

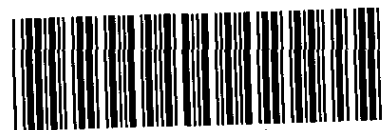
Registered number: 11118162

**VIRGIN MEDIA OPERATIONS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2018**

THURSDAY



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## **VIRGIN MEDIA OPERATIONS LIMITED**

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### **COMPANY INFORMATION**

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<b>Directors</b>	L M Schuler M O Hifzi R D Dunn J Dodds
<b>Company secretary</b>	G E James
<b>Registered number</b>	11118162
<b>Registered office</b>	Bartley Wood Business Park Hook Hampshire RG27 9UP

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## **VIRGIN MEDIA OPERATIONS LIMITED**

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## **VIRGIN MEDIA OPERATIONS LIMITED**

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### **STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2018**

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#### **Principal activities and business review**

The company was incorporated on 19 December 2017 with its first period of accounts being the 13 months ended 31 December 2018.

The principal activity of the company during the period was, and will continue to be, that of a holding company. The investments of the company are shown in note 16.

As part of a wider group reorganisation, on 30 November 2018, the company acquired the trade and certain assets of General Cable Limited, which it held for two days before disposing to a fellow group company. At acquisition the trade and assets met the criteria to be classified as held for sale. Accordingly, this trade is presented as discontinued operations for the period up to disposal.

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).

The Virgin Media Inc. consolidated group (the group) operates under the Virgin Media brand in the United Kingdom (UK) and Republic of Ireland (Ireland).

The group provides video, broadband internet, fixed-line telephony and mobile services in the UK and Ireland to both residential and business-to-business (B2B) customers. The group is one of the largest providers of video, broadband internet and fixed-line telephony services in terms of the number of customers in the UK and Ireland. The group believes its advanced, deep-fibre cable access network enables it to offer faster and higher quality broadband services than its digital subscriber line, or DSL, competitors. As a result, it provides its customers with a leading, next-generation broadband service and one of the most advanced interactive television services available in the UK and Irish 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 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 and Ireland.

At 31 December 2018, the group provided services to over 5.9 million residential cable customers on its network. The group is also one of the largest MVNO by number of customers, providing mobile telephony services to 2.7 million contract mobile customers and 0.4 million prepay mobile customers over third party networks. At 31 December 2018, over 84% of residential customers on the group's cable network received multiple services and 63% were "triple-play" customers, receiving broadband internet, video and fixed-line telephony services from the group.

Liberty Global is the world's largest international TV and broadband company with operations in 10 European countries. Its substantial scale and commitment to innovation enables it to develop market-leading products delivered through next-generation networks that, as of 31 December 2018, connected over 21 million customers subscribing to 45 million television, broadband internet and telephony services. In addition at 31 December 2018, Liberty Global served over 6 million mobile subscribers.

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.

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## VIRGIN MEDIA OPERATIONS LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2018

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#### 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 financial statements of Virgin Media Inc. which are available from the company secretary at Virgin Media, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP and are available at Liberty Global's website at [www.libertyglobal.com](http://www.libertyglobal.com).

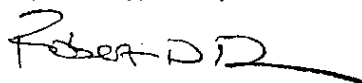
The UK referendum advising for the exit of the UK from the EU could have a material adverse effect on our business, financial condition, results of operations or liquidity. On 23 June 2016, the UK held a referendum in which voters approved, on an advisory basis, an exit from the EU, commonly referred to as "Brexit". Following the failure to reach a separation deal by the original deadline of 29 March 2019, the EU granted the UK an extension until 31 October 2019. Uncertainty remains as to what kind of separation agreement, if any, may be agreed and approved by the UK Parliament. It is possible that the UK will again fail to agree to a separation agreement with the EU by the new 31 October 2019 deadline which, in the absence of another extension, would require the UK to leave the EU under a so-called "hard Brexit" or "no-deal Brexit" without agreements on trade, finance and other key elements. The foregoing has caused considerable uncertainty as to Brexit's impact on the free movement of goods, services, people and capital between the UK and the EU, customer behaviour, economic conditions, interest rates, currency exchange rates, and availability of capital. Examples of the potential impact Brexit could have on Virgin Media Group's 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;
- 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;
- 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.

#### 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 Inc.'s financial statements and annual report for 2018, which are available from the company secretary at Virgin Media, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

This report was approved by the board on 27<sup>th</sup> June 2019 and signed on its behalf.



**R D Dunn**  
Director

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## **VIRGIN MEDIA OPERATIONS LIMITED**

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### **DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2018**

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The directors present their report and the financial statements for the 13 month period ended 31 December 2018.

#### **Results and dividends**

The profit for the 13 month period, after tax, amounted to £3,949,211,000. As this is the company's first report and financial statements no comparative information is presented.

The directors have not recommended an ordinary dividend.

#### **Directors**

The directors who served during the 13 month period and thereafter were as follows:

L M Schuler (appointed 20 December 2018)  
M O Hifzi (appointed 19 December 2018)  
R D Dunn (appointed 19 December 2018)  
T Mockridge (appointed 20 December 2018, resigned 11 June 2019)  
J Dodds (appointed 12 June 2019)

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 period and as at the date of approving the Directors' report.

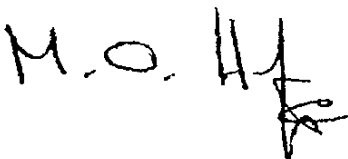
#### **Going concern**

After making suitable enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

#### **Audit exemption**

Virgin Media Finance PLC issued a guarantee against all outstanding liabilities to which the company is subject as at 31 December 2018, until they are satisfied in full. The guarantee is enforceable against Virgin Media Finance PLC by any person to whom the company is liable in respect of those liabilities. Since Virgin Media Finance PLC is the smallest group to which the company's accounts are consolidated, the company has taken advantage of the exemption from audit of its individual accounts for the year ended 31 December 2018 by virtue of section 479A of the Companies Act 2006.

This report was approved by the board on 27<sup>th</sup> June 2019 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'M.O. Hifzi', with a stylized flourish at the end.

**M O Hifzi**  
Director

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## **VIRGIN MEDIA OPERATIONS LIMITED**

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### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2018**

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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 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 OPERATIONS LIMITED**

**PROFIT AND LOSS ACCOUNT AND STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

		Continuing operations	Discontinued operations	Total
		Period from 19 December 2017 to 31 December 2018 £000	Period from 19 December 2017 to 31 December 2018 £000	Period from 19 December 2017 to 31 December 2018 £000
	Note			
Turnover		-	10,679	10,679
Cost of sales		-	(2,647)	(2,647)
<b>Gross profit</b>		-	8,032	8,032
Administrative expenses		-	(4,340)	(4,340)
Exceptional administrative income		-	3,936,928	3,936,928
<b>Operating profit</b>	4	-	3,940,620	3,940,620
Other interest receivable and similar income	6	9,307	-	9,307
Interest payable and similar expenses	7	(716)	-	(716)
<b>Profit before tax</b>		8,591	3,940,620	3,949,211
Tax on profit	8	-	-	-
<b>Profit for the period</b>		8,591	3,940,620	3,949,211

The notes on pages 8 to 17 form part of these financial statements.

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



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**VIRGIN MEDIA OPERATIONS LIMITED**  
**REGISTERED NUMBER:11118162**

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**BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

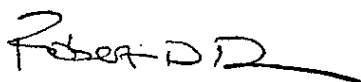
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	Note	2018 £000
<b>Fixed assets</b>		
Investments	9	14,357,792
<b>Current assets</b>		
Debtors due within one year	10	2,250,630
<b>Creditors: amounts falling due within one year</b>	11	(186,823)
<b>Net current assets</b>		<u>2,063,807</u>
<b>Net assets</b>		<u><u>16,421,599</u></u>
<b>Capital and reserves</b>		
Share capital	12	1,633
Share premium account	13	16,332,227
Profit and loss account	13	87,739
<b>Shareholder's funds</b>		<u><u>16,421,599</u></u>

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

The directors acknowledge their responsibility for complying with requirements of the Act with respect to accounting records and for the preparation of accounts.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21<sup>st</sup> June 2019.



**R D Dunn**  
Director

The notes on pages 8 to 17 form part of these financial statements.

**VIRGIN MEDIA OPERATIONS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	Share capital £000	Share premium account £000	Profit and loss account £000	Shareholder's funds £000
At 19 December 2017	-	-	-	-
<b>Comprehensive income for the 13 month period</b>				
Profit for the 13 month period	-	-	3,949,211	3,949,211
<b>Total comprehensive income for the 13 month period</b>	-	-	3,949,211	3,949,211
Shares issued during the period	1,633	16,332,227	-	16,333,860
Loss on purchase of company trade and certain assets from fellow group undertakings	-	-	(3,861,472)	(3,861,472)
<b>At 31 December 2018</b>	<b>1,633</b>	<b>16,332,227</b>	<b>87,739</b>	<b>16,421,599</b>

The notes on pages 8 to 17 form part of these financial statements.

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## VIRGIN MEDIA OPERATIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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#### 1. Company information

Virgin Media Operations Limited (the "company") is a private company incorporated, domiciled and registered in the UK. The registered number is 11118162 and the registered address is Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

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 Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The company's intermediate parent undertaking, Virgin Media Finance PLC includes the company in its consolidated financial statements. The consolidated financial statements of Virgin Media Finance PLC are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

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 and intangible assets;
- 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.

##### 2.2 Turnover

Turnover represents the value of services provided, stated net of value added tax and discounts, and is attributable to continuing activities, being the provision of digital cable, fixed-line telephony, broadband internet and other telecommunication services and to run certain telecommunication systems over which they are provided. Turnover is all derived from operations in the United Kingdom and is recognised as the services are provided to customers. The directors consider this to be a single class of business.

##### 2.3 Investments

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.

##### 2.4 Trade and other debtors

Trade and other debtors are stated at their recoverable amount. Provision is made when the amount receivable is not considered recoverable and the amount is fully written off when the probability for recovery of a balance is assessed as being remote.

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## VIRGIN MEDIA OPERATIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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#### 2. Accounting policies (continued)

##### 2.5 Deferred tax

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

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

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

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

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

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

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

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

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

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

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## VIRGIN MEDIA OPERATIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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#### 2. Accounting policies (continued)

##### 2.6 Non-current assets held for sale and discontinued operations

A non-current asset or a group of assets containing a non-current asset (a disposal group) is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year.

On initial classification as held for sale, non-current assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to profit or loss. The same applies to gains and losses on subsequent remeasurement although gains are not recognised in excess of any cumulative impairment loss. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to stocks, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the company's accounting policies. Intangible assets and tangible fixed assets once classified as held for sale or distribution are not amortised or depreciated.

This treatment, as regards the tangible fixed assets included in the disposal group, may be a departure from the requirements of the Companies Act concerning depreciation of tangible fixed assets. However, these tangible fixed assets are not held for consumption but for sale and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. The effect of this departure is to increase the company's profit for the financial period and tangible fixed assets by £3,692,000.

A discontinued operation is a component of the company's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or held for distribution. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale if earlier. When an operation is classified as a discontinued operation, the comparative profit and loss account is restated as if the operation has been discontinued from the start of the comparative period.

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

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

##### ***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.

##### ***Recoverability of intercompany debtors***

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

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## VIRGIN MEDIA OPERATIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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#### 4. Operating profit

The operating profit is stated after crediting:

	<b>Period from 19 December 2017 to 31 December 2018 £000</b>
Gain on sale of company trade and assets to fellow group undertakings	<b>3,936,928</b>

The exceptional administrative items are made up as follows:

As part of a wider group reorganisation, on 30 November 2018, the company acquired the trade and certain assets of General Cable Limited. The company has accounted for the acquisition of trade and certain assets as a common control transfer at carry-over basis. The consideration paid was £7,724,710,000 for the trade and assets with a book value of £3,863,238,000 with the arising loss recognised directly in reserves.

At acquisition the trade and certain assets met the criteria to be classified as held for sale. Accordingly, this trade is presented as discontinued operations for the period to disposal. On 1 December 2018 the company made a gain on the sale of the disposal group to Virgin Media Limited, a fellow group undertaking. The consideration paid was £5,720,242,000 for the trade and certain assets with a book value of £1,783,314,000 resulting in a gain on sale of £3,936,928,000.

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 director's remuneration is paid by and disclosed in the financial statements of Virgin Media Limited.

#### 5. Staff costs

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

#### 6. Other interest receivable and similar income

	<b>Period from 19 December 2017 to 31 December 2018 £000</b>
Interest on amounts owed by group undertakings	<b>9,307</b>

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**VIRGIN MEDIA OPERATIONS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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**7. Interest payable and similar expenses**

	Period from 19 December 2017 to 31 December 2018 £000
Interest on amounts owed to group undertakings	716

**8. Tax on profit**

	Period from 19 December 2017 to 31 December 2018 £000
Current tax	
Total current tax	-
Deferred tax	
Total deferred tax	-
Tax on profit	-

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	Period from 19 December 2017 to 31 December 2018 £000
Profit before tax	3,949,211
Profit multiplied by standard rate of corporation tax in the UK of 19%	750,350
<b>Effects of:</b>	
Income not taxable	(748,016)
Group relief claimed without payment	(1,484)
Adjustments on transfer of company trade and certain assets to fellow group undertakings	(850)
<b>Total tax charge for the period</b>	-

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## VIRGIN MEDIA OPERATIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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#### 8. Tax on profit (continued)

##### Factors affecting current and future tax charges

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015. A further reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

#### 9. Investments

	Investments in subsidiary companies £000
<b>Cost</b>	
At 19 December 2017	-
Additions	14,357,792
<b>At 31 December 2018</b>	<b>14,357,792</b>
<b>Net book value</b>	
<b>At 31 December 2018</b>	<b>14,357,792</b>

##### Subsidiary undertakings

During the period, the company acquired 100% of the ordinary share capital of Virgin Media Business Limited, ntl Business Limited, Virgin Media Wholesale Limited, Virgin Media Limited, Virgin Mobile Telecoms Limited and Virgin Media PCHC Limited, 51% of ntl Glasgow Holdings Limited and ntl Kirklees Holdings Limited, 29.2% of ntl Glasgow and 2.5% of ntl Kirklees, all of which are fellow group companies.

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.

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 16.



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## VIRGIN MEDIA OPERATIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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#### 10. Debtors due within one year

	2018 £000
Amounts owed by group undertakings	2,250,630
	<hr/>
	2018 £000
Loans advanced to group undertakings	2,246,938
Other amounts owed by group undertakings	3,692
	<hr/>
	2,250,630
	<hr/>

Amounts owed by group undertakings are unsecured and repayable on demand.

#### 11. Creditors: amounts falling due within one year

	2018 £000
Loans advanced by group undertakings	186,823
	<hr/>

Amounts owed by group undertakings are unsecured and repayable on demand.

#### 12. Share capital

	2018 £000
<b>Allotted, called up and fully paid</b>	
1,633,386 Ordinary shares of £1 each	1,633
	<hr/>

On incorporation the company issued 2 ordinary shares of £1 each. On 28 November 2018 the company issued a further 1,633,384 shares for a consideration of £16,333,860,000.

#### 13. Reserves

##### Share premium account

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

##### Profit and loss account

Includes all current period retained profits and losses.

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## **VIRGIN MEDIA OPERATIONS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018**

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#### **14. 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 2018, this comprised term facilities that amounted to £3,564 million (2017 - £3,410 million) and an outstanding balance of £nil (2017 - £nil) which was borrowed under revolving facilities of £675 million (2017 - £675 million). 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 2018 amounted to £4,938 million (2017 - £4,870 million). Borrowings under the notes are secured against the assets of certain members of the group including those of this company.

In May 2019, a fellow group undertaking issued senior secured notes with principal amounts of £300 million and \$825 million. The new senior secured notes rank pari passu with the group's existing senior secured notes and senior secured credit facility, and subject to certain exceptions, share in the same guarantees and security granted in favour of its existing senior secured notes. The net proceeds were used to redeem in full £687 million and \$355 million outstanding principal amounts of existing senior secured and secured notes.

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

#### **15. Parent undertaking and controlling party**

The company's immediate parent undertaking is General Cable 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 2018 are Virgin Media Finance PLC and Liberty Global plc, respectively.

The company's ultimate parent undertaking and controlling party at 31 December 2018 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, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

In addition copies of the consolidated Liberty Global plc accounts are available on Liberty Global's website at [www.libertyglobal.com](http://www.libertyglobal.com).

## VIRGIN MEDIA OPERATIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

#### 16. List of investments

Name of company		Holdings	Proportion held	Nature of business
<b>Direct shareholdings</b>				
ntl Business Limited		Ordinary	100%	Telecoms
ntl Glasgow	$\Sigma / \mu$	Ordinary	29.2%	Telecoms
ntl Glasgow Holdings Limited	$\mu$	Ordinary	51%	Holding
ntl Kirklees	$\mu$	Ordinary	2.5%	Telecoms
ntl Kirklees Holdings Limited	$\mu$	Ordinary	51%	Holding
Virgin Media Business Limited		Ordinary	100%	Telecoms
Virgin Media Limited		Ordinary	100%	Telecoms
Virgin Media PCHC Limited		Ordinary	100%	Dormant
Virgin Media Wholesale Limited		Ordinary	100%	Telecoms
Virgin Mobile Telecoms Limited		Ordinary	100%	Telecoms
<b>Indirect shareholdings</b>				
Birmingham Cable Limited		Ordinary	100%	Telecoms
CableTel Herts and Beds Limited		Ordinary	100%	Dormant
CableTel Northern Ireland Limited	$\beta$	Ordinary	100%	Dormant
CableTel Surrey and Hampshire Limited		Ordinary	100%	Dormant
Channel 6 Broadcasting Limited	$\Psi$	Ordinary	100%	Telecoms
Cullen Broadcasting Limited	$\Psi$	Ordinary	100%	Telecoms
Kish Media Limited	$\Psi$	Ordinary	100%	Telecoms
ntl CableComms Cheshire	$\Gamma$	Ordinary	100%	Dormant
ntl CableComms East Lancashire	$\Phi$	Ordinary	100%	Dormant
ntl CableComms Greater Manchester	$\Gamma$	Ordinary	100%	Dormant
ntl CableComms Holdings No 1 Limited		Ordinary	100%	Holding
ntl CableComms Holdings No 2 Limited		Ordinary	100%	Holding
ntl CableComms Solent	$\Gamma$	Ordinary	100%	Dormant
ntl CableComms Surrey		Ordinary	100%	Dormant
ntl CableComms Wirral	$\Gamma$	Ordinary	100%	Dormant
ntl Cambridge Limited		Ordinary	100%	Telecoms
ntl Manchester Cablevision Holding Company	$\Phi$	Ordinary	100%	Dormant
ntl National Networks Limited		Ordinary	100%	Non-Trading
ntl Pension Trustees II Limited		Ordinary	100%	Corporate Trustee

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**VIRGIN MEDIA OPERATIONS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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**16. List of investments (continued)**

Name of company		Holdings	Proportion held	Nature of business
<b>Indirect shareholdings (continued)</b>				
ntl Pension Trustees Limited		Ordinary	100%	Corporate Trustee
ntl South Central Limited		Ordinary	100%	Dormant
ntl Telecom Services Limited		Ordinary	100%	Non-Trading
ntl Trustees Limited		Ordinary	100%	Corporate Trustee
ntl Wirral Telephone and Cable TV Company	Γ	Ordinary	100%	Dormant
Tullamore Beta Limited	Ψ	Ordinary	100%	Telecoms
TV3 Television Network Limited	Ψ	Ordinary	100%	Telecoms
TV Three Enterprises Limited	Ψ	Ordinary	100%	Telecoms
TV Three Sales Limited	Ψ	Ordinary	100%	Telecoms
Virgin Media Payments Limited		Ordinary	100%	Collections
Virgin Media PCHC II Limited		Ordinary	100%	Dormant
Virgin Media Secretaries Limited		Ordinary	100%	Finance
Virgin WiFi Limited		Ordinary	100%	Telecoms

Ψ Building P2, EastPoint Business Park, Clontarf, Dublin 3

Σ 1 South Gyle Crescent Lane, Edinburgh, EH12 9EG

β Unit 3, Blackstaff Road, Kennedy Way Industrial Estate, Belfast, BT11 9AP

Φ Application made for strike off subsequent to the year end

Γ Placed in Members Voluntary Liquidation subsequent to the year end

μ Remainder of shares held by group undertakings