

COMPANY REGISTRATION NUMBER 7108297

**Virgin Media Investments Limited**  
**Financial Statements**  
**31 December 2010**

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# **Virgin Media Investments Limited**

## **Financial Statements**

**Period from 18 December 2009 to 31 December 2010**

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# Virgin Media Investments Limited

## Company Information

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**The board of directors**

R C Gale  
R M Mackenzie

**Company secretary**

G E James

**Registered office**

Bartley Wood Business Park  
Hook  
Hampshire  
RG27 9UP

**Auditor**

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

# Virgin Media Investments Limited

## The Directors' Report

Period from 18 December 2009 to 31 December 2010

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The directors present their report and the financial statements of the company for the period from 18 December 2009 to 31 December 2010

### Principal activities and business review

The company was incorporated on 18 December 2009. The principal activity of the company was, and will continue to be, that of a holding company. On 1 January 2010, Virgin Media Investments Limited (VMIL) acquired investments in subsidiary undertakings from Virgin Media Investment Holdings Limited (VMIH), a fellow group undertaking. These are disclosed in more detail in note 3. VMIL issued 1,000,141 shares on 5 January 2010 to VMIH as part of this internal reorganisation, with a further 1,489,994 shares issued as contingent consideration on 13 December 2010.

Under the terms of the indentures governing the senior notes issued by Virgin Media Finance PLC and the indentures governing the senior secured notes issued by Virgin Media Secured Finance PLC, VMIL has granted guarantees which are identical to the guarantees granted by VMIH under the same indentures.

The company is a wholly owned subsidiary undertaking of Virgin Media Inc. The Virgin Media group is a leading provider of entertainment and communications services in the UK, offering "quad play" television, broadband internet, fixed line telephony and mobile telephony services.

As at 31 December 2010, the Virgin Media group provided services to approximately 4.8 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 and at 31 December 2010 provided mobile telephone services to approximately 1.9 million prepaid mobile customers and approximately 1.2 million contract mobile customers over third party networks. As of 31 December 2010, approximately 63.0% of residential customers on the group's cable network were "triple play" customers, receiving broadband internet, television and fixed line telephone services from the group and approximately 11.8% were "quad play" customers, also receiving the group's mobile 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. As a result it provides its customers with a leading next generation broadband service and one of the most advanced television on-demand services available in the UK market.

Through Virgin Media Business (formerly ntl Telewest Business), the Virgin Media group provides a complete portfolio of voice, data and internet solutions to businesses, public sector organisations and service providers in the UK. During 2010 the Virgin Media group also had an interest in the UKTV television channels through its joint ventures with BBC Worldwide. On 15 August 2011 the Virgin Media group announced it had reached agreement to sell its stake in UKTV.

The Virgin Media group sold its television channel business known as Virgin Media TV on 12 July 2010.

### Results and dividends

The profit for the financial period amounted to £nil. The directors have not recommended an ordinary dividend.

### Directors

The directors who served the company during the period were as follows:

R C Gale	(Appointed 18 December 2009)
R M Mackenzie	(Appointed 18 December 2009)

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.

# Virgin Media Investments Limited

## The Directors' Report *(continued)*

Period from 18 December 2009 to 31 December 2010

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### Going concern

After making 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.

### 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.

Signed on behalf of the directors



R C Gale  
Director

Approved by the directors on 14 September 2011

# **Virgin Media Investments Limited**

## **Statement of Directors' Responsibilities**

**Period from 18 December 2009 to 31 December 2010**

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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 period. In preparing those 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.

# Virgin Media Investments Limited

## Independent Auditor's Report to the Member of Virgin Media Investments Limited

Period from 18 December 2009 to 31 December 2010

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We have audited the financial statements of Virgin Media Investments Limited for the period from 18 December 2009 to 31 December 2010 which comprise the Balance Sheet and the related notes 1 to 8. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its result for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

# Virgin Media Investments Limited

## Independent Auditor's Report to the Member of Virgin Media Investments Limited *(continued)*

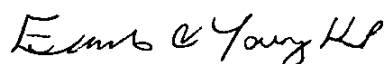
Period from 18 December 2009 to 31 December 2010

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### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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



J I Gordon (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
London

14 September 2011



**Virgin Media Investments Limited****Balance Sheet****31 December 2010**

	Note	31 Dec 10 £000
<b>Fixed assets</b>		
Investments	3	<u>6,022,079</u>
<b>Total assets less current liabilities</b>		<u>6,022,079</u>
<b>Capital and reserves</b>		
Called-up equity share capital	6	2,490
Share premium account	7	<u>6,019,589</u>
<b>Total shareholder's funds</b>	7	<u>6,022,079</u>

These financial statements were approved by the directors on 14 September 2011 and are signed on their behalf by



R C Gale  
Director

The notes on pages 8 to 14 form part of these financial statements.

# Virgin Media Investments Limited

## Notes to the Financial Statements

Period from 18 December 2009 to 31 December 2010

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### 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.

#### *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, Virgin Media Inc.

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

### 2. Profit and loss account

The company did not trade during the period and has made neither a profit nor a loss. No Profit and Loss Account has therefore been prepared.

# Virgin Media Investments Limited

## Notes to the Financial Statements

Period from 18 December 2009 to 31 December 2010

### 3. Investments

	Subsidiary undertakings
	£000
<b>Cost</b>	
At 18 December 2009	-
Additions	6,022,079
At 31 December 2010	<u>6,022,079</u>
<b>Net book value</b>	
At 31 December 2010	<u>6,022,079</u>
At 18 December 2009	<u>-</u>

In the opinion of the directors the value of the investments in subsidiary undertakings is not less than the amount at which they are stated in the financial statements

The company has taken advantage of the exemption under Section 400 of the Companies Act 2006 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 Inc (see note 8)

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. All are registered in England and Wales unless otherwise noted

# Virgin Media Investments Limited

## Notes to the Financial Statements

Period from 18 December 2009 to 31 December 2010

### 3. Investments (continued)

<i>Name of Company</i>	<i>Holdings</i>	<i>Proportion Held</i>	<i>Nature of Business</i>
VMIH Sub Limited	Ordinary	100%	Holding
Virgin Media Limited	Ordinary	100%	Telecoms
Virgin Media Payments Limited	Ordinary	100%#	Collections
BCMV Limited	Ordinary	100%#	Telecoms
ntl Business (Ireland) Limited	Ordinary	100%#	Telecoms
Diamond Cable Communications Limited	Ordinary	100%	Holding
Virgin Mobile Holdings (UK) Limited	Ordinary	100%	Holding
ntl Midlands Limited	Ordinary	100%#	Telecoms
ntl Funding Limited	Ordinary	100%#	Telecoms
NTL (Triangle) LLC	Common Stock	100%#(ii)	Holding
ntl Cambridge Limited	Ordinary	100%#	Telecoms
ntl Irish Holdings Limited	Ordinary	100%#	Telecoms
DTELS Limited	Ordinary	100%#	Telecoms
ntl Rectangle Limited	Ordinary	100%#	Holding
X-Tant Limited	Ordinary	100%#	Telecoms
ntl (South Hertfordshire) Limited	Ordinary	100%#	Telecoms
ntl CableComms Limited	Ordinary	100%#	Telecoms
ntl CableComms Bolton	Ordinary	100%#(i)	Telecoms
ntl CableComms Bromley	Ordinary	100%#(i)	Telecoms
ntl CableComms Bury and Rochdale	Ordinary	100%#(i)	Telecoms
ntl CableComms Cheshire	Ordinary	100%#(i)	Telecoms
ntl CableComms Derby	Ordinary	100%#(i)	Telecoms
ntl CableComms Greater Manchester	Ordinary	100%#(i)	Telecoms
ntl CableComms Macclesfield	Ordinary	100%#(i)	Telecoms
ntl CableComms Oldham and Tameside	Ordinary	100%#(i)	Telecoms
ntl CableComms Solent	Ordinary	100%#(i)	Telecoms
ntl CableComms Staffordshire	Ordinary	100%#(i)	Telecoms
ntl CableComms Stockport	Ordinary	100%#(i)	Telecoms
ntl CableComms Surrey	Ordinary	100%#(i)	Telecoms
ntl CableComms Sussex	Ordinary	100%#(i)	Telecoms
ntl CableComms Wessex	Ordinary	100%#(i)	Telecoms
ntl CableComms Wirral	Ordinary	100%#(i)	Telecoms
ntl Wirral Telephone and Cable TV Company	Ordinary	100%#(i)	Telecoms

# held by subsidiary undertaking

(i) unlimited company

(ii) incorporated in the USA

(iii) registered in Luxembourg

(iv) registered in Scotland

(v) joint venture

(vi) registered in Jersey

# Virgin Media Investments Limited

## Notes to the Financial Statements

Period from 18 December 2009 to 31 December 2010

### 3. Investments *(continued)*

<i>Name of Company</i>	<i>Holdings</i>	<i>Proportion Held</i>	<i>Nature of Business</i>
ntl Communications Services Limited	Ordinary	100%#	Telecoms
ntl (CWC) Limited	Ordinary	100%#	Telecoms
ntl Business Limited	Ordinary	100%	Telecoms
Virgin Net Limited	Ordinary	100%#	Telecoms
Telewest UK Limited	Ordinary	100%	Telecoms
Blueyonder Workwise Limited	Ordinary	100%#	Telecoms
Virgin Media Business Limited (changed name from Imminus Limited on 11 February 2010)	Ordinary	100%#	Telecoms
Telewest Communications (South West) Limited	Ordinary	100%#	Telecoms
Telewest Communications (Cotswolds) Limited	Ordinary	100%#	Telecoms
Cable London Limited	Ordinary	100%#	Telecoms
Cable Camden Limited	Ordinary	100%#	Telecoms
Cable Enfield Limited	Ordinary	100%#	Telecoms
Cable Hackney & Islington Limited	Ordinary	100%#	Telecoms
Cable Haringey Limited	Ordinary	100%#	Telecoms
Birmingham Cable Limited	Ordinary	100%#	Telecoms
Birmingham Cable Finance Limited	Ordinary	100%#(vi)	Telecoms
Eurobell (Holdings) Limited	Ordinary	100%#	Telecoms
Eurobell (Sussex) Limited	Ordinary	100%#	Telecoms
Eurobell (South West) Limited	Ordinary	100%#	Telecoms
Eurobell (West Kent) Limited	Ordinary	100%#	Telecoms
Eurobell Internet Services Limited	Ordinary	100%#	Telecoms
Telewest Communications Networks Limited	Ordinary	100%#	Holding
Telewest Communications (London South) Limited	Ordinary	100%#	Telecoms
Telewest Communications (South East) Limited	Ordinary	100%#	Telecoms
Telewest Communications (South Thames Estuary) Limited	Ordinary	100%#	Holding
Telewest Communications (Midlands & North West) Limited	Ordinary	100%#	Telecoms
M&NW Network Limited	Ordinary	100%#	Telecoms
M&NW Network II Limited	Ordinary	100%#	Telecoms
Telewest Communications (Cumbernauld) Limited	Ordinary	100%#(iv)	Telecoms
Telewest Communications (Dumbarton) Limited	Ordinary	100%#(iv)	Telecoms
Telewest Communications (Dundee & Perth) Limited	Ordinary	100%#(iv)	Telecoms
Telewest Communications (Falkirk) Limited	Ordinary	100%#(iv)	Telecoms

# held by subsidiary undertaking

(i) unlimited company

(ii) incorporated in the USA

(iii) registered in Luxembourg

(iv) registered in Scotland

(v) joint venture

(vi) registered in Jersey

# Virgin Media Investments Limited

## Notes to the Financial Statements

Period from 18 December 2009 to 31 December 2010

### 3. Investments (continued)

<i>Name of Company</i>	<i>Holdings</i>	<i>Proportion Held</i>	<i>Nature of Business</i>
Telewest Communications (Glenrothes) Limited	Ordinary	100%#(iv)	Telecoms
Telewest Communications (Motherwell) Limited	Ordinary	100%#(iv)	Telecoms
Telewest Communications (Scotland) Limited	Ordinary	100%#(iv)	Telecoms
Telewest Communications (North East) Limited	Ordinary	100%#	Telecoms
Yorkshire Cable Communications Limited	Ordinary	100%#	Telecoms
Barnsley Cable Communications Limited	Ordinary	100%#	Telecoms
Doncaster Cable Communications Limited	Ordinary	100%#	Telecoms
Halifax Cable Communications Limited	Ordinary	100%#	Telecoms
Sheffield Cable Communications Limited	Ordinary	100%#	Telecoms
Wakefield Cable Communications Limited	Ordinary	100%#	Telecoms
Middlesex Cable Limited	Ordinary	100%#	Telecoms
Windsor Television Limited	Ordinary	100%#	Telecoms
Virgin Media Wholesale Limited (changed name from Telewest Communications Group Limited on 11 February 2010)	Ordinary	100%#	Telecoms
Bluebottle Call Limited	Ordinary	100%#	Telecoms
Virgin Mobile Group (UK) Limited	Ordinary	100%#	Telecoms
Virgin Mobile Telecoms Limited	Ordinary	100%#	Telecoms
Future Entertainment Sàrl			Television
Interactive Digital Sales Limited	Ordinary	100%#(iii)	services
Flextech B Limited (changed name from Bravo TV Limited on 20 July 2010)	Ordinary	100%#	Content
Flextech L Limited (changed name from Living TV Limited on 20 July 2010)	Ordinary	100%#	Content
Flextech C (changed name from Challenge TV on 20 July 2010)	Ordinary	100%#	Content
Flextech Broadband Limited	Ordinary	100%#(i)	Content
UK Channel Management Limited	Ordinary	100%#	Content
UK Gold Holdings Limited	Ordinary	50%#(v)	Content
UKTV New Ventures Limited	Ordinary	50%#(v)	Content

(i) unlimited company

(ii) incorporated in the USA

(iii) registered in Luxembourg

(iv) registered in Scotland

(v) joint venture

(vi) registered in Jersey

The company has taken advantage of Section 405(2) 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

# Virgin Media Investments Limited

## Notes to the Financial Statements

Period from 18 December 2009 to 31 December 2010

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### 4. 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.

### 5. 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 8).

### 6. Share capital

Allotted, called up and fully paid:

	No	£000
Ordinary shares of £1 each	<u>2,490,137</u>	<u>2,490</u>

# Virgin Media Investments Limited

## Notes to the Financial Statements

Period from 18 December 2009 to 31 December 2010

### 7. Reconciliation of shareholder's funds and movement on reserves

	Share capital £000	Share premium account £000	Profit and loss account £000	Total share- holder's funds £000
At 18 December 2009	—	—	—	—
Issue of new share capital	2,490	6,019,589	—	6,022,079
At 31 December 2010	2,490	6,019,589	—	6,022,079

On January 1, 2010, the company acquired Virgin Media Investment Holdings Limited's (VMIH) shareholdings in its wholly owned subsidiaries other than Virgin Media Secured Finance PLC which remains a subsidiary of VMIH. The company issued 1,000,141 shares to VMIH as part of this internal restructuring with a second issuance of 1,489,944 shares from the company to VMIH occurring on 13 December 2010. Upon completion of this internal restructuring, the company attained 100% voting interests in the operating subsidiaries previously owned by its parent company, VMIH. The internal restructuring has been executed in accordance with the guidance permissible for reorganizations between wholly owned subsidiaries such that the historic values of all assets and liabilities acquired have been carried over with no new purchase accounting considered.

### 8. Parent undertaking and controlling party

The company's immediate parent undertaking is Virgin Media Investment Holdings 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 and 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.