Registered number: 02591237

VIRGIN MEDIA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

VIRGIN MEDIA LIMITED

COMPANY INFORMATION

Directors	J N Dodds R D Dunn M O Hifzi L M Schüler
Company secretary	G E James
Registered number	02591237
Registered office	Bartley Wood Business Park Hook Hampshire RG27 9UP
Independent auditor	KPMG LLP 1 Sovereign Square Sovereign Street Leeds LS1 4DA

VIRGIN MEDIA LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Principal activities and business review

The principal activity of the company during the year was, and will continue to be, the provision of video, fixed-line telephony, broadband internet and other telecommunication services as well as running some of the telecommunication services over which they are provided. The company is also the 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.

On 1 January 2018 the company acquired the trade and assets of X-Tant Limited. On 1 March 2018 the company acquired the trade and assets of Smallworld Cable Limited and ntl Midlands Limited. On 3 December 2018 the company acquired the trade and assets of Virgin Media Operations Limited. The company has accounted for the acquisition of trade and assets as a common control transfer at carry-over basis. Accordingly, the financial statements and related notes for the years ended 31 December 2018 and 31 December 2017 have been adjusted to give retrospective effect to these transactions accounted for under common control.

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

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

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

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

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

At 31 December 2018, the group provided services to over 5.9 million residential cable customers on its network. The group is also one of the largest MVNO by number of customers, providing mobile telephony services to 2.7 million contract mobile customers and 0.4 million prepay mobile customers over third party networks. At 31 December 2018, over 84% of residential customers on the group's cable network received multiple services and 63% were "triple-play" customers, receiving broadband internet, video and fixed-line telephony services from the group.

Liberty Global is the world's largest international TV and broadband company with operations in 10 European countries. Its substantial scale and commitment to innovation enables it to develop market-leading products delivered through next-generation networks that, as of 31 December 2018, connected over 21 million customers subscribing to 45 million television, broadband internet and telephony services. In addition at 31 December 2018, Liberty Global served over 6 million mobile subscribers.

The company has received dividends of £45,053,000 from it's subsidiaries during the year (2017 - £nil).

Principal risks and uncertainties

Financial and operational risk management is undertaken as part of the group operations as a whole. The company's operations expose it to a variety of operational and financial risks. These are considered in more detail in the financial statements of Virgin Media Inc. which are available from the company secretary at Virgin Media, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP and are available at Liberty Global's website at www.libertyglobal.com.

The UK referendum advising for the exit of the UK from the EU could have a material adverse effect on our business, financial condition, results of operations or liquidity. On 23 June 2016, the UK held a referendum in which voters approved, on an advisory basis, an exit from the EU, commonly referred to as "Brexit". Following the failure to reach a separation deal by the original deadline of 29 March 2019, the EU granted the UK an extension until 31 October 2019. Uncertainty remains as to what kind of separation agreement, if any, may be agreed and approved by the UK Parliament. It is possible that the UK will again fail to agree to a separation agreement with the EU by the new 31 October 2019 deadline which, in the absence of another extension, would require the UK to leave the EU under a so-called "hard Brexit" or "no-deal Brexit" without agreements on trade, finance and other key elements. The foregoing has caused considerable uncertainty as to Brexit's impact on the free movement of goods, services, people and capital between the UK and the EU, customer behaviour, economic conditions, interest rates, currency exchange rates, and availability of capital. Examples of the potential impact Brexit could have on Virgin Media Group's business, financial condition or results of operations include:

- changes in foreign currency exchange rates and disruptions in the capital markets;
- shortages of labour necessary to conduct our business, including our Network Extension;
- disruption to our UK supply chain and related increased cost of supplies;
- a weakened UK economy resulting in decreased consumer demand for our products and services;
- legal uncertainty and potentially divergent national laws and regulations as the UK determines which EU laws and directives to replace or replicate, or where previously implemented by enactment of UK laws or regulations, to retain, amend or repeal; and
- various geopolitical forces may impact the global economy and our business, including, for example, other EU member states (in particular those member states where we have operations) proposing referendums to, or electing to, exit the EU.

Key performance indicators (KPIs)

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

	2018 £000	Restated 2017 £000	Commentary
Turnover	**2,719,987**	2,628,087	Turnover has increased by 3.5%, primarily due to an increase in the number of video, fixed line telephone and broadband internet subscribers, and selective price increases.
Operating profit before exceptional items	**463,484**	531,054	Operating profit before exceptional items has decreased by 12.7%, primarily due to a decrease in other operating income and an increase in cost of sales and administrative expenses.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Selected statistics for residential cable customers served by the company at 31 December 2018 and 31 December 2017 are shown in the table below:

	2018	Restated 2017
Products:		
Video	**2,942,600**	2,914,000
Fixed-line telephone	**3,452,000**	3,349,300
Broadband internet	**3,967,600**	3,886,600
Total	**10,362,200**	10,149,900
Total customers	**4,180,500**	4,136,900
Products per customer	**2.48**	2.45

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

The company reported a decrease in both net current assets and net assets for the year ended 31 December 2018. During the year, no new external finance was arranged. Operations were financed through the company's inter-company balances with fellow group undertakings.

Future outlook

The directors will continue to review management policies in light of changing trading and market conditions. Further detail of the future outlook of the group is provided in Virgin Media Inc.'s financial statements and annual report for 2018, which are available from the company secretary at Virgin Media, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

This report was approved by the board on 6 September 2019 and signed on its behalf.

Robert D

R D Dunn
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Results and dividends

The profit for the year, after tax, amounted to £476,095,000 (2017 - £853,302,000)

On 30 October 2018, the company paid a dividend of £802,572,000 (2017 - £nil).

Directors

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

W T Castell (appointed 13 July 2018, resigned 1 September 2018)
J N Dodds (appointed 18 September 2018, resigned 4 January 2019, appointed 14 June 2019)
R D Dunn
R G Evans (appointed 18 September 2018, resigned 4 January 2019)
M O Hifzi
P J A Kelly (resigned 4 January 2019)
A M Lorenz (appointed 18 June 2018, resigned 4 January 2019)
C E Lynch (appointed 18 September 2018, resigned 4 January 2019)
T Mockridge (resigned 11 June 2019)
A C Murray (appointed 18 July 2019, resigned 5 August 2019)
L M Schüler (appointed 18 September 2018)
B A Trafford (appointed 18 September 2018, resigned 4 January 2019)
C B E Withers (appointed 13 July 2018, resigned 1 September 2018)

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

Employment policies and disabled employees

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

Virgin Media 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, gender reassignment, marital status, 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 group, ex-employees and people applying for jobs. This applies to all aspects of employment, including recruitment and training.

Virgin Media 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 Virgin Media's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

In line with Liberty Global's 'Code of Business Conduct', the group's employees and directors are expected to display responsible and ethical behaviour, to follow consistently both the meaning and intent of this Code and to act with integrity in all of the group's business dealings. Managers and supervisors are expected to take such action as is necessary and appropriate to ensure that the group's business processes and practices are in full compliance with the Code.

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 group and their own business area 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 Virgin Media. 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;
- the Virgin Media group ensures that all employees are involved and consulted with through "Voice" which operates at a national, divisional and local level. It enables employees and employers to have an open and transparent relationship with a flow of information. It is focused around sharing information, involving employees in decision making, gaining access to knowledge and experience or resolving differences of opinion, Involving employees in decision making enhances confidence and job satisfaction, creates a sense of belonging and empowerment, reduces stress and imparts positively on wellbeing.

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

Going concern

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

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/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

KPMG LLP will be reappointed under section 487(2) of the Company Act 2006.

Post balance sheet events

Subsequent to the year end, the company acquired the trade and assets of ntl Cablecomms Holdings No.1 Limited, ntl Cablecomms Holdings No. 2 Limited and ntl Cambridge Limited which are subsidiaries of the company.

This report was approved by the board on 6 September 2019 and signed on its behalf.

M.O. Hifzi

M O Hifzi
Director

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors are responsible for preparing the Strategic report, 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 they have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Under company law the directors must not approve the financial statements unless 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 these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concem, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF VIRGIN MEDIA LIMITED

Opinion

We have audited the financial statements of Virgin Media Limited ("the company") for the year ended 31 December 2018 which comprise the Strategic report, the Directors' report, Profit and Loss account and Statement of Other Comprehensive Income, Balance sheet, Statement of changes in equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the valuation of investments and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effect unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF VIRGIN MEDIA LIMITED (CONTINUED)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

The purpose of our audit work and to whom we owe our responsibilities

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.

K L'Estrange

Katharine L'Estrange (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
19 September 2019

PROFIT AND LOSS ACCOUNT AND STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £000	Restated 2017 £000
Turnover		**2,719,987**	2,628,087
Cost of sales		**(677,268)**	(649,149)
Gross profit		**2,042,719**	1,978,938
Administrative expenses		**(2,320,549)**	(2,334,546)
Exceptional administrative (expenses) / income	6	**(182,465)**	205,691
Other operating income	5	**741,314**	886,662
Operating profit	6	**281,019**	736,745
Income from shares in group companies		**45,053**	-
Other interest receivable and similar income	10	**395,885**	500,935
Interest payable and similar expenses	11	**(183,646)**	(311,380)
Profit before tax		**538,311**	926,300
Tax on profit	12	**(62,216)**	(72,998)
Profit for the year		**476,095**	853,302
Other comprehensive income:			
Actuarial gain on defined benefit schemes		**8,400**	9,100
Movements of deferred tax relating to pension deficit		**(1,596)**	(1,746)
Loss on cash flow hedges taken to equity		**(113)**	(983)
Movements of deferred tax relating to cash flow hedges		**21**	(23)
		6,712	6,348
Total comprehensive income for the year		**482,807**	859,650

The notes on pages 13 to 48 form part of these financial statements.

All results were derived from continuing operations.

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £000	Restated 2017 £000
Fixed assets			
Intangible assets	13	**310,436**	297,036
Tangible assets	14	**4,020,345**	3,526,574
Investments	15	**2,325,998**	2,650,854
Defined benefit pension plan asset	24	**89,700**	70,700
		6,746,479	6,545,164
Current assets			
Stocks	16	**679**	3,195
Debtors due after one year	17	**5,378,068**	1,375,296
Debtors due within one year	17	**689,797**	11,914,540
Cash at bank and in hand		**6,215**	1,198
		6,074,759	13,294,229
Creditors: amounts falling due within one year	18	**(4,991,568)**	(11,129,876)
Net current assets		**1,083,191**	2,164,353
Total assets less current liabilities		**7,829,670**	8,709,517
Creditors: amounts falling due after more than one year	19	**(120,650)**	(289,427)
Provisions for liabilities and charges	22	**(129,713)**	(134,913)
Net assets		**7,579,307**	8,285,177
Capital and reserves			
Share capital	26	**726**	726
Share premium account	27	**6,185,872**	12,214,200
Hedging reserve	27	**22**	114
Other reserves	27	**11**	11
Share options reserve	27	**15,115**	15,115
Profit and loss account	27	**1,377,561**	(3,944,989)
Shareholder's funds		**7,579,307**	8,285,177

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 September 2019.

Robert D D

R D Dunn
Director

The notes on pages 13 to 48 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital	Share premium account	Hedging reserve	Other reserves	Share options reserve	Profit and loss account	Shareholder's funds
	£000	£000	£000	£000	£000	£000	£000
At 1 January 2018 (restated)	726	12,214,200	114	11	15,115	(3,944,989)	8,285,177
Effect of change in accounting policy (note 32)	-	-	-	-	-	23,326	23,326
At 1 January 2018 (restated)	726	12,214,200	114	11	15,115	(3,921,663)	8,308,503
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	476,095	476,095
Actuarial gain on pension schemes	-	-	-	-	-	8,400	8,400
Deferred tax on defined benefit pension scheme actuarial gain	-	-	-	-	-	(1,596)	(1,596)
Loss on fair value of cash flow hedges	-	-	(113)	-	-	-	(113)
Deferred tax on hedging reserve	-	-	21	-	-	-	21
Other comprehensive income for the year	-	-	(92)	-	-	6,804	6,712
Total comprehensive income for the year	-	-	(92)	-	-	482,899	482,807
Dividends paid	-	-	-	-	-	(802,572)	(802,572)
Shares issued during the year	-	6,185,872	-	-	-	-	6,185,872
Capital reduction	-	(12,214,200)	-	-	-	12,214,200	-
Common control acquisition	-	-	-	-	-	(6,595,303)	(6,595,303)
At 31 December 2018	726	6,185,872	22	11	15,115	1,377,561	7,579,307

The notes on pages 13 to 48 form part of these financial statements.

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

	Share capital	Share premium account	Hedging reserve	Other reserves	Share options reserve	Profit and loss account	Shareholder's funds
	£000	£000	£000	£000	£000	£000	£000
At 1 January 2017 (restated)	726	12,214,200	1,120	11	15,115	(4,805,645)	7,425,527
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	853,302	853,302
Actuarial gain on pension schemes	-	-	-	-	-	9,100	9,100
Deferred tax on defined benefit pension scheme actuarial gain	-	-	-	-	-	(1,746)	(1,746)
Gain on fair value of cash flow hedges	-	-	(983)	-	-	-	(983)
Deferred tax on hedging reserve	-	-	(23)	-	-	-	(23)
Other comprehensive income for the year	-	-	(1,006)	-	-	7,354	6,348
Total comprehensive income for the year	-	-	(1,006)	-	-	860,656	859,650
At 31 December 2017 (restated)	726	12,214,200	114	11	15,115	(3,944,989)	8,285,177

The notes on pages 13 to 48 form part of these financial statements.

1. Company information

Virgin Media Limited (the "company") is a private company incorporated, domiciled and registered in the UK. The registered number is 02591237 and the registered office of the company is Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

2. Accounting policies

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

2.1 Basis of accounting

These financial statements have been prepared on a going concern basis and under the historical cost basis in accordance with the Companies Act 2006 and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

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

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

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

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

As the consolidated financial statements of Virgin Media Finance PLC include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments;
- certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

2.2 Change in accounting policy

The company has adopted the following IFRSs in these financial statements:

- IFRS 15: Revenue from Contract with Customers, see note 32.
- IFRS 9: Financial Instruments.

IFRS 9 Financial Instruments includes revised guidance surrounding the measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets and new general hedge accounting requirments. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The company has assessed the impact of IFRS 9 and concluded it is not material to the company.

2. Accounting policies (continued)

2.3 Business combinations under common control

Business combinations between entities that are under common control are accounted for at book value. The assets and liabilities acquired or transferred are recognised or derecognised at the carrying amounts previously recognised in the acquired entities' financial statements. Any gain or loss arising is recognised directly in reserves. Where a company is acquired the components of capital and reserves of the acquired entity are added to the same components within the company's capital and reserves. Prior period information is retrospectively revised to give effect to transactions accounted for under common control.

2.4 Going concern

It is Virgin Media's practice for operational and financial management to be undertaken at a group level rather than for individual entities that are wholly owned by the group. As part of normal business practice, regular cash flow forecasts for both short and long term commitments are undertaken at group level. Forecasts and projections prepared for the Virgin Media group as a whole, showed that cash on hand, together with cash from operations and the undrawn revolving credit facility, are expected to be sufficient for the Virgin Media group's and hence the company's cash requirements through to at least 12 months from the approval of these financial statements.

Taking into account these forecasts and projections and after making enquiries, the directors have a reasonable expectation the company has adequate resources to continue in operational existence for the foreseeable future. Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and have prepared the financial statements on a going concern basis.

2.5 Turnover

IFRS 15 'Revenue from contracts with customers' is effective for periods beginning on or after 1st January 2018. The group has applied IFRS 15 using the retrospective with cumulative effect method - i.e. by recognising the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at 1 January 2018. Therefore, the comparative information has not been restated and continues to be reported under IAS 18 and IAS 11.

The standard requires revenue earned from contracts to be recognised in line with performance obligations based on a five-step model.

On inception of the contract we identify a "performance obligation" for each of the distinct goods or services we have promised to provide to the customer. The consideration specified in the contract is allocated to each performance obligation based on their relative standalone selling prices, and is recognised in revenue as they are satisfied. The following table summarises the performance obligations we have identified for our major revenue lines and provides information on the time of when they are satisfied and the related revenue recognition policy.

2. Accounting policies (continued)

Revenue line	Performance obligation	Revenue recognition policy
Service revenue – Cable Networks	Provision of video, broadband internet and fixed-line telephony services over our cable network to customers. Performance obligations are identified for each distinct service for which the customer has contracted and are considered to be satisfied over the time period that these services are delivered.	Revenue for these types of services is recognised evenly over the period of the agreement as the services are provided.
Installation and other upfront fees	When the group enters into contracts to provide services to customers, the group often charges installation or other upfront fees. The group is obliged to ensure it can supply services to the customer premise as per the customer contract This includes cable plant and equipment installation at the customers premise.	These fees are generally deferred and recognised as revenue over the contractual period, or longer if the upfront fee results in a material renewal right.
B2B revenue	Provision of data, voice and network solution services, including the sale and maintenance of equipment to business customers. Installation charges are charged in relation to the provision of services. The group is obliged to provide the customer with the connectivity services and or equipment stipulated the customer contract.	The group defer upfront installation and certain nonrecurring fees received on business-to-business contracts where we maintain ownership of the installed equipment. The deferred fees are amortised into revenue on a straight-line basis, generally over the longer of the term of the arrangement or the expected period of performance.

There are no material obligations in respect of returns, refunds or warranties.

Incremental revenue is generated based on usage for video on demand. The company has a right to consideration from the customer at an amount that corresponds directly with the value to the customer of the entity's performance completed to date, therefore the entity recognises revenue to the extent which is has a right to invoice.

For subscriber promotions, such as discounted or free services during an introductory period, revenue is recognised uniformly over the contractual period if the contract has substantive termination penalties. If a contract does not have substantive termination penalties, revenue is recognised only to the extent of the discounted monthly fees charged to the subscriber, if any.

IFRS 15 also impacted the company's accounting for certain upfront costs directly associated with obtaining and fulfilling customer contracts. Under the previous policy, these costs were expensed as incurred unless the costs were in the scope of another accounting topic that allowed for capitalisation. Under IFRS 15, certain upfront costs associated with contracts that have substantive termination penalties and a term of one year or more are recognised as assets and amortised to operating costs and expenses over the applicable period benefited.

2.6 Intangible fixed assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Separately identifiable intangible assets, such as IT software, are amortised over their useful economic lives, up to a maximum of five years, on a straight line basis.

2.7 Tangible fixed assets

Depreciation is provided on all tangible fixed assets, other than land, so as to write off the cost of a tangible fixed asset on a straight line basis over the expected useful economic life of that asset as follows:

Network assets	3 - 30 years
Other fixed assets:	
- Freehold property	30 years

2. Accounting policies (continued)

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

No depreciation is provided on freehold land.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

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

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

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

2.8 Investments

Investments are recorded at cost, less provision for impairment as appropriate. 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 investment's recoverable amount. Where the carrying amount of an investment exceeds its recoverable amount, the investment 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 investment 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 investment in prior years.

2. Accounting policies (continued)

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items. Cost is based on the cost of purchase on a first in, first out basis.

2.10 Trade and other debtors

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

IFRS 9 Financial Instruments was issued by the IASB in July 2014 and is effective for the year ended 31 December 2018. Applying IFRS 9 has resulted in changes to the measurement and disclosure of financial instruments and introduced a new expected loss impairment model. Regarding impairment, the company has applied the IFRS 9 approach to measuring expected credit losses which uses a lifetime expected loss allowance for all assets held at amortised cost.

The company has revised the methodologies used to impair the financial assets to reflect the forward-looking 'expected credit loss' model introduced by IFRS 9, in contrast to the backward-looking 'incurred credit loss' model used under IAS 39. In order to assess the impact of IFRS 9 the company reviewed the last 12 months of actual debtor impairment when calculating the impact of the expected credit loss. The company now recognises a loss allowance for all expected credit losses on initial recognition of trade receivables. Providing for loss allowances on our existing financial assets has not had a material impact on the financial statements.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 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 assets are recorded in the balance sheet as a tangible fixed asset and are depreciated over their useful economic lives. Finance lease debtors are recorded in the balance sheet, and future installments payable under finance leases are included within creditors, net of finance charges. Rentals receivable and payable under these finance lease arrangements are apportioned; the finance elements are recorded in the profit and loss account on a reducing balance basis and the capital elements reduce the outstanding liability or asset in accordance with the terms of the contract.

2.13 Provisions for liabilities

A provision is recognised when the company has a present, legal or constructive obligation as a result of a past event for 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.

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.

2. Accounting policies (continued)

2.14 Deferred tax

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

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

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

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

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

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

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

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

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

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

2. Accounting policies (continued)

2.15 Derivatives financial instruments and hedge accounting

The group has established policies and procedures to govern the management of its exposure to interest rate and foreign currency exchange rate risks, through the use of derivative financial instruments, including interest rate swaps, cross-currency interest rate swaps and foreign currency forward rate contracts.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at each balance sheet date.

Derivatives are recognised as financial assets when the fair value is positive and as liabilities when the fair value is negative.

The foreign currency forward rate contracts, interest rate swaps and cross-currency interest rate swaps are valued using internal models based on observable inputs, counterparty valuations or market transactions in either the listed or over-the-counter markets, adjusted for non-performance risk. Non-performance risk is based upon quoted credit default spreads for counterparties to the contracts and swaps. Derivative contracts which are subject to master netting arrangements are not offset and have not provided, nor require, cash collateral with any counterparty.

While these instruments are subject to the risk of loss from changes in exchange rates and interest rates, these losses would generally be offset by gains in the related exposures. Financial instruments are only used to hedge underlying commercial exposures. The group does not enter into derivative financial instruments for speculative trading purposes, nor does it enter into derivative financial instruments with a level of complexity or with a risk that is greater than the exposure to be managed.

For derivatives which are designated as hedges the hedging relationship is documented at its inception. This documentation identifies the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how effectiveness will be measured throughout its duration. Such hedges are expected at inception to be highly effective.

The group designates certain derivatives as either fair value hedges, when hedging exposure to variability in the fair value of recognised assets or liabilities or firm commitments, or as cashflow hedges, when hedging exposure to variability in cash flows that are either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

Derivatives that are not part of an effective hedging relationship, as set out in IAS 39, must be classified as held for trading and measured at fair value through profit or loss.

The treatment of gains and losses arising from revaluing derivatives designated as hedging instruments depends upon the nature of the hedging relationship and are treated as follows:

Cash flow hedges
For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while the ineffective portion is recognised in profit or loss. Amounts taken to other comprehensive income are reclassified to the profit and loss account when the hedged transaction is recognised in profit or loss, such as when a forecast sale or purchase occurs, in the same line of the profit and loss account as the recognised hedged item. Where the hedged item is the cost of a non-financial asset or liability, the gains and losses previously accumulated in equity are transferred to the initial measurement of the cost of the non-financial asset or liability.

If a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in other comprehensive income remain in equity until the forecast transaction occurs and are reclassified to the profit and loss account.

Fair value hedges
For fair value hedges, the changes in the fair value of the hedging instrument are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the line of the profit and loss account relating to the hedged item.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, then the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

2. Accounting policies (continued)

2.16 Pensions

Defined contribution pension 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.

Defined benefit pension 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 and to further accrual.

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 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 other comprehensive income 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.

2.17 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.

2.18 Share based payments

The company is an indirect, wholly-owned subsidiary of Virgin Media Inc. and Liberty Global plc. The company has no share-based compensation plans. Employees render services in exchange for shares or rights over shares (equity-settled transactions) of Liberty Global plc 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 of stock options 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.

2.19 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.

2. *Accounting policies (continued)*

2.20 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.

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

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

Carrying value of investments
Investments are held at cost less any necessary provision for impairment. Where the impairment assessment did not provide any indication of impairment, no provision is required. If any such indications exist, the carrying value of an investment is written down to its recoverable amount.

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

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

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

Fair value measurement of financial instruments
Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (see note 21).

4. Common control transfer and acquisition

On 1 January 2018 the company acquired the trade and assets of X-Tant Limited. On 1 March 2018 the company acquired the trade and assets of Smallworld Limited and ntl Midlands Limited. On 3 December 2018 the company acquired the trade and assets of Virgin Media Operations Limited. The company has accounted for the acquisition of trade and assets as common control transfers at carry-over basis. The total consideration paid was £6,963,545,512 for the trade and assets with a book value of £2,152,561,747. Accordingly, the financial statements and related notes for the years ended 31 December 2018 and 31 December 2017 have been adjusted to give retrospective effect to a transaction accounted for under common control.

The following tables set out the retrospective effects of the common control transfer on the company's 31 December 2017 balance sheet and profit and loss account:

	As previously stated 31 December 2017	Common control adjustments	**As restated 31 December 2017**
	£000	£000	**£000**
Fixed assets	5,205,810	1,339,354	**6,545,164**
Current assets	12,605,956	688,273	**13,294,229**
Creditors: amounts falling due within one year	(11,093,790)	(36,086)	**(11,129,876)**
Net current assets/(liabilities)	1,512,166	652,187	**2,164,353**
Creditors: amounts falling due after more than one year	(68,260)	(221,167)	**(289,427)**
Provisions for liabilities and charges	(134,913)	-	**(134,913)**
Net assets	6,514,803	1,770,374	**8,285,177**
Capital and reserves	6,514,803	1,770,374	**8,285,177**

	As previously stated 31 December 2017	Common control adjustments	**As restated 31 December 2017**
	£000	£000	**£000**
Turnover	552,892	2,075,195	**2,628,087**
Cost of sales	(142,077)	(507,072)	**(649,149)**
Gross profit	410,815	1,568,123	**1,978,938**
Administrative expenses	(1,441,589)	(892,957)	**(2,334,546)**
Exceptional administrative income	206,975	(1,284)	**205,691**
Other operating income	1,128,586	(241,924)	**886,662**
Operating profit	304,787	431,958	**736,745**
Other interest receivable and similar income	500,571	364	**500,935**
Interest payable and similar expenses	(264,665)	(46,715)	**(311,380)**
Profit before tax	540,693	385,607	**926,300**
Tax on profit	(61,554)	(11,444)	**(72,998)**
Profit for the year	479,139	374,163	**853,302**

5. Other operating income

	2018 £000	Restated 2017 £000
Recharges to group undertakings	**741,314**	886,662

6. Operating profit

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

	2018 £000	Restated 2017 £000
Gain on sale of property	**(1,953)**	(19,645)
Gain on disposal of fixed assets	**(3,224)**	(542)
Loss / (gain) on disposal of investments	**17,821**	(305)
Impairment of investments	**193,409**	2,236
Release of intercompany debtors impairment provision	**(23,588)**	(187,435)
Exceptional administrative income	**182,465**	(205,691)
Depreciation of tangible fixed assets	**712,136**	667,959
Depreciation of tangible fixed assets held under finance lease agreements	**9,771**	31,694
Amortisation of intangible assets	**125,232**	76,256
Operating lease payments		
- plant and equipment	**5,402,189**	5,164,635
- other	**8,630**	10,227

Gain on sale of property of £1,953,000 (2017 - £19,645,000) is disclosed in note 14.

Loss on disposal of investments of £17,821,000 (2017 - £305,000 gain) is disclosed in note 15.

The carrying value of investments are assessed annually. Based on these reviews, and following a wider group restructure, the directors concluded on a provision for impairment of £193,409,000 (2017 - £2,236,000).

Recoverability of intercompany receivables is assessed annually. Based on the impairment review of intercompany indebtedness as at 31 December 2018, and a wider group restructure, the directors concluded on a net release of provision against amounts due from group undertakings totaling £23,588,000 (2017 - £187,435,000).

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.

7. Auditor's remuneration

The company paid the following amounts to its auditor in respect of the audit of the financial statements and for other services provided to the company:

	2018 £000	Restated 2017 £000
Fees for the audit of the company	**44**	44

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2018 £000	Restated 2017 £000
Wages and salaries	**536,980**	507,310
Social security costs	**51,892**	52,036
Cost of defined benefit scheme	**1,100**	1,000
Cost of defined contribution scheme	**22,918**	20,831
	612,890	581,177

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Business	**2,330**	2,382
Consumer	**6,391**	6,910
Support, Technology and Innovation	**2,860**	2,849
Mobile	**73**	63
Lightning	**862**	880
	12,516	13,084

9. Directors' remuneration

	2018 £000	Restated 2017 £000
Directors' emoluments	**4,295**	2,378
Amounts receivable under long-term incentives	**499**	2,374
Directors' pension costs	**10**	70
	4,804	4,822

During the year retirement benefits were accruing to 3 directors (2017 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £2,243,299 (2017 - £1,829,577).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (2017 - £10,000).

During the year 5 directors received shares under the long term incentive schemes (2017 - 5).

10. Other interest receivable and similar income

	2018 £000	Restated 2017 £000
Interest on amounts owed by group undertakings	**348,040**	497,797
Net gain on foreign currency translation	**43,776**	-
Interest on pensions	**1,800**	1,300
Other interest receivable	**338**	1,838
Net gain on derivative instruments	**1,931**	-
	395,885	500,935

11. Interest payable and similar expenses

	2018 £000	Restated 2017 £000
Interest charges	**7,595**	40,662
Net loss on foreign currency translation	**-**	171,477
Net loss on derivative instruments	**-**	974
Unwinding of discounts on provisions	**637**	524
Interest on amounts owed to group undertakings	**174,312**	89,784
Other finance charges	**1,102**	7,959
	183,646	311,380

12. Tax on profit

	2018 £000	Restated 2017 £000
Corporation tax		
Current tax on profit for the year	**643**	655
	643	655
Total current tax	**643**	655
Deferred tax		
Origination and reversal of temporary differences	**85,999**	112,415
Changes to tax rates	**(2,340)**	(12,438)
Adjustments to tax charge in respect of prior periods	**(22,086)**	(27,634)
Total deferred tax	**61,573**	72,343
Taxation on profit on ordinary activities	**62,216**	72,998

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%). The differences are explained below:

	2018 £000	Restated 2017 £000
Profit on ordinary activities before tax	**672,113**	926,300
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%)	**102,279**	178,313
Effects of:		
(Income not taxable)/expenses not deductible for tax purposes and other adjustments	**35**	(73,992)
Adjustments to tax charge in respect of prior periods	**(22,085)**	(27,634)
Changes in tax rates	**(2,340)**	(12,438)
Group relief surrendered/(claimed) without payment	**(16,316)**	8,094
Tax charge on R&D credit	**643**	655
Total tax charge for the year	**62,216**	72,998

Factors affecting current and future tax charges

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015. A further reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax assets and liabilities have been calculated using the now enacted rate of 17% (2017 – 17%).

13. Intangible assets

	IT Software £000
Cost	
At 1 January 2018 (restated)	**408,143**
Additions	**149,336**
Disposals	**(34,007)**
At 31 December 2018	**523,472**
Amortisation	
At 1 January 2018 (restated)	**111,107**
Charge for the year	**125,232**
On disposals	**(23,303)**
At 31 December 2018	**213,036**
Net book value	
At 31 December 2018	**310,436**
At 31 December 2017 (restated)	297,036

14. Tangible assets

	Network assets £000	Other £000	Total £000
Cost			
At 1 January 2018 (restated)	12,025,207	908,543	12,933,750
Additions	919,849	5,990	925,839
Disposals	(496,191)	(30,917)	(527,108)
Transfers	567,659	(26,123)	541,536
At 31 December 2018	13,016,524	857,493	13,874,017
Depreciation			
At 1 January 2018 (restated)	9,142,524	264,652	9,407,176
Charge for the year	651,539	70,368	721,907
Disposals	(495,807)	(22,237)	(518,044)
Transfers	265,778	(23,145)	242,633
At 31 December 2018	9,564,034	289,638	9,853,672
Net book value			
At 31 December 2018	3,452,490	567,855	4,020,345
At 31 December 2017 (restated)	2,882,683	643,891	3,526,574

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

	2018 £000	Restated 2017 £000
Freehold property	507	12,818
Short leasehold	65,842	61,027

Included within the net book value of £4,020,345,000 is £49,900,000 (2017 - £59,600,000) 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 £9,771,000 (2017 - £22,080,000).

15. Investments

	Investments in subsidiary companies £000
Cost	
At 1 January 2018 (restated)	**12,219,938**
Additions	**465,630**
Disposals	**(7,590,691)**
At 31 December 2018	**5,094,877**
Amounts written off	
At 1 January 2018 (restated)	**9,569,084**
Charge for the period	**193,409**
Impairment on disposals	**(6,993,614)**
At 31 December 2018	**2,768,879**
Net book value	
At 31 December 2018	**2,325,998**
At 31 December 2017 (restated)	2,650,854

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

On 3 November 2018 the company acquired a further 31.89% of the ordinary share capital of ntl Cablecomms Holdings No.1 Limited, 1.71% of the ordinary share capital of ntl Cablecomms Holdings No. 2 Limited and 23.58% of the ordinary share capital of ntl Cambridge Limited.

On 2 May 2018, as part of a wider group restructure, Virgin Media Limited disposed of its investments in X-Tant Limited, following the company's application for Members Voluntary Liquidation. The company received no consideration in respect of this and therefore made a loss on disposal of £10,745,000. Prior to entering Members Voluntary Liquidation, X-Tant Limited paid a dividend to the company of £37,783,00, representing its residual net assets.

On 2 May 2018, as part of the same group restructure, the company disposed of its investments in Smallworld Limited, following the company's application for Members Voluntary Liquidation. The company received no consideration in respect of this and therefore made a loss on disposal of £7,076,000. Prior to entering Members Voluntary Liquidation, Smallworld Limited paid a dividend to the company of £7,270,000, representing its residual net assets.

On 30 October 2018, as part of the same group restructure, the company disposed of its investments in ntl Triangle LLC, ntl (Rectangle) Limited and Virgin Media Secured Finance PLC by declaring a dividend in specie and therefore did not make a profit or loss on the disposal.

The 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 listed in note 31.

16. Stocks

	2018 £000	Restated 2017 £000
Goods held for resale	**679**	3,195

17. Debtors

	2018 £000	Restated 2017 £000
Due after one year		
Amounts owed by group undertakings	**4,150,481**	-
Deferred tax asset (note 23)	**1,189,485**	1,252,633
Other debtors	**38,102**	122,614
Derivative financial assets	**-**	49
	5,378,068	1,375,296

	2018 £000	Restated 2017 £000
Due within one year		
Trade debtors	**391,100**	371,829
Amounts owed by group undertakings	**200,293**	11,467,337
Prepayments and accrued income	**93,262**	75,020
Other debtors	**3,511**	-
Derivative financial assets	**1,631**	354
	689,797	11,914,540

17. Debtors (continued)

The analysis of amounts owed by group undertakings is:

	2018 £000	Restated 2017 £000
Loans advanced to group undertakings	**4,237,124**	7,953,208
Amounts owed by group undertakings	**123,701**	3,547,768
Impairment provision on amounts owed by group undertakings	**(10,051)**	(33,639)
	4,350,774	11,467,337

Loans advanced to group undertakings include U.S. dollar denominated loans of $nil (2017 - $2,391,046,000) which had a carrying value of £nil (2017 - £1,768,002,000) at the balance sheet date, and Euro denominated loans of €150,193,000 (2017 - €124,981,000) which had a carrying value of £134,939,000 (2017 - £111,096,000) at the balance sheet date.

Loans advanced to group undertakings due after one year include loan notes which had a carrying value of £4,150,481,000 at the balance sheet date (2017 - £nil). Loan notes are denominated in sterling and Euro, which bear interest ranging from 2.88% to13.98% and mature in 2026.

Other amounts owed by group undertakings are unsecured and repayable on demand.

18. Creditors: amounts falling due within one year

	2018 £000	Restated 2017 £000
Trade creditors	**328,511**	338,870
Amounts owed to group undertakings	**3,835,844**	9,941,618
Corporation tax	**640**	467
Tax and social security	**135,279**	115,175
Obligations under finance leases (note 20)	**5,744**	10,871
Accruals and deferred income	**685,518**	722,077
Derivative financial liabilities	**32**	798
	4,991,568	11,129,876

The analysis of amounts owed to group undertakings is:

	2018 £000	Restated 2017 £000
Other amounts owed to group undertakings	**1,493,993**	6,256,298
Loans advanced by group undertakings	**2,341,851**	3,685,320
	3,835,844	9,941,618

Amounts owed to group undertakings falling due within one year are unsecured and repayable on demand.

Loans advanced by group undertakings include Euro denominated loans of €nil (2017 - €345,988,000) which had a carrying value of £nil (2017 - £307,551,000) at the balance sheet date.

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

	2018 £000	Restated 2017 £000
Obligations under finance leases (note 20)	**48,444**	47,540
Amounts owed to group undertakings	**61,087**	-
Accruals and deferred income	**11,119**	241,740
Derivative financial liabilities	**-**	147
	120,650	289,427

19. Creditors: amounts falling due after more than one year (continued)

The analysis of amounts owed to group undertakings is:

	2018 £000	Restated 2017 £000
Loans advanced by group undertakings	**61,087**	-

Amounts owed to group undertakings falling due after more than one year represents loan notes which had a carrying value of £61,087,000 (2017 - £nil) at the balance sheet date. Loan notes are denominated in sterling which bear interest ranging from 2.88% to 13.98% and mature in 2026.

20. Commitments under hire purchase and finance lease agreements

Future minimum lease payments for:

	2018 £000	Restated 2017 £000
Amounts payable within one year	**9,626**	14,463
Amounts payable between one and five years	**28,469**	25,118
Amounts payable after more than five years	**135,552**	134,647
	173,647	174,228
Less interest and finance charges relating to future periods	**(119,459)**	(115,817)
	54,188	58,411

The present value of minimum lease payments is analysed as follows:

	2018 £000	Restated 2017 £000
Amounts payable within one year	**5,744**	10,871
Amounts payable between one and five years	**14,608**	12,930
Amounts payable after more than five years	**33,836**	34,610
	54,188	58,411

21. Financial instruments

	2018 £000	Restated 2017 £000
Financial assets		
Financial assets measured at fair value through profit or loss	**6,215**	1,198
Financial assets that are debt instruments measured at amortised cost	**4,792,904**	11,972,866
Financial assets measured at fair value through other comprehensive income	**1,631**	403
	4,800,750	11,974,467
Financial liabilities		
Financial liabilities measured at amortised cost	**(4,947,903)**	(11,037,730)
Financial liabilities measured at fair value through other comprehensive income	**(32)**	(945)
	(4,947,935)	(11,038,675)

Financial assets measured at fair value through profit or loss comprise cash at bank.

Financial assets that are debt instruments measured at amortised cost comprise accrued income, trade debtors, other debtors and amounts owed by group undertakings.

Financial assets measured at fair value through other comprehensive income comprise derivative financial assets.

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings, accruals, trade creditors, deferred income and certain other loans.

Financial liabilities measured at fair value through other comprehensive income comprise derivative financial liabilities.

The derivative financial instruments held by the company are recorded at fair value on the balance sheet in accordance with IFRS 9 "Financial Instruments". The fair values of these derivatives financial instruments are valued using internal models based on observable inputs, counterparty valuations, or market transactions in either the listed or over-the-counter markets, adjusted for non-performance risk.

22. Provisions for liabilities and charges

	Property related costs £000	Other provisions £000	Total £000
At 1 January 2018 (restated)	128,445	6,468	134,913
Provided in the year	1,138	17,592	18,730
Movement in discount rate	(5,099)	-	(5,099)
Revision in cashflow estimates	1,878	-	1,878
Utilised in year	(3,543)	(17,166)	(20,709)
At 31 December 2018	122,819	6,894	129,713

Property related costs
Property related costs expected to be incurred are mainly in relation to dilapidations costs on leasehold properties. The majority of the costs are expected to be incurred over the next 25 years.

Other provisions
Other provision elements mainly consist of National Insurance contributions on share options and restricted stock unit grants and redundancy costs resulting from restructuring programmes.

23. Deferred tax

	2018 £000	Restated 2017 £000
At 1 January	**1,252,633**	1,326,745
Charged to profit or loss	**(61,573)**	(72,343)
Charged to other comprehensive income	**(1,575)**	(1,769)
At 31 December	**1,189,485**	1,252,633

The deferred tax asset is made up as follows:

	2018 £000	Restated 2017 £000
Depreciation in excess of capital allowances	**1,097,053**	1,161,500
Share-based payments	**2,122**	6,245
Pension scheme asset	**(15,249)**	(12,019)
Other timing differences	**27,732**	27,327
Losses carried forward	**77,829**	69,603
Cash flow hedges	**(2)**	(23)
	1,189,485	1,252,633

Movements in deferred tax during the year:

	Restated 1 January 2018 £000	Recognised in profit and loss account £000	Recognised in other comprehensive income £000	31 December 2018 £000
Depreciation and amortisation	1,161,500	(64,447)	-	1,097,053
Share-based payments	6,245	(4,123)	-	2,122
Pension scheme asset	(12,019)	(1,634)	(1,596)	(15,249)
Other timing differences	27,327	405	-	27,732
Losses carried forward	69,603	8,226	-	77,829
Cash flow hedges	(23)	-	21	(2)
	1,252,633	(61,573)	(1,575)	1,189,485

23. Deferred tax (continued)

Movements in deferred tax during the prior year:

	Restated 1 January 2017 £000	Recognised in profit and loss account £000	Recognised in other comprehensive income £000	Restated 31 December 2017 £000
Depreciation and amortisation	1,231,436	(69,936)	-	1,161,500
Share-based payments	6,657	(412)	-	6,245
Pension scheme asset	(6,294)	(3,979)	(1,746)	(12,019)
Other timing differences	23,270	4,057	-	27,327
Losses carried forward	71,676	(2,073)	-	69,603
Cashflow hedges	-	-	(23)	(23)
	1,326,745	(72,343)	(1,769)	1,252,633

Deferred tax assets in respect of temporary differences on land and buildings of £86,057,081 (2017 - £84,441,737) have not been recognised as there is currently no persuasive evidence that there will be suitable taxable profits against which these temporary differences will reverse.

24. Pension commitments

Defined contribution plans

The company contributes to the Virgin Media sponsored group personal pension plans of eligible employees. Contributions are charged to the profit and loss account as they become payable, in accordance with the rules of the plans.

Contributions to the defined contribution plans during the year were £22,908,000 (2017 - £20,831,000). The amount of outstanding contributions at 31 December 2018 included within creditors: amounts falling due within one year was £3,548,000 (2017 - £2,928,000).

Defined benefit plans

The company operates two plans which are defined benefit plans that pay out pensions at retirement based on services and final pay.

The company recognises any actuarial gains and losses in each period in the statement of other comprehensive income. Service costs and finance costs are recognised through the profit and loss account.

- **ntl Pension Plan**
  The company operates a funded pension plan providing defined benefits ("ntl Pension Plan"). The pension plan was closed to new entrants as of 6 April 1998. The assets of the plan are held separately from those of the company, in an independently administered trust. The plan is funded by the payment of contributions to this separately administered trust. The pension costs are determined with the advice of independent qualified actuaries on the basis of triennial valuations using the projected unit credit method.

- **ntl 1999 Pension Plan**
  The company operates a funded pension plan providing defined benefits ("ntl 1999 Pension Plan"). The plan has never been opened to new entrants except when the plan began and subsequently on 31 May 2007, on both occasions new members were transferred from other existing plans. The assets of the plan are held separately from those of the company, being invested in units of exempt unit trusts. The plan is funded by the payment of contributions to separately administered trust funds. The pension costs are determined with the advice of independent qualified actuaries on the basis of triennial valuations using the projected unit credit method with a control period.

The plans' assets are measured at fair value. The plans' liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond.

	2018 £000	Restated 2017 £000
Fair value of combined pension plan assets	**619,700**	659,500
Present value of combined pension plan liabilities	**(530,000)**	(588,800)
Net combined pension plan asset	**89,700**	70,700
Amounts recognised in profit and loss	**2,000**	(300)
Total remeasurement of the net pension asset and liability shown in OCI	**(8,400)**	(9,100)

24. Pension commitments (continued)

Movements in the defined benefit assets and liabilities can be shown as follows:

	Defined benefit obligation		Fair value of plan assets		Net defined benefit asset	
	2018	2017	**2018**	2017	**2018**	2017
	£000	£000	**£000**	£000	**£000**	£000
Balance at 1 January	**(588,800)**	(592,054)	**659,500**	629,080	**70,700**	37,026
Included in income statement						
Current admin/service cost	**-**	-	**(1,100)**	(1,000)	**(1,100)**	(1,000)
Past service cost	**(2,700)**	-	**-**	-	**(2,700)**	-
Interest (cost)/income	**(13,900)**	(15,100)	**15,700**	16,400	**1,800**	1,300
Included in OCI						
Actuarial gain/(loss) arising from:						
Changes in demographic assumptions	**3,300**	9,200	**-**	-	**3,300**	9,200
Changes in financial assumptions	**36,400**	(5,400)	**-**	-	**36,400**	(5,400)
Experience adjustments	**14,500**	(7,200)	**-**	-	**14,500**	(7,200)
Return on plan assets excluding interest income	**-**	-	**(45,800)**	12,500	**(45,800)**	12,500
Other						
Contributions paid by the employer	**-**	-	**12,600**	24,274	**12,600**	24,274
Benefits paid	**21,200**	21,754	**(21,200)**	(21,754)	**-**	-
Balance at 31 December	**(530,000)**	(588,800)	**619,700**	659,500	**89,700**	70,700

Pension commitments (continued)

The company's pension plan weighted-average asset allocations by asset category at 31 December 2018 and 31 December 2017 were as follows:

2018	Long term rate of return	Total £000
UK		
Equities	5.80%	73,400
Property	5.80%	3,000
Corporate bonds	2.80%	33,400
Government bonds	1.80%	66,000
Hedge funds	5.30%	212,800
Insurance policy (buy-in)	2.80%	171,000
Cash and other	1.80%	60,100
Total market value of assets		619,700
Present value of plan liabilities		(530,000)
Net pension asset		**89,700**

2017	Long term rate of return	Total £000
UK		
Equities	5.70%	100,800
Property	5.70%	3,500
Corporate bonds	2.40%	35,800
Government bonds	1.60%	114,500
Hedge funds	5.20%	180,400
Insurance policy (buy-in)	2.40%	190,100
Cash and other	1.70%	34,400
Total market value of assets		659,500
Present value of plan liabilities		(588,800)
Net pension asset		**70,700**

The trustees of NTL Pension Plan purchased an insurance contract that will pay an income stream to the plan which is expected to match all future cash outflows in respect of certain liabilities. The fair value of this insurance contract is presented as an asset of the plan and is measured based on the future cash flows to be received under the contract discounted using the same discount rate used to measure the associated liabilities.

Actuarial assumptions

The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	2018	2017
Discount rate	2.8%	2.4%
Future salary increases	3.2%	3.2%

Pension commitments (continued)

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 60-year old to live for a number of years as follows:

	2018	2017
Current pensioner aged 60 (male)	27.2	27.4
Current pensioner aged 60 (female)	29.0	28.8
Future retiree upon reaching 60 (male)	28.7	28.6
Future retiree upon reaching 60 (female)	30.6	30.4

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have increased/(decreased) as a result of a change in the respective assumptions by one percent.

	2018 £000	2017 £000
Discount rate	(22,000)	(24,400)
Inflation	3,100	3,400

In valuing the liabilities of the pension fund at 31 December 2018, mortality assumptions have been made as indicated above. If life expectancy had been changed to assume that all the members of the fund lived for one year longer, the value of the reported liabilities at 31 December 2018 would have increased by £23,900,000 before deferred tax for the pensions.

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 31 December 2018 and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumptions shown.

Funding

The company expects to contribute £840,000 to the defined benefit pension plans in 2019.

25. Share-based payments

The company's employees are entitled to partake in Liberty Global plc share-based schemes. These share schemes consist of stock options and performance plans including stock appreciation rights ("SARs"), performance-based share appreciation rights ("PSARs"), restricted stock and restricted stock units ("RSUs"). The fair value of options and SARs are determined using the Black-Scholes model. The fair value of RSUs is determined using either the share price at the grant date or the Monte Carlo model, depending on the conditions attached to the RSUs being granted. The arrangements are equity settled with the employees. Liberty Global recharges the group for share schemes made available to the group employees.

The income statement charge for share based payments for the year was £25.2 million (2017 - £18.6 million).

26. Share capital

	2018	Restated 2017
	£	£
Allotted, called up and fully paid		
5,179,810 Ordinary shares fully paid of £0.01 each (2017 - 5,179,802)	**51,798**	51,798
5,179,680 Ordinary shares fully paid of $0.20 each (converted at exchange rate in place at the date of issue of shares)	**673,866**	673,866
	725,664	725,664

£0.01 Ordinary shares
The right to attend, speak and vote at all general meetings of the company.

$0.20 Ordinary shares
The right to attend and speak, but not vote at all general meetings of the company.

On 3 December 2018 the company issued 8 ordinary shares of £0.01 for consideration of the trade and assets of Virgin Media Operations Limited and shares in ntl Cablecomms Holdings No. 1 Limited, ntl Cablecomms Holdings No. 2 Limited and ntl Cambridge Limited.

27. Reserves

Share premium account

Includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

On 10 September 2018 the company cancelled its share premium of £12,214,200,000 and transferred the amount to the profit and loss account.

On 3 December 2018 the company issued 8 ordinary shares at a premium of £6,185,872,000.

Hedging reserve

Includes all the effective portion of the gain or loss on the hedging instrument for the cash flow hedges. See note 21 for further information.

Other reserves

Other distributable reserves relate to capital contributions from parent undertakings.

Share options reserve

Includes the cumulative reserves generated from share option awards undertaken in previous years.

Profit and loss account

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

28. Guarantees

The company, along with fellow group undertakings, is party to a senior secured credit facility with a syndicate of banks. As at 31 December 2018, this comprised term facilities that amounted to £3,564 million (2017 - £3,410 million) and an outstanding balance of £nil (2017 - £nil) which was borrowed under revolving facilities of £675 million (2017 - £675 million). Borrowings under the facilities are secured against the assets of certain members of the group including those of this company.

In addition, a fellow group undertaking has issued senior secured notes which, subject to certain exceptions, share the same guarantees and security which have been granted in favour of the senior secured credit facility. The amount outstanding under the senior secured notes at 31 December 2018 amounted to £4,938 million (2017 - £4,870 million). Borrowings under the notes are secured against the assets of certain members of the group including those of this company.

In May 2019, a fellow group undertaking issued senior secured notes with principal amounts of £300 million and $825 million. The new senior secured notes rank pari passu with the group's existing senior secured notes and senior secured credit facility, and subject to certain exceptions, share in the same guarantees and security granted in favour of its existing senior secured notes. The net proceeds were used to redeem in full £687 million and $355 million outstanding principal amounts of existing senior secured and secured notes.

In July 2019, a fellow group undertaking issued senior secured notes with principal amounts of $600 million. The new senior secured notes rank pari passu with the group's existing senior secured notes and senior secured credit facility, and subject to certain exceptions, share in the same guarantees and security granted in favour of its existing senior secured notes. The net proceeds were used to redeem in full £107 million and $448 million outstanding principal amounts of existing senior secured notes.

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

29. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £314,262,000 (2017 - £415,594,000).

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

30. Post balance sheet events

Subsequent to the year end, the company acquired the trade and assets of ntl Cablecomms Holdings No.1 Limited, ntl Cablecomms Holdings No. 2 Limited and ntl Cambridge Limited which are subsidiaries of the company.

31. Parent undertaking and controlling party

The company's immediate parent undertaking was previously Virgin Media Senior Investments Limited. Effective, 30 November 2018, as part of a wider group restructure, Virgin Media Operations Limited became the immediate parent undertaking.

The smallest and largest groups of which the company is a member and in to which the company's accounts were consolidated at 31 December 2018 are Virgin Media Finance PLC and Liberty Global plc, respectively.

The company's ultimate parent undertaking and controlling party at 31 December 2018 was Liberty Global plc.

Copies of group accounts referred to above which include the results of the company are available from the company secretary, Virgin Media, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

In addition copies of the consolidated Liberty Global plc accounts are available on Liberty Global's website at www.libertyglobal.com.

32. Change in significant accounting policies

The company has applied IFRS 15 using the retrospective with cumulative effect method - i.e. by recognising the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at 1 January 2018. Therefore, the comparative information has not been restated and continues to be reported under IAS 18 and IAS 11. The details of the significant changes and quantitative impact of the changes are set out below.

The most significant impacts of IFRS 15 on the company's revenue recognition policies relates to accounting for (i) time-limited discounts and free service periods provided to the company's customers and (ii) certain upfront fees charged to customers, as follows:

- When the company enters into contracts to provide services to customers, the company often provides time-limited discounts or free service periods. Under previous accounting standards, the company recognises revenue net of discounts during the promotional periods and does not recognise any revenue during free service periods. Under IFRS 15, revenue recognition for those contracts that contain substantive termination policies will be accelerated, as the impact of the discounts or free service periods will be recognised uniformly over the contractual period. For contracts that do not have substantive termination penalties, the company will continue to record the impacts of partial or full discounts during the applicable promotional periods.

- When the company enters into contracts to provide services to customers, the company often charges installation or other upfront fees. Under previous accounting standards, installation fees related to services provided over the company's cable networks were recognised as revenue during the period in which the installation occurred to the extent these fees were equal to or less than direct selling costs. Under IFRS 15, these fees are generally deferred and recognised as revenue over the contractual period, or longer if the upfront fee results in a material renewal right.

IFRS 15 also impacted the company's accounting for certain upfront costs directly associated with obtaining and fulfilling customer contracts. Under the previous policy, these costs were expensed as incurred unless the costs were in the scope of another accounting topic that allowed for capitalisation. Under IFRS 15, certain upfront costs associated with contracts that have substantive termination penalties and a term of one year or more are recognised as assets and amortised to operating costs and expenses over the applicable period benefited.

The following tables summarise the quantitative impact of adopting IFRS 15 on the company's financial statements for the year ending 31 December 2018.

	Impact of adoption of IFRS 15		
	As reported	**Adjustments**	**Balances without adoption of IFRS 15**
	£000	**£000**	**£000**
Balance sheet			
Debtors due after one year	5,832,789	(8,552)	5,824,237
Debtors due within one year	689,797	(1,316)	688,481
Creditors due within one year	(4,985,491)	(547)	(4,986,038)
Creditors due after one year	(127,727)	326	(126,401)
Statement of profit or loss and other comprehensive income			
Turnover	2,719,987	(10,684)	2,709,303
Cost of sales	(677,268)	595	(676,673)

32. Change in significant accounting policies (continued)

The following table summarises the impact, net of tax, of transition to IFRS 15 on retained earnings at 1 January 2018.

	Impact of adopting IFRS 15
	£000
Retained earnings	
Balance before adopting IFRS 15 at 31 December 2017	(3,944,989)
IFRS 15 adjustment	23,326
Balance under IFRS 15 at January 2018	(3,921,663)

33. List of investments

Name of company		Holdings	Proportion held	Nature of business
Direct shareholdings				
CableTel Herts and Beds Limited		Ordinary	100%	Dormant
CableTel Northern Ireland Limited	β	Ordinary	100%	Dormant
CableTel Surrey and Hampshire Limited		Ordinary	100%	Dormant
Cullen Broadcasting Limited	Ψ	Ordinary	100%	Telecoms
ntl CableComms Holdings No 1 Limited	Γ	Ordinary	100%	Holding
ntl CableComms Holdings No 2 Limited	Γ	Ordinary	100%	Holding
ntl Cambridge Limited	Γ	Ordinary	100%	Telecoms
ntl Pension Trustees II Limited		Ordinary	100%	Corporate Trustee
ntl Pension Trustees Limited		Ordinary	100%	Corporate Trustee
ntl South Central Limited		Ordinary	100%	Dormant
ntl Trustees Limited		Ordinary	100%	Corporate Trustee
Tullamore Beta Limited	Ψ	Ordinary	100%	Telecoms
Virgin Media Payments Limited		Ordinary	100%	Collections
Virgin Media PCHC II Limited		Ordinary	100%	Dormant
Virgin Media Secretaries Limited		Ordinary	100%	Finance
Virgin WiFi Limited		Ordinary	100%	Telecoms
Indirect shareholdings				
Channel 6 Broadcasting Limited	Ψ	Ordinary	100%	Telecoms
Kish Media Limited	Ψ	Ordinary	100%	Telecoms
ntl CableComms Cheshire	Γ	Ordinary	100%	Dormant
ntl CableComms East Lancashire	Φ	Ordinary	100%	Dormant
ntl CableComms Greater Manchester	Γ	Ordinary	100%	Dormant
ntl CableComms Solent	Γ	Ordinary	100%	Dormant
ntl CableComms Surrey		Ordinary	100%	Dormant
ntl CableComms Wirral	Γ	Ordinary	100%	Dormant
ntl Manchester Cablevision Holding Company	Φ	Ordinary	100%	Dormant
ntl Wirral Telephone and Cable TV Company	Γ	Ordinary	100%	Dormant
TV Three Enterprises Limited	Ψ	Ordinary	100%	Telecoms
TV Three Sales Limited	Ψ	Ordinary	100%	Telecoms
TV3 Television Network Limited	Ψ	Ordinary	100%	Telecoms

All companies are registered at Bartley Wood Business Park, Hook, Hampshire, RG27 9UP, unless otherwise noted below:

β	Unit 3, Blackstaff Road, Kennedy Way Industrial Estate, Belfast, BT11 9AP
Ψ	Building P2, EastPoint Business Park, Clontarf, Dublin 3
Σ	1 South Gyle Crescent Lane, Edinburgh, EH12 9EG
Ξ	251 Little Falls Drive, Wilmington, DE 19808. These entities are registered in the USA.
Ω	1550 Wewatta Street, Suite 1000, Denver, CO 80202
Φ	Application made for strike off subsequent to the year end
Γ	Placed in Members Voluntary Liquidation subsequent to the year end