

**VIRGIN MEDIA TRADE RECEIVABLES INTERMEDIARY FINANCING
LIMITED**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2020

THURSDAY



AAE4SCLT

A62

30/09/2021

#27

COMPANIES HOUSE

VIRGIN MEDIA TRADE RECEIVABLES INTERMEDIARY FINANCING LTD

COMPANY INFORMATION

Directors	M O Hifzi R G McNeil C B E Withers
------------------	--

Company secretary	G E James
--------------------------	-----------

Registered number	12552094
--------------------------	----------

Registered office	500 Brook Drive Reading United Kingdom RG2 6UU
--------------------------	---

VIRGIN MEDIA TRADE RECEIVABLES INTERMEDIARY FINANCING LTD

CONTENTS

	Page
Directors' report	1 - 2
Directors' responsibilities statement	3
Balance sheet	4
Statement of changes in equity	5
Notes to the financial statements	6 - 9

VIRGIN MEDIA TRADE RECEIVABLES INTERMEDIARY FINANCING LTD

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020

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

Results and dividends

The company was incorporated on 8 April 2020 with its first period accounts being the 9 months ended 31 December 2020. The company has not traded during the period, receiving no income and incurring no expenditure and therefore did not make either a profit or a loss. The principle activity of the company is to act as an intermediary purchaser of airtime securitisation for fellow group subsidiaries.

The directors have not recommended an ordinary dividend.

Directors

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

M O Hifzi (appointed 8 April 2020)
R G McNeil (appointed 8 April 2020)
L Milner (appointed 1 March 2021, resigned 31 August 2021)
S-P Pascu (appointed 8 April 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 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. Consideration of the on-going impact of COVID-19 has not altered this conclusion.

Audit exemption

Virgin Media Finance PLC issued a guarantee against all outstanding liabilities to which the company is subject as at 31 December 2020, until they are satisfied in full. The guarantee is enforceable against Virgin Media Finance PLC by any person to whom the company is liable in respect of those liabilities. Since Virgin Media Finance PLC is the smallest group to which the company's accounts are consolidated, the company has taken advantage of the exemption from audit of its individual accounts for the period ended 31 December 2020 by virtue of section 479A of the Companies Act 2006.

Post balance sheet events

Joint venture transaction

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.

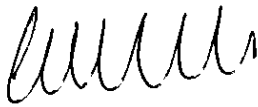
VIRGIN MEDIA TRADE RECEIVABLES INTERMEDIARY FINANCING LTD

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

Small company provisions

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

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



C B E Withers
Director

VIRGIN MEDIA TRADE RECEIVABLES INTERMEDIARY FINANCING LTD

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2020

The directors are responsible for preparing the Directors' Report and the non-audited 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' applicable in the UK and Republic of Ireland.

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;
- assess the company's ability to continue on a going concern, disclosing, as applicable, the 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 TRADE RECEIVABLES INTERMEDIARY FINANCING LTD
REGISTERED NUMBER: 12552094

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	31 December 2020 £
Current assets		
Debtors: amounts falling due within one year	5	260,324,069
		<u>260,324,069</u>
Creditors: amounts falling due within one year	6	(260,324,068)
Net assets		<u><u>1</u></u>
Capital and reserves		
Share capital	7	1
		<u><u>1</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 responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

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



R G McNeil
Director

The notes on pages 6 to 9 form part of these financial statements.

VIRGIN MEDIA TRADE RECEIVABLES INTERMEDIARY FINANCING LTD

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

	Share capital	Total shareholder's funds
	£	£
Shares issued during the period	1	1
Balance as at 31 December 2020	1	1

The notes on pages 6 to 9 form part of these financial statements.

VIRGIN MEDIA TRADE RECEIVABLES INTERMEDIARY FINANCING LTD

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

1. Company information

Virgin Media Trade Receivables Intermediary Financing Limited (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. The company was incorporated on 8 April 2020.

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, 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.

2.2 Trade receivables and other debtors

Trade receivables and other 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.

2.3 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 LTD

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

2. Accounting policies (continued)

2.4 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 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.

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.

Recoverability of intercompany receivables

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

4. Employees

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

5. Debtors: amounts falling due within one year

	2020 £
Amounts owed by group undertakings	260,324,069

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

VIRGIN MEDIA TRADE RECEIVABLES INTERMEDIARY FINANCING LTD

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

6. Creditors: amounts falling due within one year

	2020 £
Amounts owed to group undertakings	260,324,068

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

7. Share capital

	31 December 2020 £
Allotted, called up and fully paid	
1 Ordinary share of £1	1

1 Ordinary share of £1 issued on 8 April 2020.

8. Guarantees

Fellow group undertakings are 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.

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.

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 2020 amounted to approximately £1,127 million (2019 - £1,194 million).

Following the formation of the UK JV (see Directors' Report) the group forms 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 is a member of the Virgin Media O2 group, which manages its liquidity at the consolidated Virgin Media 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 Virgin Media O2 group undertakings could impact upon the company as a part of that group.

VIRGIN MEDIA TRADE RECEIVABLES INTERMEDIARY FINANCING LTD

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

9. 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 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, RG5 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.

10. Post balance sheet events

Joint venture transaction

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.