV Limited	Ordinary	100% *#	Telecoms

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

11. Investments (continued)

Details of investments (continued)

<i>Name of Company</i>	<i>Holdings</i>	<i>Proportion Held</i>	<i>Nature of Business</i>
<i>Indirect subsidiaries</i>			
<i>Unlimited companies:</i>			
ntl (V)	Ordinary	100% #	Holding
ntl CableComms Bolton	Ordinary	100% #	Telecoms
ntl CableComms Bromley	Ordinary	100% #	Telecoms
ntl CableComms Bury and Rochdale	Ordinary	100% #	Telecoms
ntl CableComms Cheshire	Ordinary	100% #	Telecoms
ntl CableComms Derby	Ordinary	100% #	Telecoms
ntl CableComms Greater Manchester	Ordinary	100% #	Telecoms
ntl CableComms Macclesfield	Ordinary	100% #	Telecoms
ntl CableComms Oldham and Tameside	Ordinary	100% #	Telecoms
ntl CableComms Solent	Ordinary	100% #	Telecoms
ntl CableComms Staffordshire	Ordinary	100% #	Telecoms
ntl CableComms Stockport	Ordinary	100% #	Telecoms
ntl CableComms Surrey	Ordinary	100% #	Telecoms
ntl CableComms Sussex	Ordinary	100% #	Telecoms
ntl CableComms Wessex	Ordinary	100% #	Telecoms
ntl CableComms Wirral	Ordinary	100% #	Telecoms
ntl Wirral Telephone and Cable TV Company	Ordinary	100% #	Telecoms

held by subsidiary undertaking

12. Stocks

	2009	2008
	£000	£000
Stock	<u>2,105</u>	<u>863</u>

13. Debtors

	2009	2008
	£000	£000
Trade debtors	332,731	198,891
Amounts owed by group undertakings	4,266,602	4,484,051
Other debtors	26,292	11,082
Prepayments and accrued income	<u>83,573</u>	<u>72,136</u>
	<u>4,709,198</u>	<u>4,766,160</u>

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

13. Debtors (continued)

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

	2009	2008
	£000	£000
Amounts owed by group undertakings	1,420,115	1,357,809
Other debtors	26,292	11,082
	<u>1,446,407</u>	<u>1,368,891</u>

The analysis of amounts owed by group undertakings is:

	2009	2008
	£000	£000
Loan notes due from parent undertakings	216,194	222,221
Loan notes due from fellow group undertakings	193,788	205,390
Loan notes due from subsidiary undertakings	1,010,133	930,198
Other amounts owed by fellow group undertakings	2,656,243	2,888,469
Interest on loan notes	190,244	237,773
	<u>4,266,602</u>	<u>4,484,051</u>

All amounts owed by group undertakings are repayable on demand, however due to the links to long term external debt managed by other group undertakings, certain significant inter-company balances are not anticipated to be settled within one year

Loan notes due from subsidiary undertakings are stated after deducting an impairment provision of £899,888,000 (2008 - £1,009,536,000) Amounts owed by fellow group undertakings are stated after deducting an impairment provision of £477,817,000 (2008 - £1,104,582,000)

Included within loan notes are US dollar denominated balances totalling \$553,650,000 (2008 - \$553,650,000) which had a carrying value of £342,457,000 (2008 - £378,719,000)

The rates of interest on the loan notes due from parent, fellow group and subsidiary undertakings ranged from 3 18% to 9 75% (2008 - 5 44% to 10.22%). Other amounts owed by fellow group undertakings are interest free

14. Creditors: Amounts falling due within one year

	2009	2008
	£000	£000
Overdrafts	–	56,708
Trade creditors	297,854	372,019
Amounts owed to group undertakings	2,436,603	3,033,127
Other taxation and social security	66,720	58,235
Finance lease agreements	35,677	13,176
Accruals and deferred income	516,839	357,478
	<u>3,353,693</u>	<u>3,890,743</u>

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

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

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

	2009 £000	2008 £000
Amounts owed to group undertakings	1,414,160	4,585,216
Finance lease agreements	107,341	126,622
Other creditors	18,053	9,104
	<u>1,539,554</u>	<u>4,720,942</u>

The analysis of amounts owed to group undertakings is:

	2009 £000	2008 £000
Loan notes due to parent undertakings	896,984	972,215
Loan notes due to fellow group undertakings	2,853	2,853
Loan notes due to subsidiary undertakings	349,589	368,302
Other amounts owed to fellow group undertakings	164,734	3,241,846
	<u>1,414,160</u>	<u>4,585,216</u>

All amounts owed to group undertakings are unsecured and repayable on demand, however due the links to long term external debt managed by other group undertakings, certain significant inter-company balances are not expected to be repaid in full within five years.

The rates of interest charged on the loan notes due from parent, fellow group and subsidiary undertakings ranged from 2.90% to 9.75% (2008 - 2.90% to 10.22%). The rates of interest on other amounts owed by fellow group undertakings ranged from nil% - 3.4% (2008 - nil% - 8.4%).

Included within loan notes are US dollar denominated balances totalling \$920,197,000 (2008 - \$920,197,000) which had a carrying value of £569,182,000 (2008 - £629,452,000) and euro denominated balances totalling €545,349,000 (2008 - €535,469,000) which had a carrying value of £483,451,000 (2008 - £509,830,000).

Details of loans not wholly repayable within five years are as follows

	2009 £000	2008 £000
Loan notes due to parent undertakings	896,984	972,215
Loan notes due to fellow group undertakings	2,853	2,853
Loan notes due to subsidiary undertakings	349,589	368,302
Other amounts owed to fellow group undertakings	164,734	3,241,846
	<u>1,414,160</u>	<u>4,585,216</u>

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

16. Commitments under finance lease agreements

Future commitments under finance lease agreements are as follows:

	2009 £000	2008 £000
Amounts payable within 1 year	45,715	17,109
Amounts payable between 2 to 5 years	93,749	110,763
Amounts payable after more than 5 years	80,088	84,186
	<u>219,552</u>	<u>212,058</u>
Less interest and finance charges relating to future periods	(76,534)	(72,260)
	<u>143,018</u>	<u>139,798</u>
Finance lease agreements are analysed as follows:		
Current obligations (note 14)	35,677	13,176
Non-current obligations (note 15)	107,341	126,622
	<u>143,018</u>	<u>139,798</u>

17. Provisions for liabilities

	Restructuring provision £000	WEEE Provision £000	Total £000
Balance brought forward	70,962	57,695	128,657
Provided during year	57,752	19,106	76,858
Utilised during year	(48,173)	(3,798)	(51,971)
Revisions in cash flow estimates	(10,700)	(24,894)	(35,594)
Amortisation of discount	-	4,478	4,478
Balance carried forward	<u>69,841</u>	<u>52,587</u>	<u>122,428</u>

Reorganisation

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. Restructuring provisions at 31 December 2009 related primarily to the group's redundancy and lease exit costs in connection with this restructuring plan.

During the year £30,039,000 of restructuring charges were recharged to group undertakings.

Waste Electrical & Electronic Equipment (WEEE)

The provision for the asset retirement obligation in respect of waste electrical and electronic equipment is calculated based on the total equipment purchased, its expected useful economic life and the anticipated cost of disposal.

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

18. Share-based payments

Equity-settled share-based payments

The company is an indirect, wholly-owned subsidiary of Virgin Media Inc. Accordingly, the company has no share-based compensation plans. The group's directors and certain of its employees participate in the share-based compensation plan of Virgin Media Inc., as summarised below.

Virgin Media Sharesave Plan

The Virgin Media Sharesave Plan is a broad based share option arrangement which enables eligible employees to receive options to purchase shares of Virgin Media Inc.'s common shares at a discount. Employees are invited to take out savings contracts that last for three years. At the end of the contract employees use the proceeds of these savings to exercise options granted under the plan.

Virgin Media stock incentive plans

The Virgin Media Stock Incentive Plans are intended to encourage Virgin Media Inc. share ownership by employees and directors so that they may acquire or increase their proprietary interest in the group, and to encourage such employees and directors to remain in the group's employ or service and to put forth maximum efforts for the success of the business. To accomplish such purposes, the plans provide that Virgin Media Inc. may grant incentive share options, non-qualified share options, shares of restricted stock, restricted stock units and share awards.

Stock option grants

All options have a 10 year term and vest and become fully exercisable within 5 years of continued employment. The company accounts for the plan under the fair value recognition provisions of Financial Reporting Standard 20 'Share-based Payment' (FRS 20).

The fair value for these options was estimated at the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

Year ended 31 December	2009	2008
Risk-free Interest Rate	2.34%	2.43%
Expected Dividend Yield	3.05%	1.0%
Expected Volatility	61.48%	33.65%
Expected Lives	4.6 years	4.7 years

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical realised volatility of the ultimate parent company's shares, matched to the expected life of the option, is indicative of future trends, which may not necessarily be the actual outcome.

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

18. Share-based payments *(continued)*

A summary of the activity and related information of the Virgin Media share option grants outstanding as of 31 December, pursuant to the share incentive plans and the Virgin Media Sharesave Plan, and of the changes during the year ended 31 December is given below

	2009	2009	2008	2008
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
As at 1 January	13,188,434	\$17.09	6,994,489	\$23.31
Transferred in	860,701	\$17.13	466,790	\$11.16
Granted	6,278,355	\$8.30	7,593,067	\$11.80
Exercised	(299,968)	\$9.73	(12,503)	\$4.66
Expired	(1,188,188)	\$22.59	(736,146)	\$24.09
Forfeited	(2,929,553)	\$13.74	(1,117,263)	\$19.65
Outstanding at end of year	15,909,781	\$14.01	13,188,434	\$17.09
Exercisable at end of year	3,978,883	\$20.47	2,947,013	\$22.36

Transfers in are from fellow group undertakings

The options exercisable at the year end had a weighted average remaining contractual term of 6.78 years (2008 - 7.12 years) and the options outstanding at the year end had a weighted average remaining term of 7.61 years (2008 - 7.65 years).

The weighted average share price at the date of exercise for the options exercised in 2009 was \$12.53 (2008 - \$12.82)

The weighted average fair value of options granted during the year was \$3.96 (2008 - \$3.89). The range of exercise prices for options outstanding at the year end was \$0.02 to \$28.59 (2008 - \$0.02 to \$28.59)

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

18. Share-based payments (continued)

Non-vested shares

	2009 Shares	2009 Weighted Average Grant-date Fair Value	2008 Shares	2008 Weighted Average Grant-date Fair Value
As at 1 January	105,834	\$27.44	444,575	\$24.42
Transferred in	-	-	41,667	\$27.14
Granted	755,000	\$11.27	-	-
Vested	(105,834)	\$27.44	(320,824)	\$18.69
Forfeited	-	-	(59,584)	\$5.81
Outstanding at end of year	<u>755,000</u>	<u>\$11.27</u>	<u>105,834</u>	<u>\$27.44</u>

Non-vested shares of Virgin Media Inc are shares issued with certain restrictions attached, which can be either service-based or performance related. The fair value of non-vested shares is derived from the share price of Virgin Media Inc on the day of the grant.

Restricted stock unit grants

	2009 Performance Based	2009 Weighted Average Grant Date Fair Value	2008 Performance Based	2008 Weighted Average Grant Date Fair Value
As at 1 January	3,428,090	\$16.55	1,577,756	\$24.63
Granted	1,520,879	\$8.89	2,342,700	\$12.06
Vested	(196,416)	\$24.65	-	-
Transferred in	494,210	\$17.04	54,358	\$24.57
Forfeited	(1,451,540)	\$17.53	(546,724)	\$12.42
Outstanding at end of year	<u>3,795,223</u>	<u>\$12.74</u>	<u>3,428,090</u>	<u>\$16.55</u>

Participants in the Virgin Media group's long term incentive plans are awarded restricted stock units which vest after a three year period dependent on the achievement of certain long term performance targets and continued employment. The final number of restricted stock units vesting will be settled, at the Compensation Committee's discretion, in either shares in the ultimate parent company or an amount of cash equivalent to the fair market value at the date of vesting.

The restricted stock units that vested during the year had a total fair value of £0.7 million (2008 - £nil).

The expense included in the financial statements of the company relating to the payment of stock-based compensation of certain of its employees is £15,031,000 (2008 - £11,506,000).

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

19. Pensions and other post retirement benefits

Defined Contribution Plans

The company contributes to the Virgin Media sponsored group personal pension plans for eligible employees. Contributions are charged to the Profit and Loss Account as they become payable, in accordance with the rules of each of the plans. Contributions to the defined contribution plans during the year were £14,348,000 (2008 - £13,317,000). The amount of outstanding contributions at 31 December 2009 included within Creditors amounts falling due within one year were £1,773,000 (2008 - £1,547,000).

Defined Benefit Plans

The group operates two funded defined benefit pension plans and details are given below in accordance with Financial Reporting Standard 17 "Retirement Benefits" (FRS 17).

Contributions to the company's defined benefit plans during the year were £13,407,000 (2008 - £13,516,000).

The company expects to pay £5.6m to the ntl 1999 Pension Plan and £11.6m to the NTL Pension Plan in 2010.

ntl 1999 Pension Plan

The company operates the ntl 1999 Pension Plan (the 1999 Plan), a funded defined benefit pension plan, which provides benefits based on final pensionable pay, with contributions being charged to the Profit and Loss Account so as to spread the cost of pensions over employees' working lives with the company. The 1999 Plan is closed to new entrants. The assets of the 1999 Plan are held separately from the company in an independently administered trust fund. The contributions are determined based on the advice of independent qualified actuaries on the basis of triennial valuations using the projected unit method.

Full actuarial valuations of the 1999 Plan have been carried out and updated to 31 December 2009 by a qualified actuary, using a set of assumptions consistent with those required under FRS17. The major assumptions used by the actuary were:

ntl 1999 Pension Plan	2009	2008	2007
	%	%	%
Rate of increase in salaries	4.00	3.00	3.50
Rate of increase in pensions in payment	3.75	2.75	3.25
Discount rate	5.75	5.75	5.75
Inflation assumption	3.75	2.75	3.25
 Life expectancy at 65 for	 2009	 2008	 2007
Male aged 45	87.9	86.1	86.0
Male aged 65	86.0	84.8	84.6
Female aged 45	90.5	89.0	89.0
Female aged 65	88.6	87.9	87.7

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

19. Pensions and other post retirement benefits *(continued)*

The fair value of the scheme assets and the expected rate of return, the present value of the scheme liabilities and the resulting surplus/(deficit) are

ntl 1999 Pension Plan	Long-term rate of return expected %	2009 Value £000	Long-term rate of return expected %	2008 Value £000	Long-term rate of return expected %	2007 Value £000
Equities	8.25	36,781	7.75	24,421	8.25	43,657
Government bonds	4.50	-	4.00	-	4.50	6,982
Corporate bonds	5.75	15,627	5.75	13,273	5.75	933
Hedge funds	8.00	5,143	7.50	4,603	-	-
Cash and others	4.50	288	4.00	113	5.50	1,944
Total market value of assets		57,839		42,410		53,516
Present value of scheme liabilities		(76,282)		(53,226)		(58,495)
Deficit in plan and net pension liability		(18,443)		(10,816)		(4,979)

No deferred tax asset has been recognised as there is currently insufficient evidence that there will be suitable taxable profits against which these timing differences will reverse

NTL Pension Plan

The company operates the NTL Pension Plan (the Plan), a funded defined benefit pension plan, which provides benefits based on final pensionable pay, with contributions being charged to the Profit and Loss Account so as to spread the cost of pensions over employees' working lives with the company. The Plan is closed to new entrants. The assets of the Plan are held separately from the company in an independently administered trust fund. The contributions are determined based on the advice of independent qualified actuaries on the basis of triennial valuations using the projected unit method.

Full actuarial valuations of the Plan have been carried out and updated to 31 December 2009 by a qualified actuary, using a set of assumptions consistent with those required under FRS17. The major assumptions used by the actuary were

NTL Pension Plan	2009 %	2008 %	2007 %
Rate of increase in salaries	4.00	3.00	3.50
Rate of increase in pensions in payment	3.75	3.00	3.25
Discount rate	5.75	5.75	5.75
Inflation assumption	3.75	2.75	3.25
Life expectancy at 65 for	2009	2008	2007
Male aged 45	88.5	86.1	86.0
Male aged 65	86.5	84.8	84.6
Female aged 45	91.1	89.0	89.0
Female aged 65	89.2	87.9	87.7

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

19. Pensions and other post retirement benefits *(continued)*

The fair value of the scheme assets and the expected rate of return, the present value of the scheme liabilities and the resulting surplus/(deficit) are

NTL Pension Plan	Long-term rate of return expected %	2009 Value £000	Long-term rate of return expected %	2008 Value £000	Long-term rate of return expected %	2007 Value £000
Equities	8.25	78,392	7.75	66,449	8.25	118,042
Property	7.75	4,139	7.25	5,197	7.75	6,596
Government bonds	4.50	100,236	4.00	105,308	4.50	95,950
Corporate bonds	5.75	39,567	5.75	32,704	5.75	34,855
Hedge funds	8.00	22,496	7.50	20,132	-	-
Cash and others	4.50	3,531	4.00	1,698	5.50	9,594
Total market value of assets		248,361		231,488		265,037
Present value of scheme liabilities		(301,488)		(254,552)		(265,387)
Deficit in plan and net pension liability		(53,127)		(23,064)		(350)

No deferred tax asset has been recognised as there is currently insufficient evidence that there will be suitable taxable profits against which these timing differences will reverse

An analysis of the defined benefit cost follows

Analysis of the amount charged to operating profit

2009	ntl 1999 £000	NTL £000	Total £000
Current service cost	930	273	1,203
Loss on settlements and curtailments	-	-	-
Total operating charge (note 4)	930	273	1,203
2008	ntl 1999 £000	NTL £000	Total £000
Current service cost	1,111	299	1,410
Loss on settlements and curtailments	-	-	-
Total operating charge (note 4)	1,111	299	1,410

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

19. Pensions and other post retirement benefits *(continued)*

Analysis of the amount credited to net finance income

2009	ntl 1999 £000	NTL £000	Total £000
Expected return on pension plan assets	3,140	12,527	15,667
Interest on pension plan liabilities	(3,066)	(14,327)	(17,393)
Other finance income/(expense)	<u>74</u>	<u>(1,800)</u>	<u>(1,726)</u>
2008	ntl 1999 £000	NTL £000	Total £000
Expected return on pension plan assets	3,794	16,707	20,501
Interest on pension plan liabilities	(3,369)	(14,973)	(18,342)
Other finance income	<u>425</u>	<u>1,734</u>	<u>2,159</u>

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

19. Pensions and other post retirement benefits *(continued)*

Analysis of the amount recognised in the Statement of Total Recognised Gains and Losses (STRGL)

2009	ntl 1999 £000	NTL £000	Total £000
Actual return less expected return on pension plan assets	9,270	8,936	18,206
Experience loss arising on pension plan liabilities	(2,472)	(3,155)	(5,627)
Changes in assumptions underlying the present value of the plan liabilities	(17,680)	(43,067)	(60,747)
Actuarial loss recognised in STRGL	(10,882)	(37,286)	(48,168)
2008	ntl 1999 £000	NTL £000	Total £000
Actual return less expected return on pension plan assets	(18,507)	(49,159)	(67,666)
Experience gain arising on pension plan liabilities	2,135	10,201	12,336
Changes in assumptions underlying the present value of the plan liabilities	7,105	5,504	12,609
Actuarial loss recognised in STRGL	(9,267)	(33,454)	(42,721)

Analysis of Plan liabilities

2009	ntl 1999 £000	NTL £000	Total £000
Plans that are wholly or partly funded	76,282	301,488	377,770
Plans that are wholly unfunded	-	-	-
Net present value of scheme liabilities	76,282	301,488	377,770
2008	ntl 1999 £000	NTL £000	Total £000
Plans that are wholly or partly funded	53,226	254,552	307,778
Plans that are wholly unfunded	-	-	-
Net present value of scheme liabilities	53,226	254,552	307,778

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

19. Pensions and other post retirement benefits *(continued)*

Changes in present value of Plan liabilities

2009	ntl 1999	NTL	Total
	£000	£000	£000
Opening value of plan liabilities	53,226	254,552	307,778
Current service cost	930	273	1,203
Interest cost	3,066	14,327	17,393
Experience losses	2,472	3,155	5,627
Impact of changes in assumptions	17,680	43,067	60,747
Employee contributions	236	112	348
Benefits and other	(1,328)	(13,998)	(15,326)
Closing value of plan liabilities	76,282	301,488	377,770
2008	ntl 1999	NTL	Total
	£000	£000	£000
Opening value of plan liabilities	58,495	265,387	323,882
Current service cost	1,111	299	1,410
Interest cost	3,369	14,973	18,342
Experience gains	(2,135)	(10,201)	(12,336)
Impact of changes in assumptions	(7,105)	(5,504)	(12,609)
Employee contributions	272	112	384
Augmentation	95	-	95
Benefits and other	(876)	(10,514)	(11,390)
Closing value of plan liabilities	53,226	254,552	307,778

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

19. Pensions and other post retirement benefits *(continued)*

Changes in present value of Plan assets

2009	ntl 1999	NTL	Total
	£000	£000	£000
Opening value of plan assets	42,410	231,488	273,898
Expected return on assets	3,140	12,527	15,667
Actual less expected return on assets	9,270	8,936	18,206
Employer contributions	4,111	9,296	13,407
Employee contributions	236	112	348
Benefits and other	(1,328)	(13,998)	(15,326)
Closing value of plan assets	<u>57,839</u>	<u>248,361</u>	<u>306,200</u>
2008	ntl 1999	NTL	Total
	£000	£000	£000
Opening value of plan assets	53,516	265,037	318,553
Expected return on assets	3,794	16,707	20,501
Actual less expected return on assets	(18,507)	(49,159)	(67,666)
Employer contributions	4,211	9,305	13,516
Employee contributions	272	112	384
Benefits and other	(876)	(10,514)	(11,390)
Closing value of plan assets	<u>42,410</u>	<u>231,488</u>	<u>273,898</u>

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

19. Pensions and other post retirement benefits *(continued)*

History of experience gains and losses

2009	ntl 1999	NTL	Total
	£000	£000	£000
Plan liabilities	(76,282)	(301,488)	(377,770)
Plan assets	57,839	248,361	306,200
Deficit	(18,443)	(53,127)	(71,570)
Experience losses on plan liabilities	(2,472)	(3,155)	(5,627)
Experience gains on plan assets	9,270	8,936	18,206
2008	ntl 1999	NTL	Total
	£000	£000	£000
Plan liabilities	(53,226)	(254,552)	(307,778)
Plan assets	42,410	231,488	273,898
Deficit	(10,816)	(23,064)	(33,880)
Experience gains on plan liabilities	2,135	10,201	12,336
Experience losses on plan assets	(18,507)	(49,159)	(67,666)
2007	ntl 1999	NTL	Total
	£000	£000	£000
Plan liabilities	(58,495)	(265,387)	(323,882)
Plan assets	53,516	265,037	318,553
Deficit	(4,979)	(350)	(5,329)
Experience losses on plan liabilities	(5)	(145)	(150)
Experience losses on plan assets	(1,118)	(4,916)	(6,034)
2006	ntl 1999	NTL	Total
	£000	£000	£000
Plan liabilities	(29,049)	(278,249)	(307,298)
Plan assets	20,666	255,421	276,087
Deficit	(8,383)	(22,828)	(31,211)
Experience gains/(losses) on plan liabilities	1,100	(3,286)	(2,186)
Experience gains/(losses) on plan assets	715	(818)	(103)
2005	ntl 1999	NTL	Total
	£000	£000	£000
Plan liabilities	(29,201)	(271,706)	(300,907)
Plan assets	18,323	249,086	267,409
Deficit	(10,878)	(22,620)	(33,498)
Experience losses on plan liabilities	(95)	(7,864)	(7,959)
Experience gains on plan assets	1,789	20,247	22,036

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

20. Commitments under operating leases

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as set out below

	2009		2008	
	Land and buildings £000	Other Items £000	Land and buildings £000	Other Items £000
Operating leases which expire				
Within 1 year	1,101	2,621	587	1,507
Within 2 to 5 years	11,567	11,029	3,287	2,692
After more than 5 years	22,841	4,501	26,045	9,785
	<u>35,509</u>	<u>18,151</u>	<u>29,919</u>	<u>13,984</u>

21. 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. The UK tax authorities are seeking to challenge the VAT treatment of certain of the Virgin Media group's activities. As a result the Virgin Media group has estimated contingent losses totalling £27.9 million as of 31 December 2009 that are not accrued for as the group does not deem them to be probable of resulting in a liability.

22. 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.

Virgin Media Limited

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Year ended 31 December 2009

23. Share capital

Authorised share capital:

	2009 £000	2008 £000
5,378,375 Ordinary shares of £0 01 each	54	54
5,243,153 Ordinary shares of £0 13 each	682	682
	<u>736</u>	<u>736</u>

Allotted and called up:

	2009 No	£000	2008 No	£000
Ordinary shares fully paid of £0 01 each	5,179,802	52	5,179,802	52
Ordinary shares - £0 130115 paid of £0 13 each	5,179,680	674	5,179,680	674
	<u>10,359,482</u>	<u>726</u>	<u>10,359,482</u>	<u>726</u>

24. Share premium account

The company had £12,214,200,000 in its share premium account at 31 December 2009 (2008 - £12,214,200,000)

25. Share options reserve

	2009 £000	2008 £000
Balance brought forward	14,018	14,018
Recognition of equity-settled share-based payments in the year	1,097	—
Balance carried forward	<u>15,115</u>	<u>14,018</u>

26. Other reserves

	2009 £000	2008 £000
Other reserves	<u>11</u>	<u>11</u>

27. Profit and loss account

	2009 £000	2008 £000
Balance brought forward	(14,810,390)	(13,844,104)
Profit/(loss) for the financial year	3,793,298	(923,565)
Defined pension benefit scheme	(48,168)	(42,721)
Balance carried forward	<u>(11,065,260)</u>	<u>(14,810,390)</u>

Virgin Media Limited

Notes to the Financial Statements

Year ended 31 December 2009

28. Reconciliation of movements in shareholder's funds

	2009 £000	2008 £000
Profit/(loss) for the financial year	3,793,298	(923,565)
Actuarial losses on pension plans	(48,168)	(42,721)
Recognition of equity-settled share-based payments in the year	1,097	—
Net addition/(reduction) to shareholder's deficit	3,746,227	(966,286)
Opening deficit	(2,581,435)	(1,615,149)
Closing shareholder's funds/(deficit)	1,164,792	(2,581,435)

29. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £118,996,000 (2008 - £106,103,000).

In the ordinary course of its business, the company contracts on behalf of fellow group undertakings and subsidiaries, therefore the above amounts include commitments entered into on behalf of these companies

30. Parent undertaking and controlling party

The company's immediate parent undertaking is Virgin Media Investments Limited. On 4 January 2010 the company's immediate parent company changed from Virgin Media Investment Holdings Limited to Virgin Media Investments 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.