COMPANY REGISTRATION NUMBER 3709869

ntl CableComms Holdings No. 1 Limited

Financial Statements

31 December 2008

ntl CableComms Holdings No. 1 Limited

Financial Statements

Year ended 31 December 2008

Contents	**Pages**
Company information	**1**
The directors' report	**2 to 3**
Statement of directors' responsibilities	**4**
Independent auditor's report to the members	**5 to 6**
Profit and loss account	**7**
Balance sheet	**8**
Notes to the financial statements	**9 to 14**

ntl CableComms Holdings No. 1 Limited

Company Information

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

The directors present their report and the financial statements of the company for the year ended 31 December 2008.

Principal activities

The principal activity of the company during the year was, and will continue to be, that of a holding company. The material investments of the company are shown in note 6.

The company is a wholly-owned subsidiary undertaking of Virgin Media Inc. The Virgin Media group is a leading UK entertainment and communications business providing a "quad-play" offering of television, broadband, fixed line telephone and mobile telephone services.

At 31 December 2008, by customer numbers, the Virgin Media group was the UK's largest residential broadband provider and mobile virtual network provider and the second largest provider in the UK of pay television and fixed line telephone services by number of customers. The group owned and operated cable networks that passed approximately 12.6 million homes in the UK and at 31 December 2008 provided services to approximately 4.8 million cable customers on its network, approximately 56% of which were "triple-play" customers, receiving broadband, television and fixed line telephone services. In addition, at 31 December 2008 the Virgin Media group provided mobile telephone services to 2.7 million pre-pay customers and 0.6 million contract customers over third party networks.

The Virgin Media group believes that its advanced, deep fibre access network enables it to offer faster and higher quality broadband services than its digital subscriber line, or DSL, competitors. As a result it provides its customers with leading next generation broadband service and one of the most advanced TV on-demand services available in the UK market.

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

Through Virgin Media Television, the Virgin Media group also provides a broad range of programming through its wholly-owned channels, such as Virgin1, Living and Bravo; and through UKTV, its joint ventures with BBC Worldwide.

Future developments

The Virgin Media group's deep fibre access network has enabled it to take a leading position in the roll-out of next generation broadband access technologies in the UK. During 2008 the Virgin Media group further invested in its cable network with the deployment of the next generation of wideband cable broadband technology, which significantly increased both upstream and downstream transmissions speeds. This technology enables the Virgin Media group to offer high-speed broadband services of 50Mb and higher and provides a platform for incremental upgrades in line with consumer demand. The investment in the next generation broadband access technologies is the latest in a series of infrastructure investments to support entertainment services in the UK. In 2009, the group expects to complete the roll-out of wideband cable broadband technology, allowing 50Mb services to be made available to over 96% of its network.

Results and dividends

The loss for the financial year amounted to £43,842,000 (2007 - loss of £108,506,000). The directors have not recommended an ordinary dividend (2007 - £nil).

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

Virgin Media Directors Limited
Virgin Media Secretaries Limited

Virgin Media Inc. has indemnified the directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision is in force as at the date of approving the directors' report.

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

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

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

Signed on behalf of the directors

R. Mac

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

Approved by the directors on 22 October 2009

Statement of Directors' Responsibilities

Year ended 31 December 2008

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent Auditor's Report to the Members of ntl CableComms Holdings No. 1 Limited

Year ended 31 December 2008

We have audited the company's financial statements for the year ended 31 December 2008 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

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

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

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

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

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

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

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

Opinion
In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;

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

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

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

22 October 2009

ntl CableComms Holdings No. 1 Limited

Profit and Loss Account

Year ended 31 December 2008

	Note	2008 £000	2007 £000
Administrative expenses		**(6,425)**	(77,381)
Operating loss	**2**	**(6,425)**	(77,381)
Attributable to:			
Exceptional items	**2**	**(6,425)**	(77,381)
Interest payable and similar charges	**4**	**(37,417)**	(31,125)
Loss on ordinary activities before taxation		**(43,842)**	(108,506)
Tax on loss on ordinary activities	**5**	**–**	–
Loss for the financial year	**13**	**(43,842)**	(108,506)

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

Statement of total recognised gains and losses
There are no recognised gains or losses other than the loss of £43,842,000 attributable to the shareholders for the year ended 31 December 2008 (2007 - loss of £108,506,000).

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

ntl CableComms Holdings No. 1 Limited

Balance Sheet

31 December 2008

	Note	2008 £000	2007 £000
Fixed assets			
Investments	6	–	–
Current assets			
Debtors due within one year	7	39,122	–
Debtors due after one year	7	–	45,547
		39,122	45,547
Creditors: Amounts falling due within one year	8	(552,358)	–
Net current (liabilities)/assets		(513,236)	45,547
Total assets less current liabilities		(513,236)	45,547
Creditors: Amounts falling due after more than one year	9	(384,696)	(899,637)
		(897,932)	(854,090)
Capital and reserves			
Called-up equity share capital	12	1,000,000	1,000,000
Profit and loss account	13	(1,897,932)	(1,854,090)
Deficit	13	(897,932)	(854,090)

These financial statements were approved by the directors on 22 October 2009 and are signed on their behalf by:

R C Gale

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

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

1. Accounting policies

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

Fundamental accounting concept
The financial statements have been prepared on the going concern basis because the ultimate parent undertaking has given the necessary assurances that sufficient resources will be made available, so that the company can meet its liabilities as and when they fall due, for at least twelve months from the date of approval of these financial statements.

Group accounts
The company has taken advantage of the exemption from preparing group accounts afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of another company incorporated in Great Britain which prepares group accounts (see note 14). These financial statements therefore present information about the company as an individual undertaking and not about its group.

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

Cash flow statement
The company has taken advantage of the exemption under FRS 1 (revised) not to prepare a cash flow statement as it is a subsidiary which is at least 90% controlled by the ultimate parent undertaking (see note 14).

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

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

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

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

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

2. Operating loss

Operating loss is stated after charging:

	2008	2007
	£000	£000
Exceptional item:		
Provision against amounts due from group undertakings	6,425	77,381

The company has corporate directors which receive no remuneration.

Auditor's remuneration disclosed of £1,000 (2007 - £1,000) represents costs attributed to the company by the fellow group undertakings that pay all auditor's remuneration on behalf of the Virgin Media group. The company is exempt from disclosing additional information regarding non-audit services, as the disclosures required under Regulation 4 (1) (b) of Section 390B of the Companies Act 1985, are made in the group accounts of Virgin Media Finance PLC on a consolidated basis.

The group's inter-company funding arrangements are managed centrally. Recoverability of inter-company receivables is assessed annually. The provision for non-recoverability may decrease or increase as a result of that review. For the year ended 31 December 2008, there was an increase in the provision totalling £6,425,000 (2007 - increase of £77,381,000). The primary driver for the change in the provision was a decline in the valuation of the underlying assets in the Virgin Media group as shown by a third party valuation as at 31 December 2008.

3. Staff costs

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

4. Interest payable and similar charges

	2008	2007
	£000	£000
Interest on amounts due to group undertakings	37,417	31,125

5. Taxation

(a) Analysis of charge in the year

The tax charge is made up as follows:

	2008	2007
	£000	£000
Current tax charge:		
Current tax on loss for the year	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Total tax credit on loss on ordinary activities	-	-

5. Taxation *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year differs from the standard rate of corporation tax in the UK. In 2008 the average tax rate was 28.50% (2007 - 30%).

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

	2008	2007
	£000	£000
Loss on ordinary activities before taxation	**(43,842)**	(108,506)
Loss on ordinary activities multiplied by the rate of tax	**(12,495)**	(32,552)
Expenses not deductible for tax purposes	**1,831**	23,214
Group relief surrendered without payment	**10,664**	9,338
Total current tax (note 5(a))	**-**	-

(c) Factors that may affect future tax charges

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

	2008	2007
	£000	£000
Tax losses	**3,417**	1,517

The UK Corporation tax rate decreased from 30% to 28% from 1 April 2008. This rate change will affect the amount of future tax payments to be made by the company. The unprovided deferred tax assets reflect this change.

6. Investments

	Subsidiary undertakings
	£000
Cost	
At 1 January 2008 and 31 December 2008	1,719,114
Value impaired	
At 1 January 2008 and 31 December 2008	1,719,114
Net book value	
At 31 December 2008 and 31 December 2007	-

6. Investments *(continued)*

The company has taken advantage of the exemption under Section 228 of the Companies Act 1985 not to disclose the aggregate amount of capital and reserves and the result for the year for each of the subsidiary undertakings on the basis that their results are included in the group accounts of Virgin Media Finance PLC (see note 14).

The company has taken advantage of Section 231(5) of the Companies Act 1985 and disclosed only those investments whose results or financial position principally affected the figures shown in the company's annual financial statements.

The material investments in which the company holds at least 20% of the nominal value of any class of share capital, all of which are unlisted, are as follows:

Name of Company	*Country of Incorporation*	*Holdings*	*Proportion Held*	*Nature of Business*
ntl CableComms Bury and Rochdale	UK	Ordinary	98.82%	Telecoms
ntl CableComms Cheshire	UK	Ordinary	98.82%	Telecoms
ntl CableComms Macclesfield	UK	Ordinary	98.82%	Telecoms
ntl CableComms Oldham and Tameside	UK	Ordinary	98.82%	Telecoms
ntl CableComms Staffordshire	UK	Ordinary	98.82%	Telecoms
ntl CableComms Stockport	UK	Ordinary	98.82%	Telecoms
ntl CableComms Wirral	UK	Ordinary	100.00%	Telecoms
ntl CableComms East Lancashire	UK	Ordinary	98.82%	Holding
ntl CableComms Greater Manchester	UK	Ordinary	99.00% #	Telecoms
ntl CableComms Derby	UK	Ordinary	99.00% #	Telecoms
ntl CableComms Bolton	UK	Ordinary	99.00% #	Telecoms
ntl CableComms Bolton Cablevision Holding Company	UK	Ordinary	98.82%	Holding
ntl CableComms Derby Cablevision Holding Company	UK	Ordinary	98.82%	Holding
ntl CableComms Manchester Cablevision Holding Company	UK	Ordinary	98.82%	Holding
ntl Wirral Telephone and Cable TV Company	UK	Ordinary	99.00% #	Telecoms

held by subsidiary company

7. Debtors

	2008	2007
	£000	£000
Amounts owed by group undertakings	**39,122**	45,547

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

	2008	2007
	£000	£000
Amounts owed by group undertakings	–	45,547

Amounts owed by group undertakings are interest free and stated after deducting an impairment provision of £83,806,000 (2007 - £77,381,000). Amounts owed by group undertakings are repayable on demand.

8. Creditors: Amounts falling due within one year

	2008	2007
	£000	£000
Amounts owed to group undertakings	552,358	–

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

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

	2008	2007
	£000	£000
Amounts owed to group undertakings	384,696	899,637

Amounts owed to group undertakings are repayable on demand, but are not expected to be repaid in full within five years. The rates of interest on the amounts payable ranged from 5.15% to 7.99% (2007 - 0% to 7.99%).

10. Contingent liabilities

The company, along with fellow group undertakings, is party to a senior secured credit facility with a syndicate of banks under which it has guaranteed the amount outstanding, which as at 31 December 2008 amounted to approximately £4,289 million (2007 - £4,905 million). Borrowings under the facility are secured against the assets of certain members of the group including those of the company.

On 3 June 2009 and 21 July 2009 Virgin Media Finance PLC, a parent undertaking, issued 9.5% Senior Notes due in 2016. The proceeds of the issues, together with existing cash balances, were used to repay £1,012.1 million of the Virgin Media group's obligations under its senior credit facility.

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

11. Related party transactions

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

12. Share capital

Authorised share capital:

	2008	2007
	£000	£000
1,000,000,000 Ordinary shares of £1 each	1,000,000	1,000,000

Allotted, called up and fully paid:

		2008		2007
	No	£000	No	£000
Ordinary shares of £1 each	1,000,000,000	1,000,000	1,000,000,000	1,000,000

13. Reconciliation of shareholders' funds and movement on reserves

	Share capital £000	Profit and loss account £000	Total share-holders' funds £000
At 1 January 2007	1,000,000	(1,745,584)	(745,584)
Loss for the year	–	(108,506)	(108,506)
At 31 December 2007 and 1 January 2008	1,000,000	(1,854,090)	(854,090)
Loss for the year	–	(43,842)	(43,842)
At 31 December 2008	1,000,000	(1,897,932)	(897,932)

14. Parent undertaking and controlling party

The company's immediate parent undertaking is ntl North CableComms Management, Inc., a company incorporated in the state of Delaware, United States of America.

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

The company's ultimate parent undertaking and controlling party at 31 December 2008 was Virgin Media Inc., a company incorporated in the state of Delaware, United States of America.

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