

**TELEWEST COMMUNICATIONS HOLDINGS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**



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## TELEWEST COMMUNICATIONS HOLDINGS LIMITED

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### COMPANY INFORMATION

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<b>Directors</b>	R D Dunn M O Hifzi
<b>Company secretary</b>	G E James
<b>Registered number</b>	02982404
<b>Registered office</b>	Bartley Wood Business Park Hook Hampshire RG27 9UP

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## TELEWEST COMMUNICATIONS HOLDINGS LIMITED

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## TELEWEST COMMUNICATIONS HOLDINGS LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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#### Principal activities and business review

The principal activity of the company during the year was, and will continue to be, that of a holding company. The investments of the company are shown in note 8.

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 2017, the group provided services to approximately 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 2.5 million contract mobile customers and 0.5 million prepay mobile customers over third party networks. At 31 December 2017, 82% of residential customers on the group's cable network received multiple services and 62% 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 12 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 2017, connected over 22 million customers subscribing to 46 million television, broadband internet and telephony services. In addition at 31 December 2017, Liberty Global served over 6 million mobile subscribers and offered WiFi service across 10 million access points.

The directors do not use key performance indicators (KPIs) to assess the performance of the company as its principal activity is that of a holding company.

The company has received dividends of £634,851,000 from its subsidiaries during the year (2016 - £8,418,000).

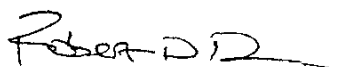
#### Principal risks and uncertainties

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](http://www.libertyglobal.com).

#### 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, including consideration of the impact of the UK referendum in June 2016 and the withdrawal from the European Union, is provided in Virgin Media Inc.'s financial statements and annual report for 2017, 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 26 June 2018 and signed on its behalf.



**R D Dunn**  
Director

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## TELEWEST COMMUNICATIONS HOLDINGS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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The directors present their report and the financial statements for the year ended 31 December 2017.

#### Results and dividends

The profit for the year, after tax, amounted to £636,127,000 (2016 - £8,528,000).

On 28 November 2017, the company paid a dividend of £819,685,000 (2016 - £nil).

#### Directors

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

R D Dunn  
M O Hifzi

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

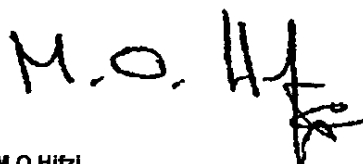
#### Going concern

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

#### Audit exemption

Virgin Media Finance PLC issued a guarantee against all outstanding liabilities to which the company is subject as at 31 December 2017, until they are satisfied in full. The guarantee is enforceable against Virgin Media Finance PLC by any person to whom the company is liable in respect of those liabilities. Since Virgin Media Finance PLC is the smallest group to which the company's accounts are consolidated, the company has taken advantage of the exemption from audit of its individual accounts for the year ended 31 December 2017 by virtue of section 479A of the Companies Act 2006.

This report was approved by the board on 26 June 2018 and signed on its behalf.



M O Hifzi  
Director

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## TELEWEST COMMUNICATIONS HOLDINGS LIMITED

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### DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

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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 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 concern, 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 to enable them to ensure that the company complies 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.

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**TELEWEST COMMUNICATIONS HOLDINGS LIMITED**

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**PROFIT AND LOSS ACCOUNT AND STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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	<b>Note</b>	<b>2017 £000</b>	<b>2016 £000</b>
Administrative income		<b>930</b>	-
Income from shares in group undertakings	<b>4</b>	<b>634,851</b>	8,418
<b>Operating profit</b>	<b>5</b>	<b>635,781</b>	8,418
Other interest receivable and similar income	<b>7</b>	<b>346</b>	110
<b>Profit before tax</b>		<b>636,127</b>	8,528
Tax on profit	<b>8</b>	-	-
<b>Profit for the year</b>		<b>636,127</b>	8,528

The notes on pages 7 to 13 form part of these financial statements.

There was no other comprehensive income or expenditure for 2017 or 2016 other than that included in the profit and loss account.

All results were derived from continuing operations.

**TELEWEST COMMUNICATIONS HOLDINGS LIMITED**  
**REGISTERED NUMBER:02982404**

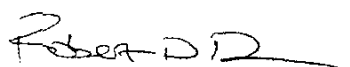
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £000	2016 £000
<b>Fixed assets</b>			
Investments	9	<b>632,000</b>	633,251
<b>Current assets</b>			
Debtors due within one year	10	<b>1,337,148</b>	1,521,643
<b>Creditors: amounts falling due within one year</b>	11	<b>(8,485)</b>	(10,673)
<b>Net current assets</b>		<b>1,328,663</b>	1,510,970
<b>Total assets less current liabilities</b>		<b>1,960,663</b>	2,144,221
<b>Net assets</b>		<b>1,960,663</b>	2,144,221
<b>Capital and reserves</b>			
Share capital	12	-	-
Share premium account	13	<b>1,735,850</b>	1,735,850
Profit and loss account	13	<b>224,813</b>	408,371
<b>Shareholder's funds</b>		<b>1,960,663</b>	2,144,221

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibility for complying with requirements of the Act with respect to accounting records and for the preparation of accounts.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 June 2018 .



**R D Dunn**  
Director

The notes on pages 7 to 13 form part of these financial statements.

**TELEWEST COMMUNICATIONS HOLDINGS LIMITED**

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

	Share capital	Share premium account	Profit and loss account	Shareholder's funds
	£000	£000	£000	£000
At 1 January 2017	-	1,735,850	408,371	2,144,221
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	636,127	636,127
<b>Total comprehensive income for the year</b>	-	-	636,127	636,127
Dividends paid	-	-	(819,685)	(819,685)
<b>At 31 December 2017</b>	-	1,735,850	224,813	1,960,663

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Share capital	Share premium account	Profit and loss account	Shareholder's funds
	£000	£000	£000	£000
At 1 January 2016	-	1,735,850	399,843	2,135,693
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	8,528	8,528
<b>Total comprehensive income for the year</b>	-	-	8,528	8,528
<b>At 31 December 2016</b>	-	1,735,850	408,371	2,144,221

The notes on pages 7 to 13 form part of these financial statements.

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## TELEWEST COMMUNICATIONS HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1. Company information

Telewest Communications Holdings Limited (the "company") is a private company incorporated, domiciled and registered in the UK. The registered number is 02982404 and the registered address is Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

The company is exempt by virtue of s400 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"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 have been applied.

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 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 share capital;
- 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 personnel services to the company.

##### 2.2 Dividend Income

Income is recognised when the company's right to receive payment is established.

##### 2.3 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.

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## TELEWEST COMMUNICATIONS HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 2. Accounting policies (continued)

##### 2.4 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.

#### 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.

##### *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.

#### 4. Income from shares in group undertakings

	2017 £000	2016 £000
Dividend received	634,851	8,418

On 28 November 2017 the company received dividends of £634,851,000 from VMWH Limited.

#### 5. Operating profit

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

	2017 £000	2016 £000
Net profit on disposal of investments	930	-

Disposal of investments is disclosed in note 8.

The directors received no remuneration for qualifying services as directors of this company. All directors' remuneration is paid by and disclosed in the financial statements of Virgin Media Limited.

#### 6. Staff costs

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

#### 7. Other interest receivable and similar income

	2017 £000	2016 £000
Interest on amounts owed by group undertakings	346	110

**TELEWEST COMMUNICATIONS HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**8. Tax on profit**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
<b>Current tax</b>		
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
<b>Total deferred tax</b>	-	-
<b>Tax on profit</b>	-	-

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%). The differences are explained below:

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
<b>Profit before tax</b>	<b>636,127</b>	<b>8,528</b>
<b>Profit multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%)</b>	<b>122,454</b>	<b>1,706</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>617</b>	-
Income not taxable	<b>(123,004)</b>	<b>(1,683)</b>
Group relief claimed without payment	<b>(67)</b>	<b>(23)</b>
<b>Total tax charge for the year</b>	-	-

**Factors affecting current and future tax charges**

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2016) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional 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.

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**TELEWEST COMMUNICATIONS HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**9. Investments**

	Investments in subsidiary undertakings £000
<b>Cost</b>	
At 1 January 2017	633,251
Additions	3,316
Disposals	(4,567)
<b>At 31 December 2017</b>	<b>632,000</b>
<b>Net book value</b>	
<b>At 31 December 2017</b>	<b>632,000</b>
At 31 December 2016	633,251

## TELEWEST COMMUNICATIONS HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 9. Investments (continued)

##### Subsidiary undertakings

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

During the year, as part of a wider group restructure, the company purchased an additional ordinary share at a premium in Cable Adnet Limited, a fellow group company for £3,315,000, then disposed of its investment in Cable Adnet Limited, following the company's application for Members Voluntary Liquidation. The company received no consideration in respect of this and made a loss on disposal of £3,316,000.

During the year, as part of a wider group restructure, the company disposed of its investment in Birmingham Cable Limited to a fellow group company. The company made a profit on disposal of investments of £4,245,000.

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 as follows:

Name of company	Holdings	Proportion held	Nature of business
<b>Direct shareholdings</b>			
Telewest Communications (Cotswolds) Limited	Ordinary	100%	Telecoms
Telewest Communications (North East) Limited	Ordinary	100%	Investment
Telewest Communications (South East) Limited	Ordinary	50%	Investment
Telewest Communications (South Thames Estuary) Limited	Ordinary	50%	Telecoms
Telewest Communications (South West) Limited	Ordinary	100%	Telecoms
VMWH Limited	Ordinary	100%	Holding
<b>Indirect shareholdings</b>			
Birmingham Cable Limited	Ordinary	100%	Telecoms
ntl Funding Limited	Ordinary	100%	Funding
ntl National Networks Limited	Ordinary	100%	Telecoms
ntl Telecom Services Limited	Ordinary	100%	Telecoms
Telewest Communications (London South) Limited	Ordinary	100%	Telecoms
Telewest Communications (Tyneside) Limited	Ordinary	100%	Holding
Telewest Communications Cable Limited	Ordinary	100%	Holding
Theseus No. 1 Limited	Ordinary	100%	Telecoms
Theseus No. 2 Limited	Ordinary	100%	Telecoms
Virgin Media Wholesale Limited	Ordinary	100%	Holding

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

Γ Placed in Member's Voluntary Liquidation subsequent to the year end

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**TELEWEST COMMUNICATIONS HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**10. Debtors due within one year**

	<b>2017 £000</b>	2016 £000
Amounts owed by group undertakings	<b>1,337,148</b>	1,521,643

The analysis of amounts owed by group undertakings is:

	<b>2017 £000</b>	2016 £000
Loans advanced to group undertakings	<b>20,104</b>	204,598
Other amounts owed by group undertakings	<b>1,319,835</b>	1,319,836
Impairment provision on amounts owed by group undertakings	<b>(2,791)</b>	(2,791)
	<b>1,337,148</b>	1,521,643

Amounts owed by group undertakings are unsecured and repayable on demand.

**11. Creditors: amounts falling due within one year**

	<b>2017 £000</b>	2016 £000
Amounts owed to group undertakings	<b>8,485</b>	10,673

The analysis of amounts owed to group undertakings is:

	<b>2017 £000</b>	2016 £000
Loans advanced by group undertakings	<b>8,485</b>	8,485
Other amounts owed to group undertakings	-	2,188
	<b>8,485</b>	10,673

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

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## TELEWEST COMMUNICATIONS HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 12. Share capital

	2017 £	2016 £
<b>Allotted, called up and fully paid</b>		
217 Ordinary shares of £1 each	217	217

#### 13. 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.

##### Profit and loss account

Includes all current and prior year retained profits and losses.

#### 14. Guarantees

Fellow group undertakings are party to a senior secured credit facility with a syndicate of banks. As at 31 December 2017, this comprised term facilities that amounted to £3,410 million (2016 - £3,595 million) and an outstanding balance of £nil (2016 - £nil) which was borrowed under a revolving facility of £675 million (2016 - £675 million). Borrowings under the facilities are secured against the assets of certain members of the group.

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 2017 amounted to £4,870 million (2016 - £5,024 million). Borrowings under the notes are secured against the assets of certain members of the group.

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

#### 15. 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 in to which the company's accounts were consolidated at 31 December 2017 are Virgin Media Finance PLC and Liberty Global plc, respectively.

The company's ultimate parent undertaking and controlling party at 31 December 2017 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](http://www.libertyglobal.com).