

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

COMPANY INFORMATION

Directors	R D Dunn M O Hifzi
Company secretary	G E James
Registered number	03173552
Registered office	Bartley Wood Business Park Hook Hampshire RG27 9UP
Independent auditor	KPMG LLP 1 Sovereign Square Sovereign Street Leeds LS1 4DA

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

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VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

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, that of a holding company. The investments of the company are shown in note 19. In addition, the company has significant financing arrangements with fellow group undertakings and holds derivative instruments to manage the group's exposure to fluctuations in exchange rates and interest rates.

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

During the year, the company received a £1 dividend in specie from its subsidiaries, which represents one share in Virgin Media Secured Finance PLC, a fellow group undertaking (2017 - £10,850,000).

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

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

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.

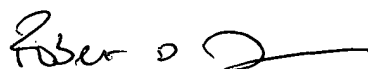
The UK referendum advising for the exit of the UK from the EU could have a material adverse effect on our business, financial condition, results of operations or liquidity. On 23 June 2016, the UK held a referendum in which voters approved, on an advisory basis, an exit from the EU, commonly referred 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.

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 27th June 2019 and signed on its behalf.



R D Dunn
Director

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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

Results and dividends

The loss for the year, after taxation, amounted to £255,410,000 (2017 - loss of £321,429,000).

The directors have not recommended an ordinary dividend (2017 - £nil).

Directors

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

W T Castell (appointed 13 July 2018, resigned 1 September 2018)
R D Dunn
M O Hifzi
T Mockridge (resigned 11 June 2019)
C B 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.

Going concern

Notwithstanding net current liabilities of £4,102,689,000 as at 31 December 2018 and a loss for the year then ended of £255,410,000, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

After making suitable enquiries and obtaining the necessary assurances, including a letter of support from Virgin Media Inc., that sufficient resources will be made available to meet any liabilities as they fall due, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although at the date of approval of these financial statements they have no reason to believe that it will not do so, and continued operations are key to the wider group.

It is not Virgin Media's practice to prepare forecasts and projections for individual entities that are wholly owned by the group, as operational and financial management is undertaken at a group level. However forecasts and projections have been prepared for the Virgin Media group as a whole and these 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 support and 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 consequently have prepared the financial statements on a going concern basis.

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.

This report was approved by the board on 27th June 2019 and signed on its behalf.



M O Hifzi
Director

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

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 of the company in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements of the company 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 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 INVESTMENT HOLDINGS LIMITED

Opinion

We have audited the financial statements of Virgin Media Investment Holdings 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 loss 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 INVESTMENT HOLDINGS 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 4, 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.

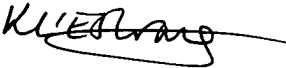
Auditor's responsibilities

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.


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

5 July 2019

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

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

	Note	2018 £000	2017 £000
Administrative income		146,427	266,646
Operating profit	4	<u>146,427</u>	<u>266,646</u>
Income from shares in group undertakings		-	10,850
Interest receivable and similar income	7	106,052	202,929
Interest payable and similar charges	8	(507,890)	(801,854)
Loss before tax		<u>(255,411)</u>	<u>(321,429)</u>
Tax on loss	9	-	-
Loss for the year		<u>(255,411)</u>	<u>(321,429)</u>
Other comprehensive income:			
Gain on cash flow hedges taken to equity	14	5,800	9,249
Total comprehensive expense for the year		<u>(249,611)</u>	<u>(312,180)</u>

The notes on pages 10 to 31 form part of these financial statements.

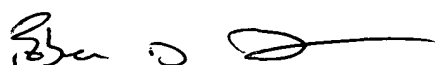
All results were derived from continuing operations.

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED
REGISTERED NUMBER:03173552

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Fixed assets			
Investments	10	6,813,881	6,628,129
Current assets			
Debtors due after one year	11	1,391,497	1,112,988
Debtors due within one year	11	1,915,051	3,980,058
Cash at bank and in hand		43	77
		<u>3,306,591</u>	<u>5,093,123</u>
Creditors: amounts falling due within one year	12	(7,409,281)	(10,557,359)
Net current liabilities		(4,102,690)	(5,464,236)
Total assets less current liabilities		2,711,191	1,163,893
Creditors: amounts falling due after more than one year	13	(2,452,860)	(841,703)
Net assets		258,331	322,190
Capital and reserves			
Share capital	15	600,568	600,568
Share premium account	16	15,901,192	15,715,440
Hedging reserve	16	(15,832)	(21,632)
Profit and loss account	16	(16,227,597)	(15,972,186)
Shareholder's funds		258,331	322,190

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27th June 2019.



R D Dunn
Director

The notes on pages 10 to 31 form part of these financial statements.

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

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

	Share capital £000	Share premium account £000	Hedging reserve £000	Profit and loss account £000	Shareholder's funds £000
At 1 January 2018	600,568	15,715,440	(21,632)	(15,972,186)	322,190
Comprehensive income for the year					
Loss for the year	-	-	-	(255,411)	(255,411)
Gain on fair value hedge	-	-	5,800	-	5,800
Other comprehensive income for the year	-	-	5,800	-	5,800
Total comprehensive income for the year	-	-	5,800	(255,411)	(249,611)
Shares issued during the year	-	185,752	-	-	185,752
At 31 December 2018	600,568	15,901,192	(15,832)	(16,227,597)	258,331

The notes on pages 10 to 31 form part of these financial statements.

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

	Share capital £000	Share premium account £000	Hedging reserve £000	Profit and loss account £000	Shareholder's funds £000
At 1 January 2017	600,568	15,715,440	(30,881)	(15,650,757)	634,370
Comprehensive income for the year					
Loss for the year	-	-	-	(321,429)	(321,429)
Gain on fair value hedge	-	-	9,249	-	9,249
Other comprehensive income for the year	-	-	9,249	-	9,249
Total comprehensive income for the year	-	-	9,249	(321,429)	(312,180)
At 31 December 2017	600,568	15,715,440	(21,632)	(15,972,186)	322,190

The notes on pages 10 to 31 form part of these financial statements.

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Company information

Virgin Media Investment Holdings Limited (the "company") is a private company incorporated, domiciled and registered in the UK. The registered number is 03173552 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").

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 immediate 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 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.

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:

- certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

2.2 Going concern

Notwithstanding net current liabilities of £4,102,689,000 as at 31 December 2018 and a loss for the year then ended of £255,410,000, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

After making suitable enquiries and obtaining the necessary assurances, including a letter of support from Virgin Media Inc., that sufficient resources will be made available to meet any liabilities as they fall due, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although at the date of approval of these financial statements they have no reason to believe that it will not do so, and continued operations are key to the wider group.

It is not Virgin Media's practice to prepare forecasts and projections for individual entities that are wholly owned by the group, as operational and financial management is undertaken at a group level. However forecasts and projections have been prepared for the Virgin Media group as a whole and these 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.

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

Taking into account these forecasts and projections and after making enquiries, the directors have a reasonable expectation the company has adequate support and 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 consequently have prepared the financial statements on a going concern basis.

2.3 Dividend income

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

2.4 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.

2.5 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.

2.6 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.

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.7 Derivative 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 IFRS 9 Financial Instruments, 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.

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.8 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.

2.9 Interest bearing loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance income and finance costs.

Finance costs which are incurred in connection with the issuance of debt are deferred and set off against the borrowings to which they relate. Deferred finance costs are amortised over the term of the related debt using the effective interest method.

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.

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 (note 14).

4. Operating profit

The operating profit is stated after crediting:

	2018 £000	2017 £000
Net gain on foreign currency translation	146,898	264,311

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

5. Auditor's remuneration

Auditor's remuneration of £5,000 (2017 - £5,000) represents costs allocated to the company by fellow group undertakings that pay all auditor's remuneration on behalf of the group.

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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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. Interest receivable and similar income

	2018 £000	2017 £000
Interest receivable from group companies	99,443	185,162
Bank and other interest receivable and finance income	6,609	17,767
	<u>106,052</u>	<u>202,929</u>

8. Interest payable and similar charges

	2018 £000	2017 £000
Interest on amounts owed to group undertakings	343,768	429,588
Interest on bank loans, related charges and finance costs	101,319	68,978
Net loss on financial assets and liabilities carried at fair value	62,803	303,288
	<u>507,890</u>	<u>801,854</u>

9. Tax on loss

	2018 £000	2017 £000
Current tax		
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Tax on loss	<u>-</u>	<u>-</u>

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. Tax on loss (continued)

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

	2018 £000	2017 £000
Loss on ordinary activities before tax	<u>(255,410)</u>	<u>(321,429)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%)	(48,528)	(61,875)
Dividends from UK companies	-	(2,088)
Group relief surrendered without payment	48,528	63,963
Total tax charge for the year	<u>-</u>	<u>-</u>

Deferred tax assets in respect of the following deductible temporary differences have not been recognised as there is no persuasive evidence that there will be suitable taxable profits against which these temporary differences will reverse.

	2018 £000	2017 £000
Unrealised losses on derivative financial instruments	<u>15,832</u>	<u>21,632</u>

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%).

10. Investments

	Investments in subsidiary undertakings £000
Cost	
At 1 January 2018	6,628,129
Additions	185,752
At 31 December 2018	<u>6,813,881</u>
Net book value	
At 31 December 2018	<u>6,813,881</u>
At 31 December 2017	<u>6,628,129</u>

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Investments (continued)

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 shown in note 19.

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.

On 28 November 2018 the company issued four new ordinary shares to Virgin Media Finance PLC in exchange for 100% of the shares of CableTel Scotland Limited and CableTel West Riding Limited, which had a total value of £185,752,000.

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

11. Debtors

	2018 £000	2017 £000
Due after one year		
Amounts owed by group undertakings	619,310	619,310
Debt issue costs	12,541	11,732
Derivative financial assets	755,613	479,246
Other debtors	4,033	2,700
	1,391,497	1,112,988
	2018 £000	2017 £000
Due within one year		
Amounts owed by group undertakings	1,767,831	3,753,170
Derivative financial assets	147,220	226,888
	1,915,051	3,980,058

Debt issue costs represent issue and amendment costs on the Revolving Credit Facility (note 12) and certain other loans, and are capitalised and amortised over the life of the debt.

Amounts owed by group undertakings falling due after more than one year comprise loan notes which incur interest at a rate of 7.00% (2017 - 7.00%) and are repayable in April 2023.

The analysis of amounts owed by group undertakings is:

	2018 £000	2017 £000
Loans advanced to group undertakings	1,958,466	2,758,295
Other amounts owed by group undertakings	428,675	1,614,185
	2,387,141	4,372,480

Amounts owed by group undertakings falling due within one year are unsecured and repayable on demand. During the year the company held nine loans with group undertakings with interest rates ranging from 4.15% to 8.15%.

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. Creditors: amounts falling due within one year

	2018 £000	2017 £000
Bank overdrafts	86	-
Vendor Financing	1,803,420	1,743,526
Other loans	77,181	54,017
Amounts owed to group undertakings	5,326,448	8,657,582
Accruals and deferred income	50,786	31,687
Derivative financial liabilities	151,360	70,547
	<u>7,409,281</u>	<u>10,557,359</u>

The analysis of amounts owed to group undertakings is:

	2018 £000	2017 £000
Loans advanced by group undertakings	5,317,116	8,568,214
Other amounts owed to group undertakings	9,332	89,368
	<u>5,326,448</u>	<u>8,657,582</u>

Amounts owed to group undertakings due within one year include loan notes which had a carrying value of £5,126,792,000 (2017 - £8,356,727,000) at the balance sheet date. Loan notes are denominated in sterling and U.S. dollar, bear interest ranging from 4.65% to 5.63% and are repayable on demand.

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

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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	Facility amount	Unused borrowing capacity	Facility amount	Unused borrowing capacity
	2018 £000	2018 £000	2017 £000	2017 £000
Revolving Credit Facilities	675,000	675,000	675,000	675,000

Revolving Credit Facilities

At 31 December 2017, the senior secured credit facilities of the group included a multi currency revolving credit facility ("Revolving Facility") with a maximum borrowing capacity equivalent to £675.0 million, which bore interest at LIBOR plus 2.75% with 1.1% fee on unused commitments. During 2018, the Revolving Facility was amended and split into two revolving facilities. As of 31 December 2018, Revolving Facility A was a multi currency revolving facility maturing on 31 December 2021 with a maximum borrowing capacity equivalent to £50.0 million, and Revolving Facility B was a multi currency revolving facility maturing on 15 January 2024 with a maximum borrowing capacity equivalent to £625.0 million. All other terms from the previously existing Revolving Facility continue to apply to the new revolving facilities.

Vendor Financing

The company has entered into vendor financing arrangements to manage the working capital requirement of the group in respect of the acquisition of plant and equipment and certain operating expenses. The amounts owed pursuant to these arrangements are interest bearing and include VAT which was paid on our behalf by the vendor.

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

	2018 £000	2017 £000
Other loans	196,198	252,339
Amounts owed to group undertakings	1,350,628	-
Vendor Financing	52,514	34,548
Derivative financial liabilities	853,520	554,816
	2,452,860	841,703

The analysis of amounts owed to group undertakings is:

	2018 £000	2017 £000
Loans advanced by group undertakings	1,350,628	-
	1,350,628	-

Amounts owed to group undertakings due after one year represent loan notes which had a carrying value of £1,350,628,000 (2017 - £nil) at the balance sheet date. Loan notes are denominated in U.S. dollar, unsecured, bear interest ranging from 5.31% to 5.63% and mature between 2021 and 2026.

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. Financial instruments

The group manages its treasury operations on a group basis and consequently, derivative financial instruments are designed to mitigate the risks experience by the group as a whole rather than as a specific company. The group has obligations in a combination of U.S. dollars and sterling at fixed and variable interest rates. As a result, the group is exposed to variability in its cash flows and earnings resulting from changes in foreign currency exchange rates and interest rates.

	2018 £000	2017 £000
Financial assets		
Financial assets measured at fair value through profit or loss	902,876	706,211
Financial assets measured at amortised cost	2,403,715	4,386,912
	<u>3,306,591</u>	<u>5,093,123</u>
Financial liabilities		
Financial liabilities measured at fair value through profit or loss	(1,004,966)	(625,363)
Financial liabilities measured at amortised cost	(8,857,175)	(10,779,123)
	<u>(9,862,141)</u>	<u>(11,404,486)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and derivative financial assets including cross currency swaps, cross currency interest rate swaps, interest rate swaps and foreign currency forward contracts.

Financial assets measured at amortised cost comprise debt issue costs, other debtors and amounts owed by group undertakings.

Financial liabilities measured at fair value through profit or loss comprise bank overdrafts and derivative financial liabilities including cross currency swaps, cross currency interest rate swaps and interest rate swaps and certain other loans.

Financial liabilities measured at amortised cost comprise amounts owed by group undertakings, vendor financing, accruals and deferred income and certain other loans.

The group's objective in managing its exposure to interest rate and foreign currency exchange rates is to decrease the volatility of its earnings and cash flows caused by changes in the underlying rates. The group has established policies and procedures to govern these exposures and has entered into derivative financial instruments including interest rate swaps, cross-currency interest swaps and foreign currency forward rate contracts. It is the group's policy not to enter into derivative financial instruments for speculative trading purposes, nor to enter into derivative financial instruments with a level of complexity or with a risk that is greater than the exposure to be managed. The amounts below include amounts relating to short term as well as long term creditors.

Financial and operational risk management is undertaken as part of the group's operations as a whole. 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 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 derivative 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.

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

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The fair values of derivative financial instruments recognised in the balance sheet of the company are as follows:

	2018	2017
	£000	£000
Current assets (note 11)		
Fair value hedges	27,090	29,976
Derivatives not designated as hedges	120,130	196,912
	<u>147,220</u>	<u>226,888</u>
Non current assets (note 11)		
Fair value hedges	98,398	102,049
Derivatives not designated as hedges	657,215	377,197
	<u>755,613</u>	<u>479,246</u>
Current liabilities (note 12)		
Derivatives not designated as hedges	(151,360)	(70,547)
	<u>(151,360)</u>	<u>(70,547)</u>
Non current liabilities (note 13)		
Derivatives not designated as hedges	(853,520)	(554,816)
	<u>(853,520)</u>	<u>(554,816)</u>
Aggregate net fair value of derivative financial instruments	<u>(102,047)</u>	<u>80,771</u>

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

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The following table sets forth the total notional amounts and the related weighted average remaining contractual lives of the company's cross-currency swap contracts at 31 December 2018.

The company manages derivative instruments for the group and therefore the debt being hedged is not in the company's own balance sheet other than as reflected through inter-company loan notes on matching terms.

Cross currency swap contracts

The terms of the outstanding cross currency swap contracts used to mitigate the foreign exchange and interest rate risk relating to the pound sterling value of interest payments on US dollar and Euro denominated senior notes at 31 December 2018 were as follows:

Final maturity date	Hedge type	Notional amount due from counterparty (thousands)	Notional amount due to counterparty (thousands)	Weighted average remaining life
January 2023	Not designated	\$400,000	€339,600	4.0
April 2019 - January 2025	Not designated	\$6,735,100	£4,482,600	5.1
January 2021	Fair value	\$447,900	£276,700	2.0
January 2025	Not designated	£2,365,800	\$3,400,000	6.1

In addition to the cross currency swap contracts shown above, the company also holds the following outstanding cross currency swap agreements with other companies within the Virgin Media group:

Final maturity date	Hedge type	Notional amount due to counterparty '000	Notional amount due from counterparty '000	Weighted average interest rate due to counterparty	Weighted average interest rate due from counterparty
January 2022	Not designated	\$354,500	£213,382	5.50%	5.82%
February 2022	Not designated	\$63,271	£44,462	5.25%	3.72%
February 2022	Not designated	\$74,310	£52,219	4.88%	3.36%
April 2023	Not designated	\$1,000,000	£641,313	6.38%	6.00%
October 2024	Not designated	\$ 497,000	£349,250	6.00%	4.51%
January 2026	Not designated	\$3,400,000	£2,389,234	3.54%	3.90%
March 2026	Not designated	£110,000	€129,708	10.00%	9.47%

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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Interest rate swaps

At 31 December 2018, the company had outstanding interest rate swap agreements to manage the exposure to volatility in future cash flows on interest payments, which accrue on a variable basis based on LIBOR.

The company has also entered into interest rate swap agreements to manage its exposure to changes in the fair value of certain group debt obligations due to interest rate fluctuations. The interest rate swaps allow the company to receive or pay interest based on six month LIBOR or fixed rates in exchange for payments or receipts of interest at six month LIBOR or fixed rates.

The terms of outstanding interest rate swap contracts at 31 December 2018 were as follows:

Final maturity date	Hedge type	Notional amount due from counterparty (Thousands)	Notional amount due to counterparty (Thousands)	Weighted average remaining life
April 2019 – January 2026	Not designated	£20,063,700	£20,056,900	4.2
January 2025	Not designated	\$3,400,000	\$3,400,000	6.1
January 2021	Fair value	£628,400	£628,400	2.0
January 2020 – January 2025	Not designated	€1,629,200	€1,629,200	3.9

In addition to the interest rate swaps shown above, the company also holds the following outstanding interest rate swap agreements with other companies within the Virgin Media group:

Final maturity date	Hedge type	Notional amount due to counterparty £000	Notional amount due from counterparty £000	Weighted average interest rate due to counterparty	Weighted average interest rate due from counterparty
January 2027	Not designated	400,000	400,000	4.29%	4.80%
November 2027	Not designated	500,000	500,000	4.29%	4.83%

Interest rate swaptions

The company has entered into various interest rate swap options (swaptions), which give the right, but not obligation, to enter into certain interest rate swap contracts at set dates in the future, with each such contract having a life of no more than three years. At the transaction date, the strike rate of each of these contracts was above the corresponding market rate.

The terms of outstanding interest rate swap option contracts at 31 December 2018 were as follows:

Final maturity date	Hedge type	Notional amount due from counterparty (Thousands)	Notional amount due to counterparty (Thousands)	Weighted average expiration period	Weighted average strike rate
					%
October 2022 – January 2026	Not designated	£4,756,000	£4,756,000	0.9	2.47
January 2023 – January 2025	Not designated	€515,000	€515,000	0.9	2.08

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

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Basis swaps

The terms of outstanding basis swap contracts at 31 December 2018 were as follows:

Final maturity date	Hedge type	Notional amount due from counterparty (Thousands)	Notional amount due to counterparty (Thousands)	Weighted average remaining life
July 2019	Not designated	£900,000	£900,000	0.5
July 2019	Not designated	\$3,400,400	\$3,400,400	0.5

Foreign currency forward options and forward contracts

The company has entered into external foreign currency forward options and foreign currency forward contracts on behalf of a fellow group undertaking in order to manage foreign currency exposure risk with respect to Indian rupee (INR). These trades are mirrored with internal derivatives between the company and the fellow group undertaking.

Foreign currency forward options

The following foreign currency forward options with a third party were in place at 31 December 2018:

Exchange currency	Notional Amount
	GBP £000
Indian Rupee	440

Foreign currency forward contracts

The following foreign currency forward contracts with a related party were in place at 31 December 2018:

Maturity date	Currency purchased forward	Currency sold forward
January 2019 – December 2019	\$65,700,000	£49,617,000

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.

The following table presents the effective amount of gain or loss recognised in other comprehensive income and amounts reclassified to earnings:

	2018 £000	2017 £000
Amounts reclassified to other comprehensive income - foreign exchange gains	5,800	9,249

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

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15. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
600,567,734,802 (2017 - 600,567,734,798) Ordinary shares shares of £0.001 each	600,567,735	600,567,735

On 28 November 2018, the company issued four ordinary shares to Virgin Media Finance PLC in exchange for 100% of the shares of CableTel Scotland Limited and CableTel West Riding Limited.

16. Reserves

Share premium account

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

On 28 November 2018, the company issued four ordinary shares and the excess consideration over the nominal value of shares of £185,752,000 was allocated to share premium.

Hedging reserve

Includes all the effective portion of the gain or loss on the hedging instrument for the cash flow hedges. See note 14 for further information.

Profit and loss account

Includes all current and prior year retained profits and losses.

17. 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.

Furthermore, a fellow group undertaking has issued senior notes for which the company, along with certain fellow group undertakings, has guaranteed the notes on a senior subordinated basis. The amount outstanding under the senior notes as at 31 December 2018 amounted to approximately £1,570 million (2017 - £2,219 million).

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.

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

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

18. Parent undertaking and controlling party

The company's immediate parent undertaking is Virgin Media Finance PLC.

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.

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

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19. List of investments

Name of company		Holdings	Proportion held	Nature of business
Direct shareholdings				
CableTel Scotland Limited	Σ	Ordinary	100%	Non-Trading
CableTel West Riding Limited		Ordinary	100%	Non-Trading
ntl Communications Services Limited		Ordinary	100%	Holding
Virgin Media Finco Limited		Ordinary	100%	Finance
Virgin Media Investments Limited		Ordinary	100%	Finance
Virgin Media Secured Finance PLC		Ordinary	100%	Finance
Virgin Media Senior Secured Notes Issuer Plc		Ordinary	100%	Finance
Virgin Media SFA Finance Limited		Ordinary	100%	Finance
Indirect shareholdings				
Avon Cable Investments Limited	Φ	Ordinary	100%	Dormant
BCMV Limited		Ordinary	100%	Telecoms
Birmingham Cable Corporation Limited		Ordinary	100%	Dormant
Birmingham Cable Limited		Ordinary	100%	Telecoms
Bitbuzz UK Limited		Ordinary	100%	Telecoms
Blue Yonder Workwise Limited		Ordinary	100%	Holding
Cable Internet Limited		Ordinary	100%	Dormant
Cable London Limited		Ordinary	100%	Holding
Cable on Demand Limited		Ordinary	100%	Non-Trading
CableTel Herts and Beds Limited		Ordinary	100%	Dormant
CableTel Northern Ireland Limited	β	Ordinary	100%	Dormant
CableTel Surrey and Hampshire Limited		Ordinary	100%	Dormant
Casey Cablevision Limited	ψ	Ordinary	100%	Telecoms
Channel 6 Broadcasting Limited	ψ	Ordinary	100%	Telecoms
Crystal Palace Radio Limited	Φ	Ordinary	100%	Dormant
Cullen Broadcasting Limited	ψ	Ordinary	100%	Telecoms
Diamond Cable Communications Limited		Ordinary	100%	Holding
Eurobell (Holdings) Limited		Ordinary	100%	Holding
Filegale Limited		Ordinary	100%	Dormant
Flextech Broadband Limited	Γ	Ordinary	100%	Holding
Flextech Interactive Limited		Ordinary	100%	Holding
Flextech Limited		Ordinary	100%	Dormant
General Cable Limited		Ordinary	100%	Telecoms
General Cable Programming Limited		Ordinary	100%	Holding
Imminus (Ireland) Limited	ψ	Ordinary	100%	Telecoms

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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List of investments (continued)

Name of company		Holdings	Proportion held	Nature of business
Indirect shareholdings (continued)				
Kish Media Limited	Ψ	Ordinary	100%	Telecoms
Matchco Limited		Ordinary	76%	Dormant
ntl (Aylesbury and Chiltern) Limited	Φ	Ordinary	100%	Dormant
ntl (B) Limited		Ordinary	100%	Holding
ntl (Broadland) Limited		Ordinary	100%	Dormant
ntl (CWC) Corporation Limited		Ordinary	100%	Dormant
ntl (CWC) Limited		Ordinary	100%	Holding
ntl (South East) Limited		Ordinary	100%	Dormant
NTL (Triangle) LLC	Ξ	Common Stock	100%	Holding
ntl (V)		Ordinary	100%	Dormant
ntl Business Limited		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 Group Limited		Ordinary	100%	Holding
NTL CableComms Group, LLC	Ξ	Common stock	100%	Telecoms
ntl CableComms Holdings No 1 Limited		Ordinary	100%	Holding
ntl CableComms Holdings No 2 Limited		Ordinary	100%	Holding
ntl CableComms Solent	Γ	Ordinary	100%	Dormant
ntl CableComms Surrey		Ordinary	100%	Dormant
ntl CableComms Wirral	Γ	Ordinary	100%	Dormant
ntl Cambridge Limited		Ordinary	100%	Telecoms
ntl Glasgow	Σ	Ordinary	100%	Telecoms
ntl Glasgow Holdings Limited		Ordinary	100%	Holding
ntl Kirklees		Ordinary	100%	Telecoms
ntl Kirklees Holdings Limited		Ordinary	100%	Holding
ntl Manchester Cablevision Holding Company	Φ	Ordinary	100%	Dormant
ntl Midlands Limited		Ordinary	100%	Telecoms
ntl National Networks Limited		Ordinary	100%	Non-Trading
ntl Pension Trustees II Limited		Ordinary	100%	Corporate Trustee
ntl Pension Trustees Limited		Ordinary	100%	Corporate Trustee
ntl Rectangle Limited		Ordinary	100%	Holding
ntl South Central Limited		Ordinary	100%	Dormant

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

List of investments (continued)

Name of company		Holdings	Proportion held	Nature of business
Indirect shareholdings (continued)				
ntl Telecom Services Limited		Ordinary	100%	Non-Trading
ntl Trustees Limited		Ordinary	100%	Corporate Trustee
ntl UK Telephone and Cable TV Holding Company Limited	Φ	Ordinary	100%	Dormant
ntl Victoria Limited		Ordinary	100%	Holding
ntl Wirral Telephone and Cable TV Company	Γ	Ordinary	100%	Dormant
P.B.N. Holdings Limited	Ψ	Ordinary	100%	Holding
Telewest Communications (Cotswolds) Limited	Φ	Ordinary	100%	Dormant
Telewest Communications (Dundee & Perth) Limited	Σ	Ordinary	100%	Dormant
Telewest Communications (Glenrothes) Limited	Σ	Ordinary	100%	Dormant
Telewest Communications (London South) Limited	Γ	Ordinary	100%	Dormant
Telewest Communications (Midlands and North West) Limited		Ordinary	100%	Dormant
Telewest Communications (North East) Limited		Ordinary	100%	Investment
Telewest Communications (Scotland Holdings) Limited	Σ	Ordinary	100%	Dormant
Telewest Communications (Scotland) Limited	Σ	Ordinary	100%	Dormant
Telewest Communications (South East) Limited		Ordinary	50%	Investment
Telewest Communications (South Thames Estuary) Limited	Φ	Ordinary	50%	Dormant
Telewest Communications (South West) Limited		Ordinary	100%	Investment
Telewest Communications (Tyneside) Limited		Ordinary	100%	Investment
Telewest Communications Cable Limited		Ordinary	100%	Dormant
Telewest Communications Holdco Limited	Φ	Ordinary	100%	Dormant
Telewest Communications Holdings Limited		Ordinary	100%	Holding
Telewest Communications Networks Limited		Ordinary	100%	Holding
Telewest Limited		Ordinary	100%	Holding
Telewest Workwise Limited		Ordinary	100%	Dormant
The Yorkshire Cable Group Limited		Ordinary	100%	Dormant
Theseus No.1 Limited		Ordinary	100%	Investment
Theseus No.2 Limited		Ordinary	100%	Investment
Tullamore Beta Limited	Ψ	Ordinary	100%	Telecoms
TV Three Enterprises Limited	Ψ	Ordinary	100%	Telecoms
TV Three Sales Limited	Ψ	Ordinary	100%	Telecoms
TV3 Television Network Limited	Ψ	Ordinary	100%	Telecoms
UPC Broadband Ireland Limited	Ψ	Ordinary	100%	Trading

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

List of investments (continued)

Name of company		Holdings	Proportion held	Nature of business
Indirect shareholdings (continued)				
Virgin Media Bristol LLC	≡	Common stock	100%	Holding
Virgin Media Business Limited		Ordinary	100%	Telecoms
Virgin Media Employee Medical Trust Limited		Ordinary	100%	Corporate Trustee
Virgin Media Investment Holdings Limited		Ordinary	100%	Finance
Virgin Media Ireland Limited	ψ	Ordinary	100%	Trading
Virgin Media Limited		Ordinary	100%	Telecoms
Virgin Media Operations Limited (previously ntl Midlands Holdings Limited)		Ordinary	100%	Holding
Virgin Media Payments Limited		Ordinary	100%	Collections
Virgin Media PCHC II Limited		Ordinary	100%	Dormant
Virgin Media PCHC Limited		Ordinary	100%	Dormant
Virgin Media Secretaries Limited		Ordinary	100%	Finance
Virgin Media Senior Investments Limited		Ordinary	100%	Holding
Virgin Media Wholesale Limited		Ordinary	100%	Telecoms
Virgin Mobile Group (UK) Limited		Ordinary	100%	Dormant
Virgin Mobile Holdings (UK) Limited		Ordinary	100%	Dormant
Virgin Mobile Telecoms Limited		Ordinary	100%	Telecoms
Virgin WiFi Limited		Ordinary	100%	Telecoms
VM Ireland Group Limited		Ordinary	100%	Holding
VM Transfers (No 4) Limited		Ordinary	100%	Holding
VM Transfers (No 5) Limited		Ordinary	100%	Holding
VMIH Sub Limited		Ordinary	100%	Finance
VMWH Limited		Ordinary	100%	Holding
Windsor Television Limited		Ordinary	100%	Telecoms
Yorkshire Cable Communications Limited		Ordinary	100%	Telecoms

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

List of investments (continued)

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

≡ 251 Little Falls Drive, Wilmington, DE 19808

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