

Registered number: 10362628

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	M O Hifzi R G McNeil C B E Withers
Company secretary	G E James
Registered number	10362628
Registered office	500 Brook Drive Reading RG2 6UU United Kingdom
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 2020

Principal activities and business review

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 19.

As at 31 December 2020, the company is a wholly owned subsidiary undertaking of Virgin Media Inc. (Virgin Media) which is itself a wholly owned subsidiary of Liberty Global plc (Liberty Global). As at 31 December 2020, the financial information of Virgin Media and its subsidiaries are included in the combined financial statements of the 'Virgin Media Group'. Virgin Media comprises of (i) Virgin Media and its subsidiaries and (ii) NewCo Holdco 5 Limited and its subsidiaries (Virgin Media Ireland). The combined financial statements of Virgin Media Group are available to the public and may be obtained from Liberty Global's website at www.libertyglobal.com.

As of 1 June 2021, following the formation of the joint venture (see note 17), the Virgin Media Inc. group (the group) operates under the Virgin Media O2 brand in the United Kingdom (UK).

The group provides broadband internet, video, fixed-line telephony, mobile and broadcasting services in the UK and is one of the largest providers of residential communications services in these countries in terms of the number of customers. The group believes its advanced, deep-fibre cable access network enables us to offer faster and higher quality broadband internet services than other digital subscriber line (DSL) market participants. As a result, it provides its customers with a leading next generation broadband internet service and one of the most advanced interactive television services available in the UK markets.

The group provides mobile services to its customers using a third-party network through mobile virtual network operators (MVNO) arrangements.

In addition, through the Virgin Media O2 Business brand, the group offers a broad portfolio of B2B voice, data, internet, broadband and managed services solutions to small businesses, medium and large enterprises and public sector organisations in the UK.

At 31 December 2020, the group provided services to 6 million residential cable customers on its network. The group provides mobile telephony services to 3 million contract mobile customers and 0.1 million prepay mobile customers over third party networks. As of 31 December, 2020, 80% of the group's cable customers received multiple services and 58% were "triple-play" customers, receiving broadband internet, video and fixed-line telephony services.

Liberty Global is a world leader in converged broadband, video and mobile communication services. It delivers next generation products through advanced fibre and 5G networks that connect 87 million subscribers across Europe and the UK. Liberty Global's consolidated businesses operate under the consumer brands Telenet in Belgium, Sunrise UPC in Switzerland, Virgin Media in Ireland and UPC in Eastern Europe in addition to its two 50:50 joint ventures, VMED O2 in the UK and VodafoneZiggo in the Netherlands. Through Liberty Global's substantial scale and commitment to innovation, it is investing in the infrastructure and platforms that empower its customers to make the most of the digital revolution, while deploying the advanced technologies that nations and economies need to thrive. Liberty Global's consolidated businesses generate annual revenues of more than \$7 billion, while its joint ventures in the UK and the Netherlands generate combined annual revenue of more than \$17 billion.

On 7 May 2020, Liberty Global entered into a Contribution Agreement with, among others, Telefónica, SA (Telefónica). Pursuant to this agreement, Liberty Global and Telefónica agreed to form a 50:50 joint venture (UK JV). The joint venture combines the operations of Virgin Media Inc (Virgin Media) and its subsidiaries and the operations of O2 Holdings Limited and its subsidiaries (O2), to form Virgin Media O2. The formation of the joint venture was completed on 1 June 2021.

Prior to the completion of the UK JV, Virgin Media was a wholly owned subsidiary of Liberty Global plc.

The directors do not use key performance indicators (KPIs) to assess the performance of the company as its principal activity is that of a holding company to provide funding to, and hold investments in, fellow group companies.

The company has received dividends of £861,680,000 from its subsidiaries during the year (2019 - £5,304,018,000).

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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 Annual Report of Virgin Media Group, which is available to the public and may be obtained from Liberty Global's website at www.libertyglobal.com.

Brexit

The UK's departure from the European Union (EU) could have a material adverse effect on our business, financial condition, results of operations or liquidity. On 23 June 2016, the UK held a referendum in which voters approved, on an advisory basis, an exit from the EU, commonly referred to as "Brexit".

The UK formally exited the EU on 31 January 2020. On December 24, 2020, the UK and the EU reached the "Trade and Cooperation Agreement," referred to as the EU-UK Agreement. On 30 December 2020, the EU-UK Agreement was approved by the UK Parliament, with retrospective ratification from the EU Parliament on 28 April 2021.

The EU-UK Agreement focuses on four main sectors, namely trade, economic and social cooperation, security and governance.

Examples of the potential impact Brexit could have on our business, financial condition or results of operations include:

- changes in foreign currency exchange rates and disruptions in the capital markets;
- shortages of labour necessary to conduct our business, including our Network Extension in the UK;
- disruption to our UK supply chain and related increased cost of supplies;
- a weakened UK economy resulting in decreased consumer demand for our products and services in the UK;
- legal uncertainty and potentially divergent national laws and regulations as the UK determines which EU laws and directives to replace or replicate, or where previously implemented by enactment of UK laws or regulations, to retain, amend or repeal; and
- various geopolitical forces may impact the global economy and our business, including, for example, other EU member states (in particular those member states where we have operations) proposing referendums to, or electing to, exit the EU.

COVID-19

In March 2020, the World Health Organization declared COVID-19 to be a global pandemic. In response to the COVID-19 pandemic, emergency measures have been imposed by governments worldwide, including travel restrictions, restrictions on social activity and the shutdown of non-essential businesses.

The global COVID-19 pandemic continues to adversely impact the economy of the UK. However, during the year ended 31 December 2020, the adverse impact on the group was relatively minimal as demand for our products and services was 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 our business, financial condition and results of operations in future periods.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Future outlook

The directors will continue to review management policies in light of changing trading and market conditions. Further detail of the future outlook of the group is provided in Virgin Media Group's Annual Report for 2020, which is available to the public and may be obtained from Liberty Global's website at www.libertyglobal.com.

Section 172 Statement

This statement is intended to disclose how our directors have approached and met their responsibilities under s172 Companies Act 2006.

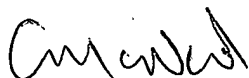
In line with group's goal of enhancing the long-term value for the benefit of its shareholders, the directors of the company have been elected by our shareholders to oversee the management of the company, to help assure that the interests of our shareholders are served.

The following factors are considered as part of group operations as a whole, to maintain highest standards of corporate governance, essential to our business integrity and performance:

- long-term consequences of decisions;
- employees' interests;
- business relationships with suppliers and customers;
- the impact of our operations on the environment and communities in which we operate; and
- the need to act fairly between shareholders.

Consideration of these factors and other relevant matters is embedded into all Virgin Media group decision-making, strategy development and risk assessment throughout the year. Further information is considered in more detail in the Annual Report of Virgin Media Finance PLC which is available from the company secretary at Virgin Media, 500 Brook Drive, Reading, United Kingdom, RG2 6UU.

This report was approved by the board on ²⁸ September 2021 and signed on its behalf.



R G McNeil
Director

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

Results and dividends

The loss for the year, after tax, amounted to £548,000 (2019 - profit of £3,989,252,000).

On 2 December 2020, the company paid a dividend of £861,680,000 (2019 - £3,986,278,000).

Directors

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

W T Castell (resigned 9 March 2020)
M O Hifzi
R G McNeill (appointed 9 March 2020)
L Milner (appointed 1 March 2021, resigned 31 August 2021)
S-P Pascu (appointed 3 March 2020, resigned 16 November 2020)
C B E Withers (appointed 23 April 2020)

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 Directors' Report.

Going concern

Notwithstanding net current liabilities of £736,000 as at 31 December 2020 and a loss for the year then ended of £548,000, 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 Virgin Media 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 have been prepared for the Virgin Media O2 group as a whole and these showed that cash on hand, together with cash from operations and the undrawn revolving credit facility, are expected to be sufficient for the Virgin Media O2 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 potential impact of COVID-19 and Contribution Agreement (referred to in the principle activities and business review note) 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.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

This report was approved by the board on 28 September 2021 and signed on its behalf.



C B E Withers
Director

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 accounting 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.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS 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 2020 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 2020 and of its loss 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").

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.

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 Virgin Media Inc.'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 due to non-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.

Strategic Report and Directors' Report

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

Our responsibility is to read the Strategic Report and the 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 the 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.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

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

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

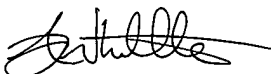
As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements 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

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

This report is made solely to the company's member, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member, for our audit work, for this report, or



Antony Whittle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE
29 September 2021

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

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

	Note	2020 £000	2019 £000
Administrative expenses		(861,788)	(1,353,486)
Operating loss	4	(861,788)	(1,353,486)
Income from subsidiaries	7	861,680	5,304,018
Finance income	8	65	41,149
Finance costs		-	(2,198)
(Loss)/profit before tax		(43)	3,989,483
Income tax expense	10	(505)	(231)
(Loss)/profit for the year		(548)	3,989,252

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.

The notes on 12 to 22 form part of these financial statements.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED
REGISTERED NUMBER: 10362628

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Fixed assets			
Investments in subsidiaries	12	11,746,928	11,959,130
		<u>11,746,928</u>	<u>11,959,130</u>
Creditors: amounts falling due within one year	13	(736)	(231)
Net current liabilities		<u>(736)</u>	<u>(231)</u>
Total assets less current liabilities		<u>11,746,192</u>	<u>11,958,899</u>
 Net assets		 <u><u>11,746,192</u></u>	 <u><u>11,958,899</u></u>
 Capital and reserves			
Share capital	14	-	-
Share premium	15	6,671,198	6,021,677
Capital contribution reserve	15	185,750	185,750
Retained earnings	15	4,889,244	5,751,472
		<u>11,746,192</u>	<u>11,958,899</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2021.



R G McNeil
Director

The notes on 12 to 22 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	Share premium account	Capital contribution reserve	Retained earnings	Total shareholder's funds
	£000	£000	£000	£000	£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)
Other comprehensive income for the year	-	-	-	(548)	(548)
Dividends paid	-	-	-	(861,680)	(861,680)
Shares issued during the year	-	649,521	-	-	649,521
Total transactions with owners of the company	-	649,521	-	(861,680)	(212,159)
Balance as at 31 December 2020	-	6,671,198	185,750	4,889,244	11,746,192

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Share capital	Share premium account	Other reserves	Retained earnings	Total shareholder's funds
	£000	£000	£000	£000	£000
Balance as at 1 January 2019	-	6,021,677	-	5,748,498	11,770,175
Comprehensive income for the year					
Profit for the year	-	-	-	3,989,252	3,989,252
Other comprehensive income for the year	-	-	-	3,989,252	3,989,252
Dividends paid	-	-	-	(3,986,278)	(3,986,278)
Capital contribution	-	-	185,750	-	185,750
Balance as at 31 December 2019	-	6,021,677	185,750	5,751,472	11,958,899

The notes on 12 to 22 form part of these financial statements.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

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

1. Company information

Virgin Media Senior Investments Limited (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.

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

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 Accounting 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 Accounting Standards in conformity with the requirements of the Companies Act 2006, 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.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

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 O2'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 VMED O2 UK Limited wholly owned subsidiaries are managed on a Virgin Media O2 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 O2 group as a whole, indicate that cash on hand, together with cash from operations and undrawn revolving credit facilities, are expected to be sufficient for the Virgin Media O2 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. In addition, VMED O2 UK Limited has formally indicated its intention to continue to support the company financially for at least this period.

Whilst the detailed cash flow forecasts are prepared at the group level, the directors have also assessed the position of the company. Notwithstanding net current liabilities of £736,000 as at 31 December 2020 and a loss for the year end of £548,000, 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 potential 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 value.

2.4 Dividend Income

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

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.

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.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

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

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/(crediting):

	2020 £000	2019 £000
Loss on disposal of investment	593,554	857,604
Provision of investment impairment	268,234	517,016
Gain on foreign currency translation	-	(21,134)
Operating loss	861,788	1,353,486

There was a loss on disposal of investment in the year of £593,554,000 (2019 - £857,604,000). The carrying value of investments are assessed annually. Based on these reviews, and following a wider group restructure, the directors concluded on a provision for impairment of £268,234,000 (2019 - £517,016,000). There was no gain on foreign currency translation in the year (2019 - £21,134,000).

5. Auditor's remuneration

Auditor's remuneration of £2,000 (2019 - £2,000) for the audit of the financial statements has been borne by a fellow group undertaking and not recharged.

6. Employees

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

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

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

7. Income from investments

	2020 £000	2019 £000
Dividends received	861,680	5,304,018

On 2 December 2020, the company received a dividend of £1,078,000 from General Cable Limited (2019: £nil), £180,329,000 from ntl Rectangle Group Limited (2019: £nil), £334,896,000 from Diamond Cable Communications Limited (2019: £770,575,000) and £345,377,000 from ntl (Triangle) LLC (2019: £nil).

On 1 July 2019, the company received a dividend of £1,307,979,000 from ntl Rectangle Limited and £180,482,000 from ntl Victoria Limited. On 23 October 2019, the company received a dividend £829,350,000 from Virgin Mobile Group (UK) Limited and £8,192,000 from ntl Victoria Limited. On 25 November 2019, the company received a dividend of £1,574,203,000 from Virgin Media Operations Limited, £500,000,000 from General Cable Limited and £133,237,000 from Virgin Media Bristol LLC.

8. Finance income

	2020 £000	2019 £000
Interest on amounts owed by group undertaking	65	41,149

9. Finance costs

	2020 £000	2019 £000
Interest on amounts owed to group undertakings	-	2,198

10. Income tax expense

Tax expense included in profit or loss:

	2020 £000	2019 £000
Current tax	505	231
Total current tax	505	231
Deferred tax		
Total deferred tax	-	-
Tax on (loss)/profit	505	231

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

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

10. Income tax expense (continued)

Factors affecting current and future tax charges

The tax assessed for the year is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019- 19 %). The differences are explained below:

	2020 £000	2019 £000
(Loss)/profit before tax	(43)	3,989,483
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 19% (2019-19%)	(8)	758,002
Effects of:		
Expenses not deductible for tax purposes	163,740	261,177
Income not taxable	(163,719)	(1,007,763)
Group relief claimed without payment	(13)	(11,416)
Tax apportioned controlled foreign companies profits	505	231
Tax expense	505	231

Factors that may 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, substantively enacted on 24 May 2021. This will have a consequential effect on the company's future tax charge.

11. Dividends paid

	2020 £000	2019 £000
Dividend paid	861,680	3,986,278

On 2 December 2020, the company paid a dividend in specie of £861,680,000 to Virgin Media Investments Limited (2019: £3,986,278,000).

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

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

12. Investments in subsidiaries

	Investments in subsidiary companies £000
Cost	
At 1 January 2020	12,176,146
Additions	649,586
Disposals	(593,554)
At 31 December 2020	12,232,178
Impairment	
At 1 January 2020	217,016
Charge for the period	268,234
At 31 December 2020	485,250
Net book value	
At 31 December 2020	11,746,928
At 31 December 2019	11,959,130

Subsidiary undertakings

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 19.

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 statement.

During the year, as part of a wider group restructure, the company acquired 2 ordinary shares in General Cable Limited, a fellow group company for a consideration of £649,586,000, representing loan receivables due from fellow group subsidiaries. In addition, the company, disposed of its investments in Diamond Cable Communications Limited and ntl (Triangle) LLC.

13. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Amounts owed to group undertakings	231	-
Income tax payable	505	231
	736	231

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

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

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

14. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
4 (2019 - 4) Ordinary shares fully paid of £1.00	4	4

15. Reserves

Share premium

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

Capital contribution reserve and other reserves

Other distributable reserves relate to capital contributions from parent undertakings.

Profit and loss account

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 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).

Following the formation of the UK JV (See note 17), the group formed part of the Virgin Media O2 group, as a result the group is party to the below loans and borrowings.

In September 2020, a fellow group undertaking outside the Virgin Media Inc. group, entered into (a) a £1,500 million term loan facility and (b) a €750 million term loan facility. A subsidiary of the group entered into a \$1,300 million term loan facility. As at 31 December, the term loan facilities were undrawn and only available to be undrawn and utilised upon consummation of the UK JV.

In addition, a fellow group undertaking outside the Virgin Media Inc. group, entered into (a) \$1,350 million senior secured notes, (b) €950 million senior secured notes and (c) £600 million senior secured notes.

In July 2021, a fellow group undertaking outside the Virgin Media Inc. group, entered into (a) \$1,400 million senior secured notes, (b) £675 million senior secured notes.

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

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 2020

17. Post balance sheet events

Joint venture transaction

On 7 May 2020, Liberty Global entered into a Contribution Agreement with, among others, Telefónica, 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.

Prior to the completion of the UK JV, Virgin Media was a wholly owned subsidiary of Liberty Global plc.

18. Controlling parties

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 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.

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

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

19. List of investments

Name of company		Holdings	Proportion held	Nature of business
Direct shareholdings				
Cable on Demand Limited		Common stock	100%	Finance
General Cable Limited		Ordinary	100%	Holding
NTL Midlands Limited		Ordinary	100%	Holding
NTL Rectangle Limited		Ordinary	100%	Holding
Virgin Media Bristol LLC	≡	Common Stock	100%	Finance
Virgin Media Employee Medical Trust Limited		Ordinary	100%	Holding
Virgin Media Operations Limited		Ordinary	100%	Holding
Indirect shareholdings				
BCMV Limited		Ordinary	100%	Telecoms
Bitbuzz UK Limited		Ordinary	100%	Telecoms
Cable London Limited		Ordinary	100%	Holding
Cable on Demand Limited		Ordinary	100%	Non-Trading
CableTel Herts and Beds Limited		Ordinary	100%	Dormant
CableTel Northern Ireland Limited	β	Ordinary	100%	Dormant
CableTel Surrey and Hampshire Limited		Ordinary	100%	Dormant
Channel 6 Broadcasting Limited	ψ	Ordinary	100%	Telecoms
Cullen Broadcasting Limited	ψ	Ordinary	100%	Telecoms
Diamond Cable Communications Limited		Ordinary	100%	Holding
Eurobell (Holdings) Limited		Ordinary	100%	Dormant
Flextech Limited		Ordinary	100%	Dormant
General Cable Limited		Ordinary	100%	Telecoms
Kish Media Limited	ψ	Ordinary	100%	Telecoms
Matchco Limited		Ordinary	76%	Dormant
NTL (B) Limited		Ordinary	100%	Holding
NTL (Broadland) Limited		Ordinary	100%	Dormant
NTL (CWC) Limited		Ordinary	100%	Holding
NTL (South East) Limited		Ordinary	100%	Dormant
NTL (V)		Ordinary	100%	Dormant
NTL Business Limited		Ordinary	100%	Telecoms
NTL CableComms Group Limited		Ordinary	100%	Holding
NTL CableComms Group, LLC	≡	Common stock	100%	Telecoms
NTL CableComms Surrey Limited		Ordinary	100%	Dormant

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

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

19. List of investments (continued)

Name of company		Holdings	Proportion held	Nature of business
Indirect shareholdings (continued)				
NTL Communications Services Limited		Ordinary	100%	Holding
NTL Glasgow	Σ	Ordinary	100%	Telecoms
NTL Kirklees		Ordinary	100%	Telecoms
NTL Midlands Limited		Ordinary	100%	Telecoms
NTL National Networks Limited		Ordinary	100%	Dormant
NTL Pension Trustees II Limited		Ordinary	100%	Corporate Trustee
NTL Pension Trustees Limited		Ordinary	100%	Corporate Trustee
NTL Rectangle Limited		Ordinary	100%	Holding
NTL South Central Limited		Ordinary	100%	Dormant
NTL Telecom Services Limited		Ordinary	100%	Non-Trading
NTL Trustees Limited		Ordinary	100%	Corporate Trustee
Telewest Communications (Dundee & Perth) Limited	Σ	Ordinary	100%	Dormant
Telewest Communications (Glenrothes) Limited	Σ	Ordinary	100%	Dormant
Telewest Communications (Midlands and North West) Limited		Ordinary	100%	Dormant
Telewest Communications (Scotland) Limited	Σ	Ordinary	100%	Dormant
Telewest Communications Cable Limited		Ordinary	100%	Dormant
Telewest Communications Networks Limited		Ordinary	100%	Holding
Telewest Limited		Ordinary	100%	Holding
Theseus No.1 Limited		Ordinary	100%	Investment
Theseus No.2 Limited		Ordinary	100%	Investment
Tullamore Beta Limited	Ψ	Ordinary	100%	Telecoms
TV Three Enterprises Limited	Ψ	Ordinary	100%	Telecoms
TV Three Sales Limited	Ψ	Ordinary	100%	Telecoms
Virgin Media Bristol LLC	≡	Common stock	100%	Holding
Virgin Media Business Limited		Ordinary	100%	Telecoms
Virgin Media Employee Medical Trust Limited		Ordinary	100%	Corporate Trustee
Virgin Media Finco 2 Limited		Ordinary	100%	Non-Trading
Virgin Media Finco Limited		Ordinary	100%	Finance
Virgin Media Intermediary Purchaser Limited		Ordinary	100%	Non-Trading
Virgin Media Limited		Ordinary	100%	Telecoms
Virgin Media Operations Limited		Ordinary	100%	Holding
Virgin Media Payments Limited		Ordinary	100%	Collections
Virgin Media PCHC Limited		Ordinary	100%	Dormant

VIRGIN MEDIA SENIOR INVESTMENTS LIMITED

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

19. List of investments (continued)

Name of company	Holdings	Proportion held	Nature of business
Indirect shareholdings (continued)			
Virgin Media Secretaries Limited	Ordinary	100%	Finance
Virgin Media Secured Finance PLC	Ordinary	100%	Finance
Virgin Media SFA Finance Limited	Ordinary	100%	Finance
Virgin Media Television Limited	Ordinary	100%	Telecoms
Virgin Media Trade Receivables Intermediary Financing Limited	Ordinary	100%	Non-Trading
Virgin Media Wholesale Limited	Ordinary	100%	Telecoms
Virgin Mobile Telecoms Limited	Ordinary	100%	Telecoms
Virgin WiFi Limited	Ordinary	100%	Telecoms
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
ψ	Building P2, EastPoint Business Park, Clontarf, Dublin 3
Σ	1 South Gyle Crescent Lane, Edinburgh, EH12 9EG
≡	251 Little Falls Drive, Wilmington, DE 19808. These entities are registered in the USA.
Ω	1550 Wewatta Street, Suite 1000, Denver, CO 80202