

Registered number: 10362628

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	J L Boyle M D Hardman
Company secretary	VMED O2 Secretaries Limited
Registered number	10362628
Registered office	500 Brook Drive Reading United Kingdom RG2 6UU
Independent auditor	KPMG LLP 1 St Peter's Square Manchester M2 3AE

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

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VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Principal activities and business review

Virgin Media Senior Investments Limited (the 'company') is a wholly-owned subsidiary of VMED O2 UK Limited (VMED O2) (the group).

The principal activity of the company during the year was, and will continue to be, that of a holding company. The investments of the company are shown in note 18.

VMED O2 is an integrated communications provider of mobile, broadband internet, video and fixed-line telephony to residential customers and businesses in the United Kingdom (UK). As of 31 December 2021, the primary subsidiaries of VMED O2 include (i) Virgin Media Inc. and its subsidiaries (collectively, Virgin Media), (ii) VMED O2 UK Holdco 1 Limited and its subsidiaries (collectively, O2) and (iii) VMED O2 UK Financing I plc.

VMED O2 is a 50:50 joint venture formed on 1 June 2021 between Liberty Global plc (Liberty Global) and Telefonica, SA (Telefonica) (the JV Transaction). Combining the operations of Virgin Media Inc. and its subsidiaries in the UK with the operations of O2 Holdings Limited and its subsidiaries in the UK (the joint venture). Further detail of the joint venture is provided in the Consolidated Annual Report of VMED O2 UK Holdings Limited, which is available from the company secretary at 500 Brook Drive, Reading, United Kingdom, RG2 6UU.

VMED O2 is an integrated communications provider of mobile, broadband internet, video and fixed-line telephony services to residential customers and businesses in the UK.

At 31 December 2021, the group's fixed-line network passed 15.6 million homes and served 5.8 million fixed-line customers with 5.6 million customers taking a broadband internet product. In addition, at 31 December 2021, the group served 32.2 million retail mobile connections and 10.0 million wholesale mobile connections.

Under the Virgin Media brand, the group provides broadband internet, video, fixed-line telephony, mobile ("Mobile - Virgin Media MVNO based offerings") and broadcasting services in the UK. The group is one of the UK's largest providers of residential communications services in terms of the number of customers. The group believes its advanced, deep-fibre cable access network enables the group to offer faster and higher quality broadband internet services than digital subscriber line (DSL) market participants. As a result, the group provides its customers with a leading next generation broadband internet service and one of the most advanced interactive television services available in the UK market.

Virgin Media provides mobile services to customers in the UK using third-party networks through mobile virtual network operator (MVNO) arrangements. Following the formation of the joint venture, these services will migrate to the group's own mobile network and these MVNO arrangements will be unwound.

In addition, through the Virgin Media Business brand, the group provides broadband internet, fixed-line and mobile telephony and other connectivity services to businesses, public sector organisations and service providers in the UK across its fixed-line network.

The group's mobile network is operated under the O2 brand and is a leading UK mobile network operator (MNO), whose primary business is providing mobile telecommunications and related services, to consumer and business customers. Under the premium O2 brand, the group offers a comprehensive range of mobile services and products to consumer and business customers, including mobile voice, messaging and data services, and sales of handsets, tablets, wearable devices and other hardware. In addition, the group offers a wide range of value-add services and products including Wi-Fi services, security services, cloud services, digital payment services, certain fixed-line services for businesses and insurance products. O2 has also developed innovative value-add services and products, including services and products relating to the 'Internet of Things', insurance, and big-data and insight services for businesses. Through its digital loyalty program, Priority, O2 offers its customers a range of exclusive deals and perks and this program was extended to the group's fixed-line customers in November 2021.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Principal activities and business review (continued)

In addition, O2 provides MVNO based offerings, through its digital brand giffgaff, providing telecommunications services to the consumer mobile segment.

Principal risks and uncertainties

Financial and operational risk management is undertaken as part of the group operations as a whole. The company's operations expose it to a variety of operational and financial risks. These are considered in more detail in the Consolidated Annual Report of VMED O2 UK Holdings Limited, which is available from the company secretary at 500 Brook Drive, Reading, United Kingdom, RG2 6UU.

Brexit

Following the UK's departure from the European Union (EU), the group has not identified any material adverse effect on the group's business, financial condition, results of operations or liquidity. The group does not anticipate any material effect going forwards and will continue to monitor any potential risk that may arise as the government continues to negotiate trade deals.

COVID-19

The global COVID-19 pandemic continues to adversely impact the economy of the UK. However, during the year ended 31 December 2021, the adverse impact on the group was relatively minimal as demand for products and services remained strong. It is not currently possible to estimate the duration and severity of the COVID-19 pandemic or the full adverse economic impact resulting from the preventative measures taken to contain or mitigate its outbreak, therefore no assurance can be given that an extended period of global economic disruption would not have a material adverse impact on the group's business, financial condition and results of operations in future periods.

Key performance indicators (KPIs)

The directors do not use KPIs to assess the performance of the company as its principal activity is that of a holding company.

Future outlook

It is the intention of the directors that this entity continue to operate as a holding company. 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 the Consolidated Annual Report of VMED O2 UK Holdings Limited, which is available from the company secretary at 500 Brook Drive, Reading, United Kingdom, RG2 6UU.

Section 172 Statement

As directors we have a responsibility to promote the success of the company in good faith for the benefit of our shareholders whilst having regard, at least, to the following matters:

- the likely consequences of any decisions in the long term;
- the interests of our employees;
- the need to foster the business relationships with suppliers, customers and others;
- the impact of our operations on the community and environment;
- the desire to maintain high standard of reputation and business conduct; and
- the need to act fairly between our shareholders.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Section 172 Statement (continued)

In discharging our responsibilities as directors of the company we have adopted the group's governance framework which includes best practice procedures to support the assessment of those matters necessary to make informed decisions in furtherance of the long-term success and sustainability of the company and the group as a whole.

The directors have delegated the day-to-day management of the company to the Executive Management Team whilst retaining sufficient oversight over specific reserved matters in addition to statutory matters. The affairs of the group (including the company) are conducted in accordance the provisions of the shareholders' agreement between the ultimate shareholders of the group and the articles of association VMED O2 UK Limited as well as the articles of association of the company, which in include processes to make sure that each shareholder's interests are taken into account in decision-making.

From the perspective of the directors, and as a result of the group governance framework, the matters that the directors are responsible for considering under section 172(1) of the Companies Act 2006, as set out above, have been considered to an appropriate extent by the board of VMED O2 UK Limited and the Executive Management Team including the directors were appropriate.

The size and spread of the group's business and its stakeholders mean that the group's stakeholder engagement generally takes place at an operational level, led by a member of the Executive Management Team supported by the Senior Leadership Team which consists of professionals for the respective areas. As a group we find that this is the most efficient and effective approach and helps us achieve a greater positive impact on environmental, social and other issues that are relevant to our business and customers. Regular updates are provided to the VMED O2 Board and the Executive Management Team (including the directors of the company) to help them understand the interests and views of VMED O2's key stakeholders and other relevant factors, which ensures that the directors can take them into account when making decisions and can comply with their section 172 duty to promote the success of the company. Details of how the matters set out in section 172(1)(a) to (f) have been taken into account and the impact that has had decisions made can be found in the Consolidated Annual Report of VMED O2 UK Holdings Limited, which is available from the company secretary at 500 Brook Drive, Reading, United Kingdom, RG2 6UU.

During the year the company was involved in certain pre-completion financing arrangement in readiness for the joint venture, whilst performing their duties under section 172(1), the directors had regard to the interest of the shareholder and the group as a whole. The decision of the directors was supported by management information provided by the professional advisors in addition to the group's governance controls as to the integrity of the management information provided to the directors. As a result, the directors where able to satisfy themselves that the financing arrangements did not have any adverse effect on the matters set out in section 172(1) and will benefit the company and the group as a whole.

This report was approved by the board on and signed on its behalf by:

Mark Hardman

M D Hardman
Director

Date: 22 September 2022

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and audited financial statements for the year ended 31 December 2021.

Results and dividends

The profit for the year, after tax, amounted to £3,074,507,000 (2020 - loss £548,000).

On 10 December 2021, the company paid a dividend in specie of £3,070,878,000 (2020 - £861,680,000).

Directors

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

J L Boyle (appointed 1 October 2021)
M D Hardman (appointed 1 October 2021)
M O Hifzi (resigned 1 November 2021)
R G McNeil (resigned 1 October 2021)
L Milner (resigned 31 August 2021)
C B E Withers (resigned 1 October 2021)

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.

Political donations

The company did not make any political donations during the year (2020: £nil).

UK employee engagement statement

The company does not have any employees in its own right; the group's employees are employed by Telefonica UK Limited or Virgin Media Limited, both of which solely operate in the UK and their respective employees are based in the UK with the exception of a handful which are seconded to other group companies from time to time. As part of the group governance framework the Board has delegated its duties in respect of the group's employees to the Executive Management Team of the group. The Board and the Executive Management Team have regard to the interest of employees, including the outcome of any engagement where appropriate, in the decisions taken (in particular in principal decisions) by the group during the financial year. Examples of the group's engagement with its employees include:

- *CEO & executive live streams and roadshows:* Through 2021 we continued regular CEO and Executive Management Team digital livestreams, in addition to face to face Roadshows. These events are an opportunity for the Executive Management Team to share important updates and provide an opportunity for our people to ask questions and to make comments.
- *Employee network groups:* Our six employee network groups (Enrich, Proudly, Gender Equality, Ultraviolet, Extra Ordinary and We Care) work to ensure the views, needs and sentiment of our diverse populations are represented on an on-going basis within and across the business. There are both formal and informal collaborative working sessions.
- *Executive management team briefings:* Each month the Executive Management Team brings together VMED O2's senior leaders to discuss a range of commercial, customer and leadership priorities. These forums are opportunities to invite questions, feedback, views and insights from the wider senior leadership community.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

UK employee engagement statement (continued)

- *Workplace:* Our internal social media platform actively drives and encourages openness, communication and collaboration. All of our people have access to Workplace and are able to post comments, questions, ideas and set up groups. Workplace is a key vehicle in our communications and employee engagement approach, supporting business updates, dissemination of key information e.g. COVID-19 updates, and bespoke campaigns centred on key topics e.g. internal career opportunities. Workplace provides an always-on forum for people to share updates, feedback, ideas and news from around the business.
- *Engagement survey and pulse surveys:* These tools gather our people's views and enable everyone to have a voice through the year. The results provide a company-wide view of our people's levels of motivation and identify what is going well and what can be improved.
- *Quarterly update:* Each quarter, members of the Executive Management Team share our commercial and financial results and business strategy updates with all of our people. These have been held digitally via Workplace through 2021, are accessible to all of our people and provide the opportunity for questions or comments.
- *Employee representatives for O2:* We work continuously and in partnership with our Trade Unions (CWU and Prospect) and employee representatives on a broad range of employee related matters to maintain a positive and collaborative industrial climate within the business.
- *Employee representatives for Virgin Media:* We work continuously and in partnership with our Voice Forum on a broad range of employee related matters to maintain a positive and collaborative industrial climate within the business.

Further examples of how the group has had regard to the interests of its employees and the effect this has had on the decisions taken by the group can be found in the Consolidated Annual Report of VMED O2 UK Holdings Limited, which is available from the company secretary at 500 Brook Drive, Reading, United Kingdom, RG2 6UU.

Corporate governance

The company adopts the same governance framework for the group and full details of the governance arrangement can be found in the Corporate Governance Statement of VMED O2 UK Holdings Limited Consolidated Annual Report, which is available from the company secretary at 500 Brook Drive, Reading, United Kingdom, RG2 6UU.

Going concern

Notwithstanding net current liabilities of £1,385,000 as at 31 December 2021 and a profit for the year then ended of £3,074,507,000 the financial statements have been prepared on a going concern basis, which the directors consider to be appropriate for the following reasons.

After making suitable enquiries and obtaining the necessary assurances, including a letter of support from VMED O2 UK Limited, that sufficient resources will be made available to meet any liabilities as they fall due, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. 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, and continued operations are key to the wider group.

It is not VMED O2's practice to prepare forecasts and projections for individual entities that are wholly owned by the group, as operational and financial management is undertaken at a group level.

However, forecasts and projections which take into account of reasonably possible downsides in trading performance, have been prepared for the group as a whole and these showed that cash on hand, together with cash from operations and the revolving credit facility, are expected to be sufficient for the group and hence the company's cash requirements through to at least 12 months from the approval of these financial statements.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Going concern (continued)

Taking into account these forecasts and projections and after making enquiries, the directors have a reasonable expectation the company has adequate support and resources to continue in operational existence for the foreseeable future. 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 consequently have prepared the financial statements on a going concern basis. Consideration of the on-going impact of COVID-19 has not altered this conclusion.

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/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

KPMG LLP will be reappointed under section 487(2) of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



J L Boyle
Director

Date: 22 September 2022

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors are responsible for preparing the Strategic Report, 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, disclosing, 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 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 such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Virgin Media Senior Investments Limited ("the company") for the year ended 31 December 2021 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework* and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period"), as the company has received a letter of intent from its parent entity VMED O2 UK Limited.

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIRGIN MEDIA SENIOR INVESTMENTS LIMITED (CONTINUED)

Fraud and breaches of laws and regulations – ability to detect*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the VMED O2 UK Holdings Limited's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks. We performed procedures including agreeing all accounting entries in the period to supporting documentation.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations. The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIRGIN MEDIA SENIOR INVESTMENTS LIMITED (CONTINUED)

Strategic Report and Directors' Report

The directors are responsible for the Strategic Report and Directors' Report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using 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.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

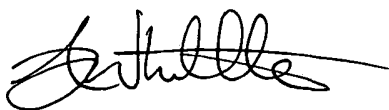
A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIRGIN MEDIA SENIOR INVESTMENTS LIMITED (CONTINUED)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, 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 members 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.



Antony Whittle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

Date: 23 September 2022

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
Administrative expenses		-	(861,788)
Operating loss	4	-	(861,788)
Income from subsidiaries	7	3,075,153	861,680
Finance income	8	4	65
Profit/(loss) before tax		3,075,157	(43)
Income tax expense	9	(650)	(505)
Profit/(loss) for the year		3,074,507	(548)

The notes on pages 16 to 26 form part of these financial statements.

There was no other comprehensive income or expenditure for 2021 or 2020 other than that included in the profit and loss account.

All results were derived from continuing operations.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED
REGISTERED NUMBER: 10362628

BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Fixed assets			
Investments in subsidiaries	11	11,746,928	11,746,928
Current assets			
Debtors: amounts falling due after more than one year	12	4,278	-
Creditors: amounts falling due within one year	13	(1,385)	(736)
Net current assets/(liabilities)		<u>2,893</u>	<u>(736)</u>
Net assets		<u><u>11,749,821</u></u>	<u><u>11,746,192</u></u>
Capital and reserves			
Share capital	14	-	-
Share premium	15	6,671,198	6,671,198
Capital contribution reserve	15	185,750	185,750
Retained earnings	15	4,892,873	4,889,244
Total shareholder's funds		<u><u>11,749,821</u></u>	<u><u>11,746,192</u></u>

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

Mark Hardman

M D Hardman
 Director

Date: 22 September 2022

The notes on pages 16 to 26 form part of these financial statements.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share capital £000	Share premium £000	Capital contribution reserve £000	Retained earnings £000	Total shareholder's funds £000
Balance as at 1 January 2021	-	6,671,198	185,750	4,889,244	11,746,192
Comprehensive income for the year					
Profit for the year	-	-	-	3,074,507	3,074,507
Dividends paid	-	-	-	(3,070,878)	(3,070,878)
Balance as at 31 December 2021	-	6,671,198	185,750	4,892,873	11,749,821

The notes on pages 16 to 26 form part of these financial statements.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

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

	Share capital £000	Share premium £000	Capital contribution reserve £000	Retained earnings £000	Total shareholder's funds £000
Balance as at 1 January 2020	-	6,021,677	185,750	5,751,472	11,958,899
Comprehensive income for the year					
Loss for the year	-	-	-	(548)	(548)
Dividends paid	-	-	-	(861,680)	(861,680)
Shares issued during the year	-	649,521	-	-	649,521
Total transactions with owners	-	649,521	-	(861,680)	(212,159)
Balance as at 31 December 2020	-	6,671,198	185,750	4,889,244	11,746,192

The notes on pages 16 to 26 form part of these financial statements.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. Company information

The principal activity of Virgin Media Senior Investments Limited (the 'company') during the year was, and will continue to be, that of a holding company.

The company is a private company incorporated, domiciled and registered in the UK. The registered number is 10362628 and the registered address is 500 Brook Drive, Reading, United Kingdom, RG2 6UU.

In accordance with s400 of the Companies Act 2006, consolidated financial statements for this company have not been prepared as the company and its subsidiaries are included in the consolidated financial statements of VMED O2 UK Holdings Limited for the period ended 31 December 2021.

2. Accounting policies**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 Accounting Standards in conformity with the requirements of the 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, VMED O2 UK Holdings Limited, includes the company in its consolidated financial statements. The consolidated financial statements of VMED O2 UK Holdings Limited are prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and are available to the public and may be obtained from the company secretary at 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.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.2 Going concern**

Notwithstanding net current liabilities of £1,385,000 as at 31 December 2021 and a profit for the year then ended of £3,074,507,000 the financial statements have been prepared on a going concern basis, which the directors consider to be appropriate for the following reasons.

After making suitable enquiries and obtaining the necessary assurances, including a letter of support from VMED O2 UK Limited, that sufficient resources will be made available to meet any liabilities as they fall due, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. 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, and continued operations are key to the wider group.

It is not VMED O2's practice to prepare forecasts and projections for individual entities that are wholly owned by the group, as operational and financial management is undertaken at a group level.

However, forecasts and projections which take into account of reasonably possible downsides in trading performance, have been prepared for the group as a whole and these showed that cash on hand, together with cash from operations and the revolving credit facility, are expected to be sufficient for the group and hence the company's cash requirements through to at least 12 months from the approval of these financial statements.

Taking into account these forecasts and projections and after making enquiries, the directors have a reasonable expectation the company has adequate support and resources to continue in operational existence for the foreseeable future. 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 consequently 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 Income from subsidiaries

Dividend income is recognised when the company's right to receive payment is established.

2.4 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.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)
2.5 Investments in subsidiaries

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.

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

In preparing these financial statements, management has made estimates and judgements that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and assumptions
Carrying value of investments

Investments are held at cost less any necessary provision for impairment. Where the impairment assessment did not provide any indication of impairment, no provision is required. If any such indications exist, the carrying value of an investment is written down to its recoverable amount.

4. Operating loss

The operating loss is stated after charging:

	2021	2020
	£000	£000
Administrative expenses	-	861,788

Certain expenses are specifically attributed to the company. Where costs are incurred by other group companies on behalf of the company, expenses are allocated to the company on a basis that, in the opinion of the directors, is reasonable.

The directors received no remuneration for the qualifying services as directors of this company. All directors' remuneration for those which were in office during 2021 and 2020 is disclosed in the Consolidated Annual Report of VMED O2 UK Holdings Limited, which is available from the company secretary at 500 Brook Drive, Reading, United Kingdom, RG2 6UU.

5. Auditor's remuneration

Auditor's remuneration of £10,260 (2020 - £2,000) for the audit of the financial statements has been borne by a fellow group undertaking and not recharged.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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6. Employees

The company does not have any directly employed staff and is not charged an allocation of staff costs by the group. Details of staff numbers and staff costs of the group are disclosed in the Consolidated Annual Report of VMED O2 UK Holdings Limited which is available from the company secretary at 500 Brook Drive, Reading, United Kingdom, RG2 6UU.

7. Income from subsidiaries

	2021	2020
	£000	£000
Dividends received	3,075,153	861,680

On 10 December 2021, the company received a dividend in specie of £3,070,878,000 from General Cable Limited (2020 - £1,078,000).

On 3 December 2021, the company received a cash dividend of £4,276,000 from Virgin Media Bristol LLC (2020 - £nil).

On 2 December 2020, the company received a dividend of £1,078,000 from General Cable Limited, £180,329,000 from ntl Rectangle Group Limited, £334,896,000 from Diamond Cable Communications Limited and £345,377,000 from ntl (Triangle) LLC.

8. Finance income

	2021	2020
	£000	£000
Interest on amounts owed by group undertaking	4	65

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Income tax expense

Tax expense included in profit and loss:

	2021 £000	2020 £000
Current tax	650	505
Total current tax	650	505
Deferred tax		
Total deferred tax	-	-
Tax on profit	650	505

The tax assessed for the year is lower than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Profit/(loss) before tax	3,075,157	(43)
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	584,280	(8)
Effects of:		
Expenses not deductible for tax purposes	-	163,740
Income not taxable	(584,279)	(163,719)
Group relief claimed for nil consideration	(1)	(13)
Tax on apportioned CFC profits	650	505
Tax expense	650	505

Factors that may affect future tax charges

In March 2021, legislation was introduced to increase the UK corporate income tax rate from 19% to 25% from 1 April 2023. This rate change was substantively enacted on 24 May 2021 and enacted on 10 June 2021 (Finance Bill 2021).

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Dividends paid

	2021	2020
	£000	£000
Dividends paid	3,070,878	861,680

On 10 December 2021, the company paid a dividend in specie of £3,070,878,000 to Virgin Media Investments Limited (2020 - £861,680,000).

11. Investments in subsidiaries

	Investments in subsidiaries £000
Cost	
At 1 January 2021	12,232,178
At 31 December 2021	12,232,178
Impairment	
At 1 January 2021	485,250
At 31 December 2021	485,250
Net book value	
At 31 December 2021	11,746,928
At 31 December 2020	11,746,928

The 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 shown in note 18.

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.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. Debtors

	2021	2020
	£000	£000
Due after more than one year		
Amounts owed by group undertakings	4,278	-

Amounts owed by group undertakings due after more than one year include loan notes which had a carrying value of £4,278,000 (2020 - £nil) at the balance sheet date. Loan notes are denominated in sterling, which bear interest of 4.73%, and mature in 2030.

13. Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Amounts owed to group undertakings	735	231
Accruals and deferred income	650	505
	1,385	736

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

14. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
6 (2020 - 6) Ordinary shares shares fully paid of £1.00 each	6	6

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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15. Reserves**Share capital**

The balance classified as share capital represents the nominal value on issue of the company's share capital, comprising £1.00 ordinary shares.

Share premium

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Capital contribution reserve

Other distributable reserves relate to capital contributions from parent undertakings.

Retained earnings

Includes all current and prior period 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 2021, this comprised term facilities that amounted to £5,916 million (2020 - £3,982 million) and revolving credit facilities of £1,378 million (2020 - £1,000 million), which were undrawn as at 31 December 2020 and 2021. 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 2021 amounted to £8,066 million (2020 - £4,400 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 2021 amounted to approximately £1,103 million (2020 - £1,127 million).

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

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. Controlling party

The company's immediate parent undertaking is Virgin Media Investments 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 2021 are VMED O2 UK Holdings Limited and VMED O2 UK Limited, respectively.

The company's ultimate parent undertaking and controlling party at 31 December 2021 was VMED O2 UK Limited.

Copies of VMED O2 UK Limited and VMED O2 UK Holdings Limited accounts referred to above which include the results of the company are available from the company secretary, at Griffin House, 161 Hammersmith Road, London W6 8BS and 500 Brook Drive, Reading, United Kingdom, RG2 6UU respectively.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. List of investments

Name of company		Holdings	Proportion held	Nature of business
Direct shareholdings				
Cable on Demand Limited	Φ	Ordinary	100%	Dormant
General Cable Limited		Ordinary	100%	Holding
ntl Midlands Limited		Ordinary	100%	Dormant
ntl Rectangle Limited		Ordinary	100%	Dormant
Virgin Media Bristol LLC	≡	Common stock	100%	Financing
Virgin Media Employee Medical Trust Limited		Ordinary	100%	Corporate Trustee
Indirect shareholdings				
Birmingham Cable Limited		Ordinary	100%	Dormant
Bitbuzz UK Limited		Ordinary	100%	Telecoms
CableTel Herts and Beds Limited		Ordinary	100%	Dormant
CableTel Northern Ireland Limited	β	Ordinary	100%	Dormant
CableTel Surrey and Hampshire Limited		Ordinary	100%	Dormant
Eurobell (Holdings) Limited		Ordinary	100%	Dormant
Flextech Limited		Ordinary	100%	Dormant
Green Park Services Limited	Φ	Ordinary	100%	Dormant
ntl (B) Limited		Ordinary	100%	Dormant
ntl (Broadland) Limited	Φ	Ordinary	100%	Dormant
ntl (South East) Limited		Ordinary	100%	Dormant
ntl (V)		Ordinary	100%	Dormant
ntl Business Limited		Ordinary	100%	Dormant
ntl CableComms Group Limited		Ordinary	100%	Dormant
NTL CableComms Group, LLC	≡	Common stock	100%	Dormant
ntl Glasgow	Σ	Ordinary	56%	Telecoms
ntl Glasgow Holdings Limited	μ	Ordinary	51%	Holding
ntl Kirklees		Ordinary	52%	Telecoms
ntl Kirklees Holdings Limited	μ	Ordinary	51%	Holding
ntl Pension Trustees II Limited		Ordinary	100%	Corporate Trustee
ntl Pension Trustees Limited		Ordinary	100%	Corporate Trustee
ntl South Central Limited		Ordinary	100%	Dormant
ntl Telecom Services Limited		Ordinary	100%	Dormant
ntl Trustees Limited		Ordinary	100%	Corporate Trustee
Telewest Communications (Scotland) Limited	Σ	Ordinary	100%	Dormant
Telewest Communications Cable Limited		Ordinary	100%	Dormant
Telewest Communications Networks Limited		Ordinary	100%	Dormant
Telewest Limited		Ordinary	100%	Dormant

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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18. List of investments (continued)

Name of company		Holdings	Proportion held	Nature of business
Indirect shareholdings				
Theseus No.1 Limited		Ordinary	100%	Dormant
Theseus No.2 Limited		Ordinary	100%	Dormant
Virgin Media Bristol LLC	≡	Common stock	100%	Financing
Virgin Media Employee Medical Trust Limited		Ordinary	100%	Corporate Trustee
Virgin Media Intermediary Purchaser Limited		Ordinary	100%	Dormant
Virgin Media Limited		Ordinary	100%	Telecoms
Virgin Media National Networks Limited		Ordinary	100%	Dormant
Virgin Media Operations Limited		Ordinary	100%	Holding
Virgin Media Payments Limited		Ordinary	100%	Collections
Virgin Media PCHC Limited		Ordinary	100%	Dormant
Virgin Media Secretaries Limited		Ordinary	100%	Guarantor
Virgin Media Trade Receivables Intermediary Financing Limited		Ordinary	100%	Financing
Virgin Media Wholesale Limited		Ordinary	100%	Telecoms
Virgin Mobile Telecoms Limited		Ordinary	100%	Telecoms
VM Ireland Group Limited	Φ	Ordinary	100%	Dormant
Virgin WiFi Limited		Ordinary	100%	Dormant
VM Transfers (No 4) Limited		Ordinary	100%	Dormant
Yorkshire Cable Communications Limited		Ordinary	100%	Dormant

All companies are registered at 500 Brook Drive, Reading, United Kingdom, RG2 6UU, unless otherwise noted below:

- β Unit 3, Blackstaff Road, Kennedy Way Industrial Estate, Belfast, BT11 9AP
- Σ 1 South Gyle Crescent Lane, Edinburgh, EH12 9EG
- ≡ 251 Little Falls Drive, Wilmington, DE 19808. These entities are registered in the USA.
- μ Remainder of shares held by group undertakings
- Φ Dissolved subsequent to the year end