

Flextech Broadband Holdings Limited

Financial Statements

31 December 2010

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Flextech Broadband Holdings Limited

Profit and Loss Account

Year ended 31 December 2010

	Note	2010 £000	2009 £000
Administrative expense		—	(39)
Operating loss	3	—	(39)
Attributable to Exceptional items	3	—	(39)
Loss on ordinary activities before taxation		—	(39)
Taxation on loss on ordinary activities	4	—	—
Loss for the financial year		—	(39)

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

All activities relate to discontinued operations

The notes on pages 4 to 8 form part of these financial statements.

Flextech Broadband Holdings Limited**Balance Sheet****31 December 2010**

	Note	2010 £000	2009 £000
Current assets			
Debtors due within one year	5	10	10
Creditors Amounts falling due within one year	6	(624)	(624)
Net current liabilities		(614)	(614)
Total assets less current liabilities		(614)	(614)
Creditors: Amounts falling due after more than one year	7	(1,364)	(1,364)
Net liabilities		(1,978)	(1,978)
Capital and reserves			
Share capital	10	—	—
Profit and loss account		(1,978)	(1,978)
Total deficit		(1,978)	(1,978)

Statements:

- (a) The directors are satisfied that the company was entitled to exemption from audit of the financial statements for the year ended 31 December 2010 by virtue of section 480 of the Companies Act 2006 relating to dormant companies, and that no member or members have requested an audit pursuant to section 476 of the Companies Act 2006
- (b) The directors acknowledge their responsibilities for
- ensuring the company keeps accounting records in accordance with Section 386, and
 - preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit and loss for the financial year in accordance with the requirements of Section 393, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company

These financial statements were approved by the directors on 24 August 2011 and are signed on their behalf by



R C Gale
Director

The notes on pages 4 to 8 form part of these financial statements.

Flextech Broadband Holdings Limited

Notes to the Financial Statements

Year ended 31 December 2010

1. Dormant status

The company was dormant (within the meaning of Section 480 of the Companies Act 2006) throughout the year ended 31 December 2010. The company has not traded during the year. During the year the company received no income and incurred no expenditure and therefore made neither profit nor loss.

2. 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.

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 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 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.

3. Operating loss

Operating loss is stated after charging

	2010 £000	2009 £000
Increase in impairment provision against amounts due from group undertakings	—	39

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. The impairment review of inter-company indebtedness as at 31 December 2010 concluded that there should be no change in the provision against amounts due from group undertakings (2009 - increase of £39,000). The primary drivers for the change in the provision were due to an inter-company debt restructure.

Flextech Broadband Holdings Limited

Notes to the Financial Statements

Year ended 31 December 2010

4. Taxation on ordinary activities

(a) Analysis of charge in the year

The tax charge is made up as follows

	2010 £000	2008 £000
Current tax charge:		
Current tax on loss for the year	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
	<u>-</u>	<u>-</u>
Total tax charge on loss on ordinary activities	<u>-</u>	<u>-</u>

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax of 28% (2009 - 28%)

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

	2010 £000	2009 £000
Loss on ordinary activities before taxation	-	(39)
Loss on ordinary activities multiplied by rate of tax	-	(11)
Expenses not deductible for tax purposes	-	11
Total current tax (note 4(a))	<u>-</u>	<u>-</u>

(c) Factors that may affect future tax charges

There are no factors which may affect the future tax charge

Change in tax rate

As at 31 December 2010 the enacted UK corporation tax rate scheduled to take effect in April 2011 was 27%. A rate reduction to 26% was enacted under the Provisional Collection of Taxes Act in March 2011 with effect from 1 April 2011, and further rate reductions were announced, to be introduced in annual decrements to reduce the rate to 23%. These rate changes will affect the amount of future tax payments to be made by the company

Flextech Broadband Holdings Limited

Notes to the Financial Statements

Year ended 31 December 2010

5. Debtors

	2010	2009
	£000	£000
Amounts owed by group undertakings	<u>10</u>	<u>10</u>

Amounts owed by group undertakings are -

	2010	2009
	£000	£000
Amounts owed by group undertakings	227	227
Impairment provision	<u>(217)</u>	<u>(217)</u>
	<u>10</u>	<u>10</u>

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

6. Creditors: Amounts falling due within one year

	2010	2009
	£000	£000
Amounts owed to group undertakings	<u>624</u>	<u>624</u>

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

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

	2010	2009
	£000	£000
Amounts owed to group undertakings	<u>1,364</u>	<u>1,364</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand but are not expected to be repaid in full within one year

Flextech Broadband Holdings Limited

Notes to the Financial Statements

Year ended 31 December 2010

8. Contingent liabilities

The company, along with fellow group undertakings is party to a senior secured credit facility with a syndicate of banks. As at 31 December 2010 this comprised a term facility of £1,675 million and a revolving facility of £250 million. Borrowings under the facility are secured against the assets of certain members of the group including those of the 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 credit facility. The amount outstanding under the senior secured notes at 31 December 2010 amounted to approximately £1,495 million (2009 - £nil). Borrowings under the notes are secured against the assets of certain members of the group including those of the company.

On 3 March 2011 Virgin Media Secured Finance PLC, a fellow group undertaking, issued £957 million equivalent aggregate principal amount of senior secured notes due in 2021. The notes are split into a \$500 million US dollar denominated tranche and a £650 million sterling denominated tranche. The notes will rank pari passu with Virgin Media's senior secured credit facility and its existing senior secured notes due in 2018 and, subject to certain exceptions, share in the same guarantees and security granted in favour of its senior secured credit facility and its existing senior secured notes due in 2018. The net proceeds from the issuance of the senior secured notes were in part used to repay £900 million of the group's obligations under its senior secured credit facility.

On 20 May 2011, the senior secured credit facility was amended to reduce the margins payable, reduce the outstanding loan balance by £25 million and increase the revolving credit facility from £250 million to £450 million.

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

9. 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 Virgin Media Inc., and its subsidiaries (see note 11).

10. Share capital

Authorised share capital:

	2010	2009
	£000	£000
1,000 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

Allotted, called up and fully paid:

	2010		2009	
	No	£000	No	£000
Ordinary shares of £1 each	<u>2</u>	<u>-</u>	<u>2</u>	<u>-</u>

Flextech Broadband Holdings Limited

Notes to the Financial Statements

Year ended 31 December 2010

11. Parent undertaking and controlling party

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

The smallest and largest groups of which the company is a member and into which the company's accounts are consolidated are Virgin Media Finance Plc & Virgin Media Inc , respectively

The company's ultimate parent undertaking and controlling party at 31 December 2010 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 company secretary, Virgin Media, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP