

COMPANY REGISTRATION NUMBER 2761569

United Artists Investments Limited
Financial Statements
31 December 2007

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United Artists Investments Limited

Financial Statements

Year ended 31 December 2007

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United Artists Investments Limited

Company Information

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

United Artists Investments Limited

The Directors' Report

Year ended 31 December 2007

The directors present their report and the financial statements of the company for the year ended 31 December 2007

Principal activities

The principal activity of the company was, and will continue to be, to fund UK Gold Holdings Limited, which operates a portfolio of television channels that broadcast on cable, satellite and Freeview under the brand name UKTV. UK Gold Holdings Limited is owned 50% by a fellow group undertaking and 50% by BBC Worldwide Limited.

The company is a wholly-owned subsidiary undertaking of Virgin Media Inc, which changed its name from NTL Incorporated on 6 February 2007 as part of the rebrand to Virgin Media. Virgin is one of the most recognised consumer brands in the world and gives the group a prominent profile in a crowded communications marketplace. The Virgin Media group believes that the strong heritage and reputation of the Virgin brand is a powerful competitive advantage and the Virgin Media group's distinctive approach to advertising, packaging and marketing differentiates it from the competition.

The Virgin Media group is a leading UK entertainment and communications business providing the first "quad-play" offering of television, broadband, fixed line telephone and mobile telephone services in the UK, together with one of the most advanced TV on demand services available in the UK market.

At 31 December 2007, by customer numbers, the Virgin Media group was the UK's largest residential broadband and mobile virtual network provider and the second largest provider in the UK of pay television and fixed line telephone services. The Virgin Media group believes that its advanced, deep fibre access network enables it to offer faster and higher quality broadband services than its digital subscriber line, or DSL, competitors.

Through ntl Telewest Business, the Virgin Media group provides a complete portfolio of voice, data and internet solutions to leading businesses, public sector organisations and service providers in the UK.

Through Virgin Media Television, the Virgin Media group also provides a broad range of programming through its wholly-owned channels, such as Virgin 1, Living and Bravo, through UKTV, its joint ventures with BBC Worldwide, and through the portfolio of retail television channels operated by sit-up tv.

On 8 February 2007, the names of certain Virgin Media group companies were changed including

- ntl Cable PLC became Virgin Media Finance PLC
- Flextech Television Limited became Virgin Media Television Limited

The new company names are used throughout the rest of this report and financial statements whether describing events before or after the change of name.

Results and dividends

The profit for the financial year amounted to £27,935,000 (2006 - loss of £7,919,000). The directors have not recommended an ordinary dividend (2006 - £nil).

United Artists Investments Limited

The Directors' Report *(continued)*

Year ended 31 December 2007

Directors

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

Virgin Media Directors Limited
Virgin Media Secretaries Limited

On 16 February 2007, the names of ntl Directors Limited and ntl Secretaries Limited were changed to Virgin Media Directors Limited and Virgin Media Secretaries Limited respectively

Virgin Media Inc has indemnified the directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985. Such qualifying third party indemnity provision is in force as at the date of approving the directors' report.

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Ernst & Young LLP will be re-appointed as the company's auditor in accordance with the elective resolution passed by the company under Section 386 of the Companies Act 1985.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed on behalf of the directors



R M Mackenzie
For and on behalf of Virgin Media Secretaries Limited

Approved by the directors on 22 September 2008

United Artists Investments Limited

Statement of Directors' Responsibilities

Year ended 31 December 2007

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

select suitable accounting policies and then apply them consistently,

make judgments and estimates that are reasonable and prudent,

state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

United Artists Investments Limited

Independent Auditor's Report to the Member of United Artists Investments Limited

Year ended 31 December 2007

We have audited the company's financial statements for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

United Artists Investments Limited

Independent Auditor's Report to the Member of United Artists Investments Limited *(continued)*

Year ended 31 December 2007

Opinion

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the directors' report is consistent with the financial statements

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

22 September 2008

United Artists Investments Limited

Profit and Loss Account

Year ended 31 December 2007

	Note	2007 £000	2006 £000
Administrative expenses		25,927	(10,366)
Operating profit/(loss)	2	25,927	(10,366)
Income from participating interests	4	3,246	3,756
Interest receivable	5	621	550
Interest payable and similar charges	6	(1,859)	(1,859)
Profit/(loss) on ordinary activities before taxation		27,935	(7,919)
Tax on profit/(loss) on ordinary activities	7	—	—
Profit/(loss) for the financial year	15	27,935	(7,919)

All of the activities of the company are classed as continuing

Statement of Total Recognised Gains and Losses

There are no recognised gains or losses other than the profit of £27,935,000 attributable to the shareholder for the year ended 31 December 2007 (2006 - loss of £7,919,000)

The notes on pages 9 to 14 form part of these financial statements.

United Artists Investments Limited

Balance Sheet

31 December 2007

	Note	2007 £000	2006 £000
Fixed assets			
Investments	8	<u>25,396</u>	<u>39,249</u>
Current assets			
Debtors	9	1,035,633	991,986
Creditors: Amounts falling due within one year	10	<u>(192,453)</u>	<u>(177,313)</u>
Net current assets		843,180	814,673
Total assets less current liabilities		868,576	853,922
Creditors: Amounts falling due after more than one year	11	<u>–</u>	<u>(13,281)</u>
		868,576	840,641
Capital and reserves			
Share capital	14	–	–
Other reserves	15	38,668	38,668
Profit and loss account	15	829,908	801,973
Shareholder's funds	15	868,576	840,641

These financial statements were approved by the directors on ^{21st} September 2008 and are signed on their behalf by



R C Gale
For and on behalf of Virgin Media Directors Limited

The notes on pages 9 to 14 form part of these financial statements.

United Artists Investments Limited

Notes to the Financial Statements

Year ended 31 December 2007

1. Accounting policies

Accounting convention

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

Cash flow statement

The company has taken advantage of the exemption under FRS 1 (revised) not to prepare a cash flow statement as it is a subsidiary which is at least 90% controlled by the ultimate parent undertaking (see note 16)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

- provision is made for deferred tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold, and

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Trade and other debtors

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

Investments

Investments held as fixed assets are at cost less any provision for impairment

2. Operating profit/(loss)

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

	2007	2006
	£000	£000
(Release)/increase in provision against amounts due from group undertakings	(25,927)	10,366

United Artists Investments Limited

Notes to the Financial Statements

Year ended 31 December 2007

2. Operating profit/(loss) (continued)

The company has corporate directors which receive no remuneration

Certain expenses are specifically attributable to the company. Where costs are incurred by other group companies on behalf of the company, expenses are allocated to the company on a basis that, in the opinion of the directors, is reasonable.

Auditor's remuneration disclosed of £1,000 (2006 - £1,000) represents costs attributed to the company by the fellow group undertakings that pay all auditor's remuneration on behalf of the Virgin Media group. The company is exempt from disclosing additional information regarding non-audit services, as the disclosures required under Regulation 4 (1) (b) of Section 390B of the Companies Act 1985, are made in the group accounts of Virgin Media Finance PLC on a consolidated basis.

The impairment review of inter-company indebtedness as at 31 December 2007 concluded that a release against the provision for non-recovery amounting to £25,927,000 should be made (2006 - increase in provision of £10,366,000).

3. Staff costs

The company does not have any directly employed staff and is not charged an allocation of staff costs by the Virgin Media group.

4. Income from participating interests

	2007	2006
	£000	£000
Interest income from participating interests	<u>3,246</u>	<u>3,756</u>

5. Interest receivable

	2007	2006
	£000	£000
Interest from group undertakings	<u>621</u>	<u>550</u>

6. Interest payable and similar charges

	2007	2006
	£000	£000
On amounts due to group undertakings	<u>1,859</u>	<u>1,859</u>

United Artists Investments Limited

Notes to the Financial Statements

Year ended 31 December 2007

7. Taxation

(a) Analysis of charge in the year

The tax charge is made up as follows

	2007 £'000	2006 £'000
Current tax charge:		
Current tax on profit/(loss) for the year	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Total tax charge on profit/(loss) on ordinary activities	-	-

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2006 - 30%)

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

	2007 £000	2006 £000
Profit/(loss) on ordinary activities before taxation	27,935	(7,919)
Profit/(loss) on ordinary activities multiplied by the rate of tax	8,380	(2,376)
Expenses not deductible for tax purposes	-	3,110
Income not taxable	(7,778)	-
Group relief claimed without payment	(602)	(734)
Total current tax (note 7(a))	-	-

(c) Factors that may affect future tax charges

There are no factors which may affect the future tax charge

United Artists Investments Limited

Notes to the Financial Statements

Year ended 31 December 2007

8. Investments

	Loans to undertakings in which the company has a participating interest
	£000
Loan stock	
At 1 January 2007	39,249
Repaid in year	(13,853)
At 31 December 2007	<u>25,396</u>
Net book value	
At 31 December 2007	<u>25,396</u>
At 31 December 2006	<u>39,249</u>

The loan stock comprises redeemable unsecured loan stock and variable rate loan stock held with UK Gold Holdings Limited

Redeemable unsecured loan stock of £21,460,000 (2006 - £21,460,000) is redeemable when sufficient funds are available and on approval by UK Gold Holdings Limited's shareholders. Interest is payable at the higher of 10.5% per annum and the National Westminster bank base rate.

The variable rate unsecured loan stock of £3,936,000 (2006 - £7,903,000) is repayable out of "available cash" in accordance with the terms of a Shareholders' Agreement between UK Gold Holdings Limited and its shareholders.

Call option stock of £9,886,000 was repaid in full during the year.

The call option stock and the variable rate unsecured loan stock charged interest at 2% above the six month London Interbank Offered Rate for sterling deposits, as published in the Financial Times.

9. Debtors

	2007 £000	2006 £000
Amounts owed by group undertakings	<u>1,035,633</u>	<u>991,986</u>

Amounts owed by group undertakings are stated after deducting an impairment provision of £34,000 (2006 - £25,961,000). The rates of interest on the amounts receivable ranged from 0% to 7.75% (2006 - 0% to 7%). Amounts owed by group undertakings are repayable on demand but are not expected to be recovered in full within one year.

United Artists Investments Limited

Notes to the Financial Statements

Year ended 31 December 2007

10. Creditors: Amounts falling due within one year

	2007	2006
	£000	£000
Amounts owed to group undertakings	<u>192,453</u>	<u>177,313</u>

Amounts owed to group undertakings include loan notes of £13,281,000, which have been transferred from amounts falling due after more than one year (see note 11). The loan notes are unsecured and repayable on 31 December 2008. The rate of interest on the loan notes is 14% (2006 - 14%).

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

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

	2007	2006
	£000	£000
Amounts owed to group undertakings	<u>—</u>	<u>13,281</u>

12. Contingent liabilities

The company, along with fellow group undertakings, is party to a senior secured credit facility with a syndicate of banks under which it has guaranteed the borrowings of certain Virgin Media group companies. At 31 December 2007, the maximum contingent liability represented by outstanding borrowings by these companies amounted to approximately £4,905 million (2006 - £5,125 million). Borrowings under the facility are secured against the assets of certain members of the group including those of the company.

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

13. Related party transactions

The company has taken advantage of the exemption under FRS 8 not to disclose transactions with group undertakings as it is a subsidiary undertaking which is at least 90% controlled by the ultimate parent undertaking.

During the year, UK Gold Holdings Limited, a joint venture undertaking of a fellow group company, repaid £13,853,000 (2006 - £6,183,000) on various loan stock (see note 8). At 31 December 2007 the company was owed £25,396,000 (2006 - £39,249,000) by UK Gold Holdings Limited.

United Artists Investments Limited

Notes to the Financial Statements

Year ended 31 December 2007

14. Share capital

Authorised share capital:

	2007 £000	2006 £000
19,999,900 Voting shares of £1 each	20,000	20,000
100 Non-voting shares of £1 each	-	-
	<u>20,000</u>	<u>20,000</u>

Allotted, called up and fully paid.

	2007		2006	
	No	£000	No	£000
Voting shares of £1 each	100	-	100	-
Non-voting shares of £1 each	2	-	2	-
	<u>102</u>	<u>-</u>	<u>102</u>	<u>-</u>

15. Reconciliation of shareholder's funds and movement on reserves

	Other reserves £000	Profit and loss account £000	Total share- holder's funds £000
At 1 January 2006	38,668	809,892	848,560
Loss for the year	-	(7,919)	(7,919)
At 31 December 2006 and 1 January 2007	38,668	801,973	840,641
Profit for the year	-	27,935	27,935
At 31 December 2007	<u>38,668</u>	<u>829,908</u>	<u>868,576</u>

16. Parent undertaking and controlling party

The company's immediate parent undertaking is Telewest Communications Networks Limited

The smallest and largest groups of which the company is a member and for which group accounts have been drawn up are those headed by Virgin Media Finance PLC and Virgin Media Inc , respectively

The company's ultimate parent undertaking and controlling party at 31 December 2007 was Virgin Media Inc , a company incorporated in the state of Delaware, United States of America Virgin Media Inc changed its name from NTL Incorporated on 6 February 2007

Copies of all sets of group accounts which include the results of the company are available from the Secretary, Virgin Media, 160 Great Portland Street, London, W1W 5QA