

COMPANY REGISTRATION NUMBER 4125325

Flextech Broadcasting Limited
Financial Statements
31 December 2007

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Flextech Broadcasting Limited

Financial Statements

Year ended 31 December 2007

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Flextech Broadcasting 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

Flextech Broadcasting Limited

The Directors' Report

Year ended 31 December 2007

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

Principal activities

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

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

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

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

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

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

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

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

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

Results and dividends

The profit for the financial year amounted to £128,957,000 (2006 - profit of £nil). The directors have not recommended an ordinary dividend (2006 - £nil).

Flextech Broadcasting Limited

The Directors' Report *(continued)*

Year ended 31 December 2007

Directors

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

Virgin Media Directors Limited
Virgin Media Secretaries Limited

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

Virgin Media Inc has indemnified the directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 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 M Mackenzie
For and on behalf of Virgin Media Secretaries Limited

Approved by the directors on 21 October 2008

Flextech Broadcasting Limited

Statement of Directors' Responsibilities

Year ended 31 December 2007

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

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

select suitable accounting policies and then apply them consistently,

make judgments and estimates that are reasonable and prudent,

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

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

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

Flextech Broadcasting Limited

Independent Auditor's Report to the Member of Flextech Broadcasting Limited

Year ended 31 December 2007

We have audited the company's financial statements for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of directors and auditor

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

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

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

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

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

Basis of audit opinion

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

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

Flextech Broadcasting Limited

Independent Auditor's Report to the Member of Flextech Broadcasting Limited *(continued)*

Year ended 31 December 2007

Opinion

In our opinion

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

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

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

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

21 October 2008

Flextech Broadcasting Limited

Profit and Loss Account

Year ended 31 December 2007

	Note	2007 £000	2006 £000
Amount written back on investments	4	128,957	—
Profit on ordinary activities before taxation		128,957	—
Tax on profit on ordinary activities	5	—	—
Profit for the financial year	10	128,957	—

All of the activities of the company are classed as continuing

Statement of Total Recognised Gains and Losses

There are no recognised gains or losses other than the profit of £128,957,000 attributable to the shareholder for the year ended 31 December 2007 (2006 - profit of £nil)

The notes on pages 9 to 13 form part of these financial statements.

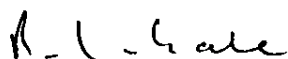
Flextech Broadcasting Limited

Balance Sheet

31 December 2007

	Note	2007 £000	2006 (As restated) £000
Fixed assets			
Investments	6	<u>128,957</u>	<u>—</u>
Total assets less current liabilities		<u>128,957</u>	<u>—</u>
Capital and reserves			
Called-up equity share capital	9	<u>1,131,810</u>	<u>1,131,810</u>
Profit and loss account	10	<u>(1,002,853)</u>	<u>(1,131,810)</u>
Shareholder's funds		<u>128,957</u>	<u>—</u>

These financial statements were approved by the directors on 21 October 2008 and are signed on their behalf by



R C Gale

For and on behalf of Virgin Media Directors Limited

The notes on pages 9 to 13 form part of these financial statements.

Flextech Broadcasting Limited

Notes to the Financial Statements

Year ended 31 December 2007

1. Accounting policies

Accounting convention

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

Cash flow statement

The company has taken advantage of the exemption under FRS 1 (revised) not to prepare a cash flow statement as it is a subsidiary which is at least 90% controlled by the ultimate parent undertaking (see note 11)

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

Investments

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

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 11). These financial statements therefore present information about the company as an individual undertaking and not about its group.

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.

Flextech Broadcasting Limited

Notes to the Financial Statements

Year ended 31 December 2007

1 Accounting policies *(continued)*

Prior year adjustment

The 2006 unaudited dormant accounts showed called-up equity share capital of £1,132,000 and a retained loss of £1,132,000. The comparatives have been restated to show the correct values of called-up equity share capital of £1,131,810,000 and retained loss of £1,131,810,000.

The result of the prior year adjustment is to increase called-up equity share capital by £1,130,678,000, and to increase retained loss by £1,130,678,000. No value has been recorded in the Statement of Total Recognised Gains and Losses as the loss has been recognised through the Profit and Loss Account in previous years.

2 Auditor's and directors' remuneration

Auditor's remuneration disclosed of £1,000 (2006 - £nil) 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 company has corporate directors which receive no remuneration.

3 Staff costs

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

4 Amount written back on investments

	2007	2006
	£000	£000
Amount written back on investments	(128,957)	—

Valuations of the reporting segments of the Virgin Media group were performed by the ultimate parent company for the purposes of reviewing its goodwill balances for potential impairment. As a result of these valuations each intermediate investment holding company in the Virgin Media group has performed impairment reviews of its direct investments in the light of the changes in ownership, use of assets and economic conditions.

The impairment review of investments concluded that their recoverable amount was in excess of their carrying value. As a result investments have been written up by £128,957,000 (2006 - £nil). The primary drivers for the change in the provisions are inter-company debt restructures which have increased the net assets of investments, offset by the decline in valuation of the underlying assets in the Virgin Media group as shown by a third party valuation as at 31 December 2007.

Flextech Broadcasting Limited

Notes to the Financial Statements

Year ended 31 December 2007

5. Taxation

(a) Analysis of charge in the year

The tax charge is made up as follows

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

(b) Factors affecting current tax charge

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

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

	2007 £000	2006 £000
Profit on ordinary activities before taxation	128,957	-
Profit on ordinary activities multiplied by the rate of tax	38,687	-
Income not taxable	(38,687)	-
Total current tax (note 5(a))	-	-

(c) Factors that may affect future tax charges

There are no factors which may affect the future tax charge

Flextech Broadcasting Limited

Notes to the Financial Statements

Year ended 31 December 2007

6. Investments

	Investments in group undertakings
	£000
Cost	
At 1 January 2007 (as restated) and 31 December 2007	<u>1,131,810</u>
Value impaired	
At 1 January 2007 (as restated)	1,131,810
Written off in prior years written back (see note 4)	<u>(128,957)</u>
At 31 December 2007	<u>1,002,853</u>
Net book value	
At 31 December 2007	<u>128,957</u>
At 31 December 2006	<u>-</u>

The 2006 unaudited dormant accounts showed an investment cost of £1,132,000 and an impairment of £1,132,000. The brought forward balances have been restated to show the correct values for cost of investments of £1,131,810,000 and impairment of investments of £1,131,810,000.

The result of the prior year adjustment is to increase investment cost by £1,130,678,000, and to increase investment impairments by £1,130,678,000. There was no impact on either the Profit and Loss Account or Balance Sheet as a result of this prior year adjustment.

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 asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset 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 assets 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 asset in prior years. The company utilised external professional valuations to assist in their own valuation of their investments.

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.

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:

<i>Name of Company</i>	<i>Country of Incorporation</i>	<i>Holdings</i>	<i>Proportion Held</i>	<i>Nature of Business</i>
Bravo TV Limited	UK	Ordinary	59.79%	Operation of TV channels
Challenge TV	UK	Ordinary	77.89%	Operation of TV channels
Living TV Limited	UK	Ordinary	100%	Operation of TV channels
Trouble TV Limited	UK	Ordinary	100%	Operation of TV channels

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 11).

Flextech Broadcasting Limited

Notes to the Financial Statements

Year ended 31 December 2007

7. Contingent liabilities

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

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

8. 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.

9. Share capital

Authorised share capital:

	2007	2006 (As restated)
	£'000	£'000
1,131,810,002 Ordinary shares of £1 each	<u>1,131,810</u>	<u>1,131,810</u>

Allotted, called up and fully paid

	2007		2006 (As restated)	
	No	£'000	No	£'000
Ordinary shares of £1 each	<u>1,131,810,002</u>	<u>1,131,810</u>	<u>1,131,810,002</u>	<u>1,131,810</u>

The 2006 unaudited dormant accounts showed called-up equity share capital of £1,132,000. The comparatives have been restated to show the correct value of called-up equity share capital of £1,131,810,000, an increase of £1,130,678,000.

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

	Share capital £000	Profit and loss account £000	Total share- holder's funds £000
At 1 January 2006	<u>1,131,810</u>	<u>(1,131,810)</u>	—
At 31 December 2006 and 1 January 2007	<u>1,131,810</u>	<u>(1,131,810)</u>	—
Profit for the year	—	<u>128,957</u>	<u>128,957</u>
At 31 December 2007	<u>1,131,810</u>	<u>(1,002,853)</u>	<u>128,957</u>

Flextech Broadcasting Limited

Notes to the Financial Statements

Year ended 31 December 2007

11. Parent undertaking and controlling party

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

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

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

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