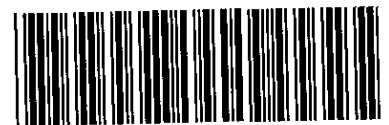


VIRGIN MEDIA SECURED FINANCE PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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VIRGIN MEDIA SECURED FINANCE PLC

COMPANY INFORMATION

Directors	M O Hfizi R G McNeil L Milner C B E Withers
Company secretary	G E James
Registered number	07108352
Registered office	500 Brook Drive Reading United Kingdom RG2 6UU

VIRGIN MEDIA SECURED FINANCE PLC

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VIRGIN MEDIA SECURED FINANCE PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and non-audited financial statements for the year ended 31 December 2020.

Results and dividends

The loss for the year, after tax, amounted to £33,310,000 (2019 - £63,130,000).

The directors have not recommended an ordinary dividend (2019 - £nil).

Directors

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

W T Castell (resigned 9 March 2020)
M O Hfizi
R G McNeil (appointed 9 March 2020)
L Milner (appointed 1 March 2021)
S-P Pascu (appointed 3 March 2020, resigned 16 November 2020)
C B E Withers (appointed 23 April 2020)

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. Consideration of the on-going impact of COVID-19 has not altered this conclusion.

Post balance sheet events

Joint venture transaction

On 7 May 2020, Liberty Global entered into a Contribution Agreement with, among others, Telefonica, SA (Telefonica). Pursuant to this agreement, Liberty Global and Telefonica agreed to form a 50:50 joint venture, which will combine Virgin Media's operations in the UK with Telefonica's mobile business in the UK to create a nationwide integrated communications provider. The formation of the joint venture was completed on 1 June 2021.

Audit exemption

Virgin Media Finance PLC issued a guarantee against all outstanding liabilities to which the company is subject as at 31 December 2020, 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 2020 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.

This report was approved by the board on June 2021 and signed on its behalf.



C B E Withers
Director

VIRGIN MEDIA SECURED FINANCE PLC

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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;
- assess the company's ability to continue as a going concern, disclosed, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

VIRGIN MEDIA SECURED FINANCE PLC

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
Administrative income		87,209	116,606
Operating profit	4	87,209	116,606
Finance income	6	238,703	265,019
Finance costs	7	(360,132)	(439,975)
Loss before tax		(34,220)	(58,350)
Income tax benefit/(expense)	8	910	(4,780)
Loss for the year		(33,310)	(63,130)

The notes on pages 6 to 19 form part of these financial statements.

There was no other comprehensive income or expenditure for 2020 or 2019 other than that included in the profit and loss account.

All results were derived from continuing operations.

VIRGIN MEDIA SECURED FINANCE PLC
REGISTERED NUMBER: 07108352

BALANCE SHEET
AS AT 31 DECEMBER 2020

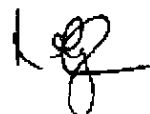
	Note	2020 £000	2019 £000
Current assets			
Debtors: amounts falling due after more than one year	9	4,328,165	4,446,388
Debtors: amounts falling due within one year	9	286,208	222,035
Cash and cash equivalents		430	8
		4,614,803	4,668,431
Creditors: amounts falling due within one year	10	(125,939)	(130,785)
Net current assets		4,488,864	4,537,646
Total assets less current liabilities		4,488,864	4,537,646
Creditors: amounts falling due after more than one year	11	(4,464,215)	(4,478,791)
Deferred taxation	13	-	(896)
Net assets		24,649	57,959
Capital and reserves			
Ordinary shares	14	50	50
Retained earnings	15	24,599	57,909
Total shareholder's funds		24,649	57,959

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for the preparation of financial statements.

The company's financial statements have been delivered in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on June 2021.



L Milner
Director

The notes on pages 6 to 19 form part of these financial statements.

VIRGIN MEDIA SECURED FINANCE PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Ordinary shares	Retained earnings	Shareholder's funds
	£000	£000	£000
Balance as at 1 January 2020	50	57,909	57,959
Comprehensive income for the year			
Loss for the year	-	(33,310)	(33,310)
Balance as at 31 December 2020	50	24,599	24,649

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Ordinary shares	Retained earnings	Shareholder's funds
	£000	£000	£000
Balance as at 1 January 2019	50	121,039	121,089
Comprehensive income for the year			
Loss for the year	-	(63,130)	(63,130)
Balance as at 31 December 2019	50	57,909	57,959

The notes on pages 6 to 19 form part of these financial statements.

VIRGIN MEDIA SECURED FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Company Information

Virgin Media Secured Finance PLC (the "company") is a public limited company incorporated, domiciled and registered in the UK. The registered number is 07108352 and the registered address is 500 Brook Drive, Reading, United Kingdom, RG2 6UU.

2. Accounting policies

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

2.1 Basis of accounting

These financial statements have been prepared on a going concern basis, and under the historical cost basis in accordance with the Companies Act 2006 and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The company's intermediate parent undertaking, Virgin Media Finance PLC includes the company in its consolidated financial statements. The consolidated financial statements of Virgin Media Finance PLC are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 500 Brook Drive, Reading, United Kingdom, RG2 6UU.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital;
- disclosures in respect of related party transactions with fellow group undertakings;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of the compensation of key management personnel; and
- disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Virgin Media Finance PLC include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- certain disclosures required by IFRS 13 fair value measurement and the disclosures required by IFRS 7 financial instrument disclosures.

VIRGIN MEDIA SECURED FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.2 Going concern

The financial statements have been approved on the assumption that the company remains a going concern. The following paragraphs summarise the basis on which the directors have reached their conclusion.

It is Virgin Media's practice for operational and financial management to be undertaken at a group level rather than for individual entities that are wholly owned by the group. Treasury operations and cash management for all of Liberty Global's wholly owned subsidiaries are managed on a Liberty Global group basis. As part of normal business practice, regular cash flow forecasts for both short and long term commitments are undertaken at group level.

Forecasts and projections prepared for the Virgin Media group as a whole, indicate that cash on hand, together with cash from operations, repayment of amounts due to Virgin Media from the Liberty Global group and undrawn revolving credit facilities, are expected to be sufficient for the Virgin Media group's and hence the company's cash requirements through to at least 12 months from the approval of these financial statements. The group has indicated its intention to continue to make such funds available to the company as are needed.

Whilst the detailed cash flow forecasts are prepared at the group level, the directors have also assessed the position of the company. This assessment indicates that, taking account of reasonably possible downsides, the company will have sufficient resources, through funding from fellow subsidiary companies to meet its liabilities as they fall due for that period.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and have prepared the financial statements on a going concern basis. Consideration of the on-going impact of COVID-19 has not altered this conclusion.

2.3 Finance income

Finance income is recognised as interest accrues according to the effective interest rate method, which uses the rate that discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount.

2.4 Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently reported at amortised cost, net of an allowance for impairment of trade receivables.

The company uses a forward looking impairment model which uses a lifetime expected loss allowance which is estimated based upon our assessment of anticipated loss related to uncollectible accounts receivable. We use a number of factors in determining the allowance, including, among other things, collection trends, prevailing and anticipated economic conditions, and specific customer credit risk. The allowance is maintained until either payment is received or the likelihood of collection is considered to be remote.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less.

2.6 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Creditors are presented as amounts falling due within one year unless payment is not due within 12 months after the reporting period.

VIRGIN MEDIA SECURED FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.7 Loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance income and finance costs using the effective interest method.

Finance costs which are incurred in connection with the issuance of debt are deferred and set off against the borrowings to which they relate. Deferred finance costs are amortised over the term of the related debt using the effective interest method.

Borrowings are classified as creditors: amounts falling due within one year unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period in which case they are classified as creditors: amounts falling due after more than one year.

2.8 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside of profit or loss.

Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.9 Derivative financial instruments

The group has established policies and procedures to govern the management of its exposure to interest rate and foreign currency exchange rate risks, through the use of derivative financial instruments, including interest rate swaps, cross currency interest rate swaps and foreign currency forward rate contracts.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at each balance sheet date.

Derivatives are recognised as financial assets when the fair value is positive and as liabilities when the fair value is negative.

The foreign currency forward rate contracts, interest rate swaps and cross currency interest rate swaps are valued using internal models based on observable inputs, counterparty valuations or market transactions in either the listed or over-the-counter markets, adjusted for non-performance risk. Non-performance risk is based upon quoted credit default spreads for counterparties to the contracts and swaps. Derivative contracts which are subject to master netting arrangements are not offset and have not provided, nor require, cash collateral with any counterparty.

While these instruments are subject to the risk of loss from changes in exchange rates and interest rates, these losses would generally be offset by gains in the related exposures. Financial instruments are only used to hedge underlying commercial exposures. The group does not enter into derivative financial instruments for speculative trading purposes, nor does it enter into derivative financial instruments with a level of complexity or with a risk that is greater than the exposure to be managed.

For derivatives which are designated as hedges the hedging relationship is documented at its inception. This documentation identifies the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how effectiveness will be measured throughout its duration. Such hedges are expected at inception to be highly effective.

The group designates certain derivatives as either fair value hedges, when hedging exposure to variability in the fair value of recognised assets or liabilities or firm commitments, or as cashflow hedges, when hedging exposure to variability in cash flows that are either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

Derivatives that are not part of an effective hedging relationship, as set out in IFRS 9 financial instruments (IFRS 9), must be classified as held for trading and measured at fair value through profit or loss.

The treatment of gains and losses arising from revaluing derivatives designated as hedging instruments depends upon the nature of the hedging relationship and are treated as follows:

Cash flow hedges

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while the ineffective portion is recognised in profit or loss. Amounts taken to other comprehensive income are reclassified to the profit and loss account when the hedged transaction is recognised in profit or loss, such as when a forecast sale or purchase occurs, in the same line of the profit and loss account as the recognised hedged item. Where the hedged item is the cost of a non-financial asset or liability, the gains and losses previously accumulated in equity are transferred to the initial measurement of the cost of the non-financial asset or liability.

If a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in other comprehensive income remain in equity until the forecast transaction occurs and are reclassified to the profit and loss account.

Fair value hedges

For fair value hedges, the changes in the fair value of the hedging instrument are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the line of the profit and loss account relating to the hedged item.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, then the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

VIRGIN MEDIA SECURED FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.10 Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. The resulting exchange differences are taken to the profit and loss account.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the process of applying the company's accounting policies which are described above, management has not made any critical judgements that have a significant effect on the amounts recognised in the financial statements, except for:

Estimates and assumptions

Recoverability of intercompany receivables

Intercompany receivables are stated at their recoverable amount less any necessary provision. Recoverability of intercompany receivables is assessed annually and a provision is recognised if any indications exist that the receivable is not considered recoverable.

Fair value measurement of financial instruments

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (see note 12).

Judgements

Deferred tax assets

Deferred tax assets are recognised for unused tax losses and allowances to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

4. Operating profit

The operating profit is stated after crediting:

	2020 £000	2019 £000
Gain on foreign currency translation	87,280	116,685

The directors received no remuneration for the qualifying services as directors of this company. All director's remuneration for those which were in office during 2020 and 2019 was paid by and disclosed in the financial statements of Virgin Media Limited.

5. Employees

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

VIRGIN MEDIA SECURED FINANCE PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Finance income

	2020 £000	2019 £000
Interest on amounts owed by group undertakings	238,703	264,986
Other finance income	-	33
	238,703	265,019

7. Finance costs

	2020 £000	2019 £000
Interest payable and other finance costs on senior secured notes	239,876	276,972
Net loss on derivative financial instruments	63,754	9,373
Loss on debt extinguishment	56,502	153,630
	360,132	439,975

The loss on derivative instruments relates to fair value movements recorded within the profit and loss account.

VIRGIN MEDIA SECURED FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

8. Income tax (benefit)/expense

Tax (benefit)/expense included in profit or loss:

	2020 £000	2019 £000
Current tax	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of temporary differences	(910)	4,780
Total deferred tax	(910)	4,780
Tax on loss	(910)	4,780

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%). The differences are explained below:

	2020 £000	2019 £000
Loss before tax	(34,220)	(58,350)
Loss multiplied by standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%)	(6,502)	(11,087)
Effects of:		
Group relief surrendered without payment	5,487	16,430
Other timing differences	105	(563)
Tax (benefit)/expense	(910)	4,780

Factors affecting current and future tax charges

In the 11 March 2020 Budget it was announced that the UK tax rate will remain at 19% and not reduce to 17% from 1 April 2020. The 19% rate was enacted in the Finance Bill 2020 on 22 July 2020. In the 3 March 2021 Budget, it was announced that the UK tax rate would increase to 25% from 1 April 2023.

This will have a consequential effect on the company's future tax charge. If this rate change had been substantively enacted at the current balance sheet date the deferred tax asset would have increased by approximately £4,292.

The deferred tax assets and liabilities have been calculated using the enacted rate of 19% as at the current balance sheet date (2019 - 17%).

VIRGIN MEDIA SECURED FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

9. Debtors

	2020 £000	2019 £000
Due after more than one year		
Amounts owed by group undertakings	4,211,231	4,332,183
Deferred tax asset	14	-
Financial instruments	116,920	114,205
	4,328,165	4,446,388
	2020 £000	2019 £000
Due within one year		
Amounts owed by group undertakings	271,931	208,917
Financial instruments	14,277	13,118
	286,208	222,035

The analysis of amounts owed by group undertakings is:

	2020 £000	2019 £000
Loans advanced to group undertakings	4,233,396	4,514,814
Other amounts owed to group undertakings	249,766	26,286
	4,483,162	4,541,100

Loans advanced to group undertakings represent loan notes which had a carrying value of £4,233,396,000 (2019 - £4,514,814,000) at the balance sheet date. Loan notes are denominated in sterling and U.S. dollar, which bear interest ranging from 4.7% to 5.63% (2019 - 4.64% to 5.63%) and mature between the period April 2026 to July 2027 or are repayable on demand.

Other amounts owed by group undertakings are unsecured, interest free and repayable on demand.

VIRGIN MEDIA SECURED FINANCE PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Creditors: amounts falling due within one year

	2020	2019
	£000	£000
Amounts owed to group undertakings	63,169	61,180
Accruals and deferred income	58,899	69,183
Derivative financial instruments	3,871	422
	125,939	130,785

The analysis of amounts owed to group undertakings is:

	2020	2019
	£000	£000
Other amounts owed to group undertakings	63,169	61,180

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

VIRGIN MEDIA SECURED FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

11. Creditors: amounts falling due after more than one year

	2020 £000	2019 £000
Senior secured notes	4,381,411	4,471,776
Derivative financial instruments	82,804	7,015
	4,464,215	4,478,791
	2020 £000	2019 £000
Amounts falling due more than after five years		
4.875% senior secured notes due 2027 (principal at maturity £525 million)	-	525,000
6.25% senior secured notes due 2029 (principal at maturity £360 million)	-	361,981
5.5% senior secured notes due 2026 (principal at maturity \$750 million)	549,410	565,483
5.0% senior secured notes due 2027 (principal at maturity £675 million)	675,000	675,000
6.0% senior secured notes due 2025 (principal at maturity £521 million)	-	540,116
5.5% senior secured notes due 2029 (principal at maturity \$1,425 million)	1,050,403	1,081,941
5.25% senior secured notes due 2029 (principal at maturity £340 million)	341,060	341,160
4.25% senior secured notes due 2030 (principal at maturity £400 million)	-	400,000
4.25% senior secured notes due 2030 (principal at maturity £635 million)	630,955	-
4.5% senior secured notes due 2030 (principal at maturity \$915 million)	674,102	-
4.125% senior secured notes due 2030 (principal at maturity £480 million)	479,409	-
	4,400,339	4,490,681
Carrying value of bank and other borrowings		
Less: issue costs	(18,928)	(18,905)
	4,381,411	4,471,776

Virgin Media financing transactions

In June 2020, the company issued 2030 senior secured notes with principal amounts of \$650 million and £450 million. The net proceeds from the issuance of these notes were used (1) to redeem in full £525 million outstanding principal amounts of existing 2027 senior secured notes, (2) to redeem in full £360 million outstanding principal amounts of existing 2029 senior secured notes and (3) £80 million of the £521.3 million outstanding principal amount of existing 2025 senior secured notes.

In November 2020, the company issued, via a private placement 2030 senior secured notes with principal amounts of \$265 million, £235 million and £30 million. The net proceeds from the issuance of these notes were used (1) redeem in full £441.3 million outstanding principal amounts of existing 2025 senior secured notes and (2) for general corporate purposes.

The new senior secured notes rank pari-passu with the group's existing senior secured notes and senior secured credit facility, and subject to certain exceptions, share in the same guarantees and security granted in favour of its existing senior secured notes.

Other 2020 financing transactions

In September 2020, in connection with the pending formation of the UK JV, a fellow subsidiary entered into a £1,300 million term loan facility. At 31 December 2020, the term loan facility is undrawn and only available to be drawn and utilised upon completion of the planned joint venture between Virgin Media's and Telefonica's UK operations. Accordingly the group's unused borrowing capacity at 31 December 2020, excludes the availability of the term loan facility.

VIRGIN MEDIA SECURED FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

12. Financial instruments

	2020 £000	2019 £000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	4,483,162	4,541,100
Financial assets measured at fair value through profit or loss	131,627	127,330
	<u>4,614,789</u>	<u>4,668,430</u>
Financial liabilities		
Financial liabilities measured at amortised cost	4,503,479	4,602,139
Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio	86,675	7,437
	<u>4,590,154</u>	<u>4,609,576</u>

Financial assets measured at amortised cost comprise amounts owed by group undertakings.

Financial assets measured at fair value through profit or loss comprise cash at bank and derivative financial instruments.

Financial liabilities measured at amortised cost comprise senior secured notes not measured at fair value through profit or loss, issue costs of all senior secured notes, interest payable on senior secured notes, amounts owed to group undertakings, accruals and deferred income.

The group manages its treasury operations on a group basis and consequently derivative financial instruments are designed to mitigate the risks experienced by the group as a whole rather than a specific company. The group has obligations in a combination of US dollars and sterling at fixed and variable interest rates. As a result, the group is exposed to volatility in its cash flows and earnings resulting from changes in foreign currency exchange rates and interest rates.

The group's objective in managing its exposure to interest rate and foreign currency exchange rates is to decrease the volatility of its earnings and cash flows caused by changes in the underlying rates. The group has established policies and procedures to govern these exposures and has entered into derivative financial instruments including interest rate swaps, cross currency interest swaps and foreign currency forward rate contracts. It is the group's policy not to enter into derivative financial instruments for speculative trading purposes, nor to enter into derivative financial instruments with a level of complexity or with a risk that is greater than the exposure to be managed.

The derivative financial instruments held by the company are recorded at fair value on the balance sheet in accordance with IFRS 9 financial instruments. The fair values of these derivative financial instruments are valued using internal models based on observable inputs, counterparty valuations, or market transactions in either the listed or over-the-counter markets, adjusted for nonperformance risk.

The fair values of derivative financial instruments recognised in the balance sheet of the company are as follows:

VIRGIN MEDIA SECURED FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

12. Financial Instruments (continued)

	2020 £000	2019 £000
Non current assets (note 9)		
Cross currency swaps	102,303	110,387
Interest rate swaps	14,617	3,818
Current assets (note 9)		
Cross currency swaps	14,277	13,118
Non current liabilities (note 11)		
Cross currency swaps	(80,575)	(6,039)
Interest rate swaps	(2,229)	(976)
Current liabilities (note 10)		
Cross currency swaps	(2,283)	-
Interest rate swaps	(1,588)	(422)
Aggregate net fair value of derivative financial instruments	44,522	119,886

Cross currency swaps

The company has entered into cross currency swaps with principal amounts of \$2,070 million (2019 - \$1,420 million).

The terms of the outstanding cross currency swaps that are used to mitigate the foreign exchange and interest rate risk relating to the pound sterling value of interest payments on US dollar denominated senior notes at 31 December 2020 were as follows:

Final maturity date	Hedge type	Notional amount due from counterparty \$000	Notional amount due to counterparty £000	Weighted average interest rate due from counterparty	Weighted average interest rate due to counterparty
May 2027	Not designated	420,000	323,000	5.500%	LIBOR+3.24%
April 2023	Not designated	1,000,000	641,000	6.375%	6.000%
August 2028	Not designated	650,000	521,000	4.500%	4.498%
		2,070,000	1,485,000		

Interest rate swaps

At 31 December 2020, the company had outstanding interest rate swap agreements to manage the exposure to volatility in future cash flows on interest payments, which accrue on a variable basis based on LIBOR.

The terms of the outstanding interest rate swaps that are used to mitigate the foreign exchange and interest rate risk relating to the pound sterling value of interest payments on US dollar denominated senior notes at 31 December 2020 were as follows:

Final maturity date	Hedge type	Notional amount due from counterparty 000	Notional amount due to counterparty 000	Weighted average interest rate due from counterparty	Weighted average interest rate due to counterparty
May 2023	Not designated	£146,000	£146,000	1.1125%	LIBOR+0.00%
January 2025	Not designated	\$354,500	\$354,500	2.2669%	LIBOR+0.00%

VIRGIN MEDIA SECURED FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

13. Deferred tax

	2020 £000	2019 £000
At 1 January 2020	(896)	3,884
Credited/(charged) to profit or loss	910	(4,780)
At 31 December 2020	14	(896)

The deferred tax asset/(liability) is made up as follows:

	2020 £000	2019 £000
Short term temporary timing differences	14	(896)

14. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
50,000 (2019 - 50,000) Ordinary shares of £1 each	50,000	50,000

15. Retained earnings

Includes all current and prior year retained profits and losses net of dividends paid.

16. Guarantees

The company, along with fellow group undertakings, is party to a senior secured credit facility with a syndicate of banks. As at 31 December 2020, this comprised term facilities that amounted to £3,982 million (2019 - £4,015 million) and revolving credit facilities of £1,000 million (2019 - £1,000 million), which were undrawn as at 31 December 2019 and 2020. Borrowings under the facilities are secured against the assets of certain members of the group including those of this 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 secured credit facility. The amount outstanding under the senior secured notes at 31 December 2020 amounted to £4,400 million (2019 - £4,491 million). Borrowings under the notes are secured against the assets of certain members of the group including those of this company.

Furthermore, a fellow group undertaking has issued senior notes for which the company, along with certain fellow group undertakings, has guaranteed the notes on a senior subordinated basis. The amount outstanding under the senior notes as at 31 December 2020 amounted to approximately £1,127 million (2019 - £1,194 million).

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

VIRGIN MEDIA SECURED FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

17. 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 in to which the company's accounts were consolidated at 31 December 2020 are Virgin Media Finance PLC and Liberty Global plc, respectively.

The company's ultimate parent undertaking and controlling party at 31 December 2020 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, 500 Brook Drive, Reading, United Kingdom, RG2 6UU.

In addition copies of the consolidated Liberty Global plc accounts are available on Liberty Global's website at www.libertyglobal.com or from the company secretary, Liberty Global plc, Griffin House, 161 Hammersmith Road, London, United Kingdom W6 8BS.

18. Post balance sheet events

Joint venture transaction

On 7 May 2020, Liberty Global entered into a Contribution Agreement with, among others, Telefonica, SA (Telefonica). Pursuant to this agreement, Liberty Global and Telefonica agreed to form a 50:50 joint venture, which will combine Virgin Media's operations in the UK with Telefonica's mobile business in the UK to create a nationwide integrated communications provider. The formation of the joint venture was completed on 1 June 2021.