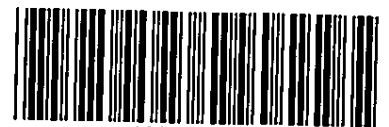


Flextech Broadcasting Limited

Financial Statements

31 December 2013

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Flextech Broadcasting Limited

Financial Statements

Year ended 31 December 2013

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Flextech Broadcasting Limited

Company Information

The board of directors

R D Dunn
M O Hifzi

Company secretary

G E James

Registered office

Bartley Wood Business Park
Hook
Hampshire
RG27 9UP

Flextech Broadcasting Limited

Directors' Report

Year ended 31 December 2013

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2013

Principal activities and business review

The company has ceased its operating activities and is not expected to have any operating activities in the future. The only activity in the year relates to release of historic investment impairment of £67,103,000

At 31 December 2013 the company was a wholly owned subsidiary undertaking of Virgin Media Inc (Virgin Media). Virgin Media became a wholly-owned subsidiary of Liberty Global plc (Liberty Global) as a result of a series of mergers that were completed on 7 June 2013 (the LG/VM Transaction). This is referred to in more detail in the consolidated financial statements of Virgin Media Inc which are available from the company secretary at Virgin Media, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

The Virgin Media Inc consolidated group (the group) operates under the Virgin Media brand in the United Kingdom (U K.)

The group provides digital cable, broadband internet, fixed-line telephony and mobile services in the U K. to both residential and business-to-business (B2B) customers. The group is one of the U K.'s largest providers of residential digital cable, broadband internet and fixed-line telephony services in terms of customers. The group believes its advanced, deep-fibre cable access network enables it to offer faster and higher quality broadband internet services than our digital subscriber line, or DSL competitors. As a result, it provides our customers with a leading next generation broadband internet service and one of the most advanced interactive digital cable services available in the U K. market.

As of 31 December 2013, the group provided services to approximately 4.9 million residential cable customers on its network. The group is also one of the UK's largest mobile virtual network operators by number of customers, providing mobile telephony services to 1.9 million contract mobile customers and 1.1 million prepaid mobile customers over third party networks. As of 31 December 2013, 84% of residential customers on the group's cable network received multiple services from the group, and 66% were "triple play" customers, receiving broadband internet, digital cable and fixed-line telephony services from the group.

In addition the group provides broadband internet, fixed-line and mobile telephony and other connectivity services to businesses, public sector organisations and service providers.

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 2013, which are available from the company secretary at Virgin Media, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

Results and dividends

The profit for the financial year amounted to £67,103,000 (2012 - £nil). The directors have not recommended an ordinary dividend (2012 - £nil).

Flextech Broadcasting Limited

Directors' Report *(continued)*

Year ended 31 December 2013

Directors

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

C B E Withers	(Resigned 31 March 2014)
R D Dunn	(Appointed 29 November 2013)
M O Hifzi	(Appointed 31 March 2014)
R C Gale	(Resigned 29 November 2013)

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

Going concern

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

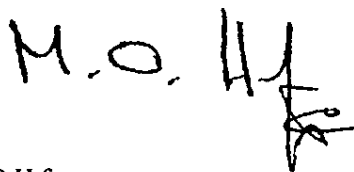
Audit exemption

Virgin Media Finance PLC issued a guarantee against all outstanding liabilities to which the company is subject as at 31 December 2013, until they are satisfied in full. The guarantee is enforceable against Virgin Media Finance PLC by any person to whom the company is liable in respect of those liabilities. Since Virgin Media Finance PLC is the smallest group to which the company's accounts are consolidated, the company has taken advantage of the exemption from audit of its individual accounts for the year ended 31 December 2013 by virtue of Section 479A of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Signed on behalf of the directors



M O Hifzi
Director

Approved by the directors on 30 July 2014

Flextech Broadcasting Limited

Directors' Responsibilities Statement

Year ended 31 December 2013

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

Company law requires the directors to prepare financial statements for each financial year. Under that law 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). Under company law the directors must not approve the financial statements unless they are 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 year.

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 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 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

Profit and Loss Account

Year ended 31 December 2013

	Note	2013 £000	2012 £000
Administrative income		67,103	—
Operating profit	2	67,103	—
Attributable to Operating exceptional items	2	67,103	—
Profit on ordinary activities before tax		67,103	—
Tax on profit on ordinary activities	4	—	—
Profit for the financial year	9	67,103	—

The company has no other gains or losses and therefore no separate statement of total recognised gains or losses is presented

All results relate to continuing operations

The notes on pages 7 to 12 form part of these financial statements.

Flextech Broadcasting Limited**Balance Sheet****31 December 2013**

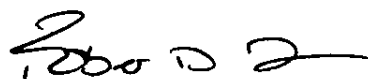
	Note	2013 £000	2012 £000
Fixed assets			
Investments	5	<u>133,578</u>	<u>66,475</u>
Total assets less current liabilities		<u>133,578</u>	<u>66,475</u>
Capital and reserves			
Share capital	8	1,131,810	1,131,810
Profit and loss account	9	<u>(998,232)</u>	<u>(1,065,335)</u>
Shareholder's funds	9	<u>133,578</u>	<u>66,475</u>

For the year ended 31 December 2013 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

Directors' responsibilities

- (i) the members has not required the company to obtain an audit of its accounts for the year in question in accordance with section 476, and
- (ii) the directors acknowledge their responsibilities for complying with the Act with respect to accounting records and the preparation of accounts

These financial statements were approved by the directors on 30 July 2014 and are signed on their behalf by



R D Dunn
Director

The notes on pages 7 to 12 form part of these financial statements.

Flextech Broadcasting Limited

Notes to the Financial Statements

Year ended 31 December 2013

1. Accounting policies

A summary of the principal accounting policies is set out below. All accounting policies have been applied consistently, unless noted below.

Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006, and applicable UK accounting standards.

Group accounts

The company has taken advantage of the exemption from preparing group accounts afforded by Section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of another company incorporated in the United Kingdom which prepares group accounts (see note 10). These financial statements therefore present information about the company as an individual undertaking and not about its group.

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.

Cash flow statement

The company is exempt from publishing a cash flow statement as permitted by FRS 1 "Cash flow statements (revised 1996)", as it is a wholly owned subsidiary of its ultimate parent company.

Deferred tax

Deferred tax is recognised, as appropriate, 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.

Flextech Broadcasting Limited

Notes to the Financial Statements

Year ended 31 December 2013

2. Operating profit

Operating profit is stated after crediting

	2013 £000	2012 £000
Investment impairment release	<u>(67,103)</u>	<u>-</u>

Investments are assessed and impairments released due to a change in the economic conditions or in the expected use of the asset in accordance with FRS 11 "Impairment of fixed assets and goodwill". Consequently the investment impairment review as at 31 December 2013 concluded that a release of an impairment of £67,103,000 should be made (2012 - £nil)

The directors received remuneration for the year of £803 (2012 - £nil) in relation to qualifying services as directors of this company, all of which was paid by, and is disclosed in the financial accounts of Virgin Media Limited. In 2013 this included an element relating to compensation for loss of office.

3. Staff costs

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

4. Tax on profit on ordinary activities

The tax charge is made up as follows

	2013 £000	2012 £000
Current tax charge:		
Current tax on profit for the year	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Total tax charge on profit on ordinary activities	<u>-</u>	<u>-</u>

Flextech Broadcasting Limited

Notes to the Financial Statements

Year ended 31 December 2013

4. Tax on profit on ordinary activities *(continued)*

The tax assessed on the profit on ordinary activities for the year is lower than (2012 - the same as) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.50%). The differences are explained below

	2013 £000	2012 £000
Profit on ordinary activities before tax	<u>67,103</u>	<u>-</u>
Profit on ordinary activities multiplied by rate of tax	15,601	-
Effects of Income not taxable	<u>(15,601)</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>

Factors affecting current and future tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

5. Investments

	Subsidiary undertakings £000
Cost	
At 1 January 2013 and 31 December 2013	<u>1,110,182</u>
Amounts written off	
At 1 January 2013	1,043,707
Amounts written back in the year	<u>(67,103)</u>
At 31 December 2013	<u>976,604</u>
Net book value	
At 31 December 2013	<u>133,578</u>
At 31 December 2012	<u>66,475</u>

Flextech Broadcasting Limited

Notes to the Financial Statements

Year ended 31 December 2013

5. Investments (continued)

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

Name of Company	Country of Incorporation	Holdings	Proportion held	Nature of Business
Direct shareholdings				
Flextech B Limited	UK	Ordinary	59.79%	Dormant
Flextech C	UK	Ordinary	77.89%	Operation of TV Channels
Flextech L Limited	UK	Ordinary	100%	Operation of TV Channels
Flextech T Limited	UK	Ordinary	100%	Operation of TV Channels

All companies are registered in England and Wales unless otherwise noted

The company has taken advantage of Section 410 of the Companies Act 2006 and disclosed only those investments whose results or financial position materially affected the figures shown in the company's annual financial statements

6. Contingent liabilities

Fellow group undertakings are party to a senior secured credit facility with a syndicate of banks. As at 31 December 2013, this comprised term facilities that amounted to £2,638 million (2012 - £750 million) and a revolving credit facility of £660 million (2012 - £450 million). With the exception of the revolving credit facility, all available amounts were borrowed under the senior secured credit facility with an equivalent aggregate value of £2,638 million (2012 - £750 million). Borrowings under the facilities are secured against the assets of certain members of the group.

In addition, a fellow group undertaking has issued senior secured notes which, subject to certain exceptions, share the same guarantees and security which have been granted in favour of the senior secured credit facility. The amount outstanding under the senior secured notes at 31 December 2013 amounted to £4,081 million (2012 - £2,582 million). Borrowings under the notes are secured against the assets of certain members of the group.

During March 2014, a fellow group undertaking of the company, issued (i) \$425 million principal amount of 5.5% senior secured notes due 15 January 2025 (ii) £430 million principal amount of 5.5% senior secured notes due 15 January 2025 and (iii) £225 million principal amount of 6.25% senior secured notes due 28 March 2029. The net proceeds of the issuance of these senior secured notes were used to redeem an equivalent aggregate amount of £875 million of the group's existing senior secured notes.

Flextech Broadcasting Limited

Notes to the Financial Statements

Year ended 31 December 2013

6. Contingent liabilities (continued)

In April 2014, a fellow group undertaking issued a further £175 million principal amount of 6.25% senior secured notes due 28 March 2029. In addition, fellow group undertakings entered into (i) a new £100 million term loan ("Facility D") that matures on 30 June 2022 and (ii) a new £849.4 million term loan ("Facility E") that matures on 30 June 2023, each under the existing senior secured credit facility, and for which all available amounts were borrowed with an equivalent aggregate value of £949.4 million.

On 22 May 2014, the net proceeds from the issuance of the £175 million senior secured notes, along with borrowings under Facility D and Facility E, were used to fully redeem an equivalent aggregate amount of £592.7 million and £600 million of the group's existing senior secured notes and senior secured credit facility respectively.

Following the refinancing activities detailed above, the amounts borrowed under the senior secured credit facility amounted to £1,324.4 million and \$2,755.0 million and the amounts borrowed under the senior secured notes amounted to £2,558.4 million and \$1,872.9 million.

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

7. Related party transactions

In accordance with the exemptions offered by FRS 8 "Related Party disclosures" there is no disclosure in these financial statements of transactions with entities that are part of Liberty Global plc, and its subsidiaries (see note 10).

8. Share capital

Allotted, called up and fully paid:

	2013		2012	
	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>

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

	Share capital	Profit and loss	Total shareholder's
	£000	account	funds
	£000	£000	£000
At 1 January 2012	<u>1,131,810</u>	<u>(1,065,335)</u>	<u>66,475</u>
At 31 December 2012 and 1 January 2013	<u>1,131,810</u>	<u>(1,065,335)</u>	<u>66,475</u>
Profit for the year	<u>—</u>	<u>67,103</u>	<u>67,103</u>
At 31 December 2013	<u>1,131,810</u>	<u>(998,232)</u>	<u>133,578</u>

Flextech Broadcasting Limited

Notes to the Financial Statements

Year ended 31 December 2013

10. Parent undertaking and controlling party

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

The smallest and largest groups of which the company is a member and in to which the company's accounts were consolidated at 31 December 2013 are Virgin Media Finance PLC and Liberty Global plc, respectively

On 7 June 2013 Liberty Global, Inc and Virgin Media Inc completed a series of mergers, which resulted in the company's ultimate parent and controlling party changing to Liberty Global plc

The company's ultimate parent undertaking and controlling party at 31 December 2013 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