

**VIRGIN MEDIA TRADE RECEIVABLES INTERMEDIARY FINANCING
LIMITED**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2021



VIRGIN MEDIA TRADE RECEIVABLES INTERMEDIARY FINANCING LIMITED

COMPANY INFORMATION

Directors

J L Boyle
M D Hardman

Company secretary

VMED O2 Secretaries Limited

Registered number

12552094

Registered office

500 Brook Drive
Reading
United Kingdom
RG2 6UU

VIRGIN MEDIA TRADE RECEIVABLES INTERMEDIARY FINANCING LIMITED

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VIRGIN MEDIA TRADE RECEIVABLES INTERMEDIARY FINANCING LIMITED

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

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

Results and dividends

Virgin Media Trade Receivables Intermediary Financing Ltd (the 'company') is a wholly-owned subsidiary of VMED O2 UK Limited (VMED O2) (the group).

The result for the year, after tax, amounted to £nil, (2020 - £nil).

The directors have not recommended an ordinary dividend (2020 - £nil).

Directors

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

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

The directors of the company have been indemnified against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision is in force for directors serving during the financial year and as at the date of approving the Directors' Report.

Political donations

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

VIRGIN MEDIA TRADE RECEIVABLES INTERMEDIARY FINANCING LIMITED

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

UK employee engagement statement

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

- *CEO & executive live streams and roadshows:* Through 2021 we continued regular CEO and Executive Management Team digital livestreams, in addition to face to face Roadshows. These events are an opportunity for the Executive Management Team to share important updates and provide an opportunity for our people to ask questions and to make comments.
- *Employee network groups:* Our six employee network groups (Enrich, Proudly, Gender Equality, Ultraviolet, Extra Ordinary and We Care) work to ensure the views, needs and sentiment of our diverse populations are represented on an on-going basis within and across the business. There are both formal and informal collaborative working sessions.
- *Executive management team briefings:* Each month the Executive Management Team brings together VMED O2's senior leaders to discuss a range of commercial, customer and leadership priorities. These forums are opportunities to invite questions, feedback, views and insights from the wider senior leadership community.
- *Workplace:* Our internal social media platform actively drives and encourages openness, communication and collaboration. All of our people have access to Workplace and are able to post comments, questions, ideas and set up groups. Workplace is a key vehicle in our communications and employee engagement approach, supporting business updates, dissemination of key information e.g. COVID-19 updates, and bespoke campaigns centred on key topics e.g. internal career opportunities. Workplace provides an always-on forum for people to share updates, feedback, ideas and news from around the business.
- *Engagement survey and pulse surveys:* These tools gather our people's views and enable everyone to have a voice through the year. The results provide a company-wide view of our people's levels of motivation and identify what is going well and what can be improved.
- *Quarterly update:* Each quarter, members of the Executive Management Team share our commercial and financial results and business strategy updates with all of our people. These have been held digitally via Workplace through 2021, are accessible to all of our people and provide the opportunity for questions or comments.
- *Employee representatives for O2:* We work continuously and in partnership with our Trade Unions (CWU and Prospect) and employee representatives on a broad range of employee related matters to maintain a positive and collaborative industrial climate within the business.
- *Employee representatives for Virgin Media:* We work continuously and in partnership with our Voice Forum on a broad range of employee related matters to maintain a positive and collaborative industrial climate within the business.

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

VIRGIN MEDIA TRADE RECEIVABLES INTERMEDIARY FINANCING LIMITED

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

Corporate governance

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

Going concern

After making suitable enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing these financial statements. Consideration of the on-going impact of COVID-19 has not altered this conclusion.

Audit exemption

VMED O2 UK Holdings Limited issued a guarantee against all outstanding liabilities to which the company is subject as at 31 December 2021, until they are satisfied in full. The guarantee is enforceable against VMED O2 UK Holdings Limited by any person to whom the company is liable in respect of those liabilities. Since VMED O2 UK Holdings Limited 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 2021 by virtue of section 479A of the Companies Act 2006.

Small companies provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

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

Julia Boyle

J L Boyle
Director

Date: 22 September 2022

VIRGIN MEDIA TRADE RECEIVABLES INTERMEDIARY FINANCING LIMITED

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

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 also responsible for safeguarding the assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

VIRGIN MEDIA TRADE RECEIVABLES INTERMEDIARY FINANCING LIMITED

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

	Note	2021 £	2020 £
Administrative income		1,667	-
Other operating expenses		(1,667)	-
Operating profit		<u>-</u>	<u>-</u>
Income tax expense		-	-
Result for the year		<u><u>-</u></u>	<u><u>-</u></u>

The notes on pages 8 to 11 form part of these financial statements.

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

All results were derived from continuing operations.

VIRGIN MEDIA TRADE RECEIVABLES INTERMEDIARY FINANCING LIMITED
REGISTERED NUMBER: 12552094

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Current assets			
Debtors: amounts falling due within one year	5	254,099,515	260,324,069
		<u>254,099,515</u>	<u>260,324,069</u>
Creditors: amounts falling due within one year	6	(254,099,514)	(260,324,068)
		<u>1</u>	<u>1</u>
Net assets			
Capital and reserves			
Share capital	7	1	1
		<u>1</u>	<u>1</u>
Total shareholder's funds			
		<u>1</u>	<u>1</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 company's financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

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

Mark Hardman

M D Hardman
Director

Date: 22 September 2022

The notes on pages 8 to 11 form part of these financial statements.

VIRGIN MEDIA TRADE RECEIVABLES INTERMEDIARY FINANCING LIMITED

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

	Share capital	Total shareholder's funds
	£	£
Balance as at 1 January 2021	1	1
Balance as at 31 December 2021	<u>1</u>	<u>1</u>

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

	Share capital	Total shareholder's funds
	£	£
Balance as at 8 April 2020	1	1
Balance as at 31 December 2020	<u>1</u>	<u>1</u>

The notes on pages 8 to 11 form part of these financial statements.

VIRGIN MEDIA TRADE RECEIVABLES INTERMEDIARY FINANCING LIMITED

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

1. Company information

The principal activity of Virgin Media Trade Receivables Intermediary Financing Limited (the 'company') is to act as an intermediary purchaser of airtime securitisation for fellow group subsidiaries.

The company is a private company incorporated, domiciled and registered in the UK. The registered number is 12552094 and the registered address is 500 Brook Drive, Reading, United Kingdom, RG2 6UU.

2. Accounting policies**2.1 Basis of preparation of financial statements**

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

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

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Accounting Standards in conformity with the requirements of the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The company's intermediate parent undertaking, VMED O2 UK Holdings Limited, includes the company in its consolidated financial statements. The consolidated financial statements of VMED O2 UK Holdings Limited are prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and are available from the company secretary at 500 Brook Drive, Reading, United Kingdom, RG2 6UU.

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

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

VIRGIN MEDIA TRADE RECEIVABLES INTERMEDIARY FINANCING LIMITED

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

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 VMED 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 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, which take into account of reasonably possible downsides in trading performance, prepared for the group as a whole, indicate that cash on hand, together with cash from operations and revolving credit facilities, are expected to be sufficient for the 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. This assessment indicates that, taking account of reasonably possible downsides, the company will have sufficient resources, through funding from fellow subsidiary companies to meet its liabilities as they fall due for that period.

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

2.3 Debtors

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

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

2.4 Creditors

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

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

VIRGIN MEDIA TRADE RECEIVABLES INTERMEDIARY FINANCING LIMITED

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

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

Recoverability of intercompany receivables

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

4. Employees

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

5. Debtors

	2021 £	2020 £
Due within one year		
Amounts owed by group undertakings	254,099,515	260,324,069

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

6. Creditors: amounts falling due within one year

	2021 £	2020 £
Amounts owed to group undertakings	254,099,514	260,324,068

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

7. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
1 (2020 - 1) Ordinary Share fully paid of £1 each	1	1

VIRGIN MEDIA TRADE RECEIVABLES INTERMEDIARY FINANCING LIMITED

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

8. Reserves

Share capital

The balance classified as share capital represents the nominal value on issue of the company's share capital, comprising £1 ordinary shares.

Retained earnings

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

9. Guarantees

Fellow group undertakings are party to a senior secured credit facility with a syndicate of banks. As at 31 December 2021, this comprised term facilities that amounted to £5,916 million (2020 - £3,982 million) and revolving credit facilities of £1,378 million (2020 - £1,000 million), which were undrawn as at 31 December 2020 and 2021. Borrowings under the facilities are secured against the assets of certain members of the group.

In addition, a fellow group undertaking has issued senior secured notes which, subject to certain exceptions, share the same guarantees and security which have been granted in favour of the senior secured credit facility. The amount outstanding under the senior secured notes at 31 December 2021 amounted to £8,066 million (2020 - £4,400 million). Borrowings under the notes are secured against the assets of certain members of the group.

Furthermore, a fellow group undertaking has issued senior notes for which certain fellow group undertakings, have guaranteed the notes on a senior subordinated basis. The amount outstanding under the senior notes as at 31 December 2021 amounted to approximately £1,103 million (2020 - £1,127 million).

The company is a member of the VMED O2 group, which manages its liquidity at the consolidated VMED O2 group level. As such, while the company is not itself a guarantor of the credit facilities, senior secured notes and senior notes discussed above, any action to enforce the guarantees and security given by fellow VMED O2 group undertakings could impact upon the company as a part of that group.

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

10. Controlling parties

The company's immediate parent undertaking is Virgin Media Operations Limited.

The smallest and largest groups of which the company is a member and in to which the company's accounts were consolidated at 31 December 2021 are VMED O2 UK Holdings Limited and VMED O2 UK Limited, respectively.

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

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