Registered number
3173552

# VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED
## Report and Financial Statements

## 31 December 2006

**VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED**
**Registered number**
**3173552**

**Directors**
R M Mackenzie
R C Gale

**Joint Company Secretaries**
R M Mackenzie
G E James

**Auditors**
Ernst & Young LLP
1 More London Place
London
SE1 2AF

**Registered Office**
160 Great Portland Street
London
W1W 5QA

## VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED
### Directors' Report

The directors present their report and financial statements for the year ended 31 December 2006

**RESULTS AND DIVIDENDS**

The loss for the financial year, amounted to £156,581,000 (2005 - profit £3,761,990,000) The profit for the financial year ended 31 December 2005 included a credit of £3,683,246,000 due to the release of an impairment provision against amounts due from group undertakings The directors are unable to recommend the payment of a dividend until the company has distributable reserves (2005 - £nil)

**PRINCIPAL ACTIVITY**

The company is an indirect wholly-owned subsidiary undertaking of Virgin Media Inc , which changed its name from NTL Incorporated on 6 February 2007 The Virgin Media group is an innovative and pioneering UK entertainment and communications business and is the first company in the United Kingdom to offer a quad-play package of television, broadband, telephone and mobile The group is one of the UK's most popular residential broadband and pay-as-you-go mobile providers and the second largest provider in the UK of pay television and fixed line telephone services

The principal activity of the company was, and will continue to be, that of an investment holding company, being a holding company for the majority of companies in the Virgin Media group The material investments of the company are shown in note 19 At 31 December 2006 the company had bank loans outstanding of £1 8 billion which form part of the Virgin Media group's overall senior credit facility that had an aggregate principal amount of £5 3 billion

On 19 February 2007, the company changed its name from ntl Investment Holdings Limited to Virgin Media Investment Holdings Limited and the names of certain other group companies were changed, including

- ntl Communications Limited became Virgin Media Communications Limited
- ntl Cable PLC became Virgin Media Finance PLC
- ntl Group Limited became Virgin Media Limited
- NTLIH Sub Limited became VMIH Sub Limited

The new company names are used throughout the rest of this report and financial statements whether describing events before or after the change of name

**REVIEW OF THE BUSINESS**

The Virgin Media group operates in an increasingly diverse and challenging entertainment and communications marketplace To meet this challenge, during 2006 the Virgin Media group took several transformative steps, including

- Combining NTL's cable business with the cable business of Telewest following the merger of NTL Incorporated and Telewest Global, Inc in March 2006

- Adding a mobile phone offering to the group's services by acquiring Virgin Mobile Holdings (UK) plc, or Virgin Mobile, in July 2006

- Licensing the name 'Virgin Media' from Virgin Enterprises Limited pursuant to a trademark license agreement The agreement is an exclusive license covering a number of aspects of the group's consumer business and a large part of its content business, but does not cover its business division, which has retained the name ntl Telewest

Whilst the ultimate parent company had entered into a reverse acquisition agreement effective 3 March 2006, the ownership and control of Telewest UK Limited and its subsidiaries was not passed down to the sub-group headed by the company until 19 June 2006

**REVIEW OF THE BUSINESS (continued)**

During the course of an extensive group inter-company debt restructuring exercise, on 4 March 2006 the company discharged an amount of £1,199,599,767 owed to it by Virgin Media Limited Consideration for the discharge was the assignment to the company of an equal amount owed to Virgin Media Limited by ntl Rectangle Limited

Also on 4 March 2006 the company acquired the entire share capital of ntl Internet Services Limited and Diamond Cable Communications Limited from Virgin Media Limited By way of consideration, an amount of the debt owed to the company by Virgin Media Limited was discharged, equivalent to the fair market value of the two shareholdings transferred

Also on 9 March 2006, the company sold the whole of its investment in ntl Internet Services Limited and 25% of the share capital of Diamond Cable Communications Limited to VMIH Sub Limited, and granted a put option in respect of the shares of Diamond Cable Communications Limited The consideration for the disposal was the acquisition of 600 new ordinary £1 shares in VMIH Sub Limited

On 19 June 2006, in connection with the integration of NTL and Telewest, the Virgin Media group engaged in a post acquisition restructuring of Telewest UK Limited and its subsidiaries in order to integrate their operations with NTL's existing UK operations and to implement permanent financing The completion of this restructuring resulted in Telewest UK Limited and its subsidiaries becoming wholly-owned by the company The programme of integration includes the announced plan to reduce the number of employees in the enlarged group by approximately 6,000

**KEY PERFORMANCE INDICATORS**

The company is non-trading and its principal activity is to act as an investment holding company As a result there are no meaningful Key Performance Indicators for this entity However, the performance of the group to which the company belongs is monitored and its Key Performance Indicators are available in the group accounts of Virgin Media Finance PLC

**FINANCING**

In February 2006, the company prepaid £100 million in respect of the then senior credit facility On 3 March 2006, the company prepaid £1,358 1 million in respect of its senior credit facility, utilising the new senior credit facilities

Virgin Media Inc, Virgin Media Finance PLC, the company and certain of its subsidiaries and Telewest Communications Networks Limited and certain of its subsidiaries executed a senior credit facility agreement with a consortium of financial institutions on 3 March 2006 The new senior credit facility replaces the old facility and has an aggregate principal amount of £5 3 billion, comprising of £3 6 billion 5 year term loan facilities, £651 million 6 5 year term loan facilities, a $650 million 6 5 year term loan facility, a £300 million 7 year term credit facility and a £100 million 5 year multi-currency revolving credit facility

On 25 July 2006, the company's parent undertaking, Virgin Media Finance PLC, issued $550 million U S Dollar denominated 9 125% Senior Notes due 2016 This amount was then loaned to the company and is included within amounts due to parent undertakings

On 27 September 2006 the company prepaid £120 0 million of the senior credit facility utilising available cash

**DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES**

The company has debt obligations in a combination of U S Dollars, Euros and Sterling at fixed and variable interest rates As a result the company is exposed to variability in its cash flows and earnings resulting from changes in foreign currency exchange rates and interest rates

The company has entered into various derivative instruments with a number of counter-parties to manage its exposures to changes in interest rates and foreign currency exchange rates The derivative instruments consist of interest rate swaps, cross-currency interest rate swaps and foreign currency forward contracts

## FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of financial risks that include the effects of changes in interest rate risk, foreign exchange risk, credit risk and liquidity risk

*Liquidity risk*

The company manages its financial risk via secure, long-dated and cost-effective funding for the group's operations in order to minimise the adverse effects of fluctuations in the financial markets on the value of its financial assets and liabilities, profitability and cash flows

The company's external debt is used to satisfy the funding requirements of Virgin Media group undertakings via inter-company loans on terms which generally match those of the external debt In addition, working capital is managed centrally within the Virgin Media group creating further inter-company trading balances, on terms which are generally interest free

*Foreign exchange and interest rate risk*

The company has interest bearing liabilities, which comprise senior credit facilities and intercompany debt The company is subject to financial risks where interest rates are not fixed or where the debt is denominated in foreign currency The group's and company's policy is to manage its interest cost using a mix of fixed and variable rate financial instruments denominated in sterling and foreign currencies, and to hedge all or part of the exposure to interest rate or foreign currency risk However the group's policy is not to hedge against interest rate or foreign currency risk in respect of inter-company debt

The company's financial instruments mainly comprise bank and other loans, receivable and payable inter-company debt, bank overdrafts, cash and short term deposits The interest rates are not fixed and so are subject to fluctuation The main purpose of these financial instruments is to raise finance for the group's operations, and then to centralise any surplus funding within the Virgin Media group

The group is subject to currency exchange rate risks because substantially all of its revenues and operating expenses are paid in sterling, but interest and principal obligations with respect to a portion of its indebtedness are paid in U S Dollars and Euros To the extent that the pound declines in value against the U S Dollar and the Euro, the effective cost of servicing the U S Dollar and Euro denominated debt will be higher Changes in exchange rates result in foreign currency gains or losses

To manage these foreign exchange and interest rate risks on behalf of the group, the company has entered into a number of derivative instruments, including cross-currency swaps and foreign currency forward rate contracts

*Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation The company deposits surplus cash balances only with banks and other financial institutions with suitably high independent ratings

The group's inter-company funding arrangements are managed centrally Recoverability of inter-company receivables is assessed annually The provision for non-recoverability may increase or decrease as a result of that review

The directors will revisit the appropriateness of these policies should the company or group's operations change in size or nature

## VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED
**Directors' Report**

### EVENTS SINCE THE BALANCE SHEET DATE AND FUTURE DEVELOPMENTS

On 13 April 2007, the company borrowed £590 million under its senior credit facility which will be repayable in 2012, and used £149 million of the net proceeds to repay some of its obligations under the senior credit facility that were originally scheduled to be paid in 2007 through 2011 This formed part of an arrangement whereby the Virgin Media group borrowed £890 million under its overall senior credit facility which will be repayable in 2012, and used £863 million of the net proceeds to repay some of its obligations under the senior credit facility that were originally scheduled to be paid in 2007 through 2011

In May 2007 the company made a mandatory prepayment of £12 7 million under its senior credit facility This formed part of a total mandatory prepayment of £73 6 million under the group's senior credit facility as a result of excess cash flow generated in 2006

### DIRECTORS AND THEIR INTERESTS

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

R M Mackenzie
R C Gale

The directors had no interest in the share capital of the company requiring disclosure under the Companies Act 1985 The company seeks exemption under the Companies (Disclosure of Directors' Interests) (Exceptions) Regulations 1985, not to disclose the directors' interests in the common stock of Virgin Media Inc , a company registered in Delaware, United States of America and the ultimate parent undertaking of the company

Virgin Media Inc has indemnified the directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985 Such qualifying third party indemnity provision is in force as at the date of approving the directors' report

### 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 required by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

### AUDITORS

Ernst & Young LLP will be re-appointed as the company's auditor in accordance with the elective resolution passed by the company under Section 386 of the Companies Act 1985

By order of the board

R M Mackenzie
Director and Secretary
26 November 2007

# VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED
## STATEMENT OF DIRECTORS' RESONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which 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 1985 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED

We have audited the company's financial statements for the year ended 31 December 2006, which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, and the related notes 1 to 19  These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company's member in accordance with Section 235 of the Companies Act 1985  Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to it 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 for the opinions we have formed

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985  We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board  An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements  It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statement, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error  In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London
27 November 2007

## VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED
## Profit and Loss Account
## for the year ended 31 December 2006

| | Notes | 2006 £'000 | 2005 £'000 |
|---|---|---|---|
| Foreign exchange (losses)/gains | | (32,113) | 28,681 |
| Impairment credit | 4 | - | 3,683,246 |
| **Operating (loss)/profit** | 2 | (32,113) | 3,711,927 |
| Loss on the disposal of investments | 3 | (26,248) | - |
| Loss on debt extinguishment | 3 | (32,842) | (330) |
| Interest receivable and similar income | 5 | 210,018 | 329,272 |
| Interest payable and similar charges | 6 | (275,396) | (278,879) |
| **(Loss)/profit on ordinary activities before taxation** | | (156,581) | 3,761,990 |
| Taxation | 7 | - | - |
| **(Loss)/profit for the financial year** | 14 | (156,581) | 3,761,990 |

All activities of the company are classed as continuing

**VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED**
**Statement of Total Recognised Gains and Losses**
**for the year ended 31 December 2006**

| | Notes | 2006 £'000 | 2005 £'000 |
|---|---|---|---|
| **(Loss)/profit for the financial year** | 14 | (156,581) | 3,761,990 |
| *Gains/(losses) recognised directly in equity* | | | |
| Gain on cash flow hedges taken to equity | 14 | 4,987 | 32,286 |
| Loss on re-designation of certain cash flow hedges | 12 | - | (9,083) |
| **Total recognised (losses)/gains for the year** | | (151,594) | 3,785,193 |

**VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED**
**Balance Sheet**
**as at 31 December 2006**

| | Notes | | 2006 | | 2005 |
|---|---|---|---|---|---|
| | | £'000 | £'000 | £'000 | £'000 |
| **Fixed assets** | | | | | |
| Investments | 8 | | 7,245,237 | | 351,765 |
| **Current assets** | | | | | |
| Debtors | 9 | 927,268 | | 4,222,397 | |
| Cash at bank and in hand | | 122,426 | | 181,154 | |
| | | 1,049,694 | | 4,403,551 | |
| **Creditors: amounts falling due within one year** | 10 | (112,085) | | (69,742) | |
| **Net current assets** | | | 937,609 | | 4,333,809 |
| **Total assets less current liabilities** | | | 8,182,846 | | 4,685,574 |
| **Creditors: amounts falling due after more than one year** | 11 | | (4,919,798) | | (3,771,522) |
| **Net assets** | | | 3,263,048 | | 914,052 |
| **Capital and reserves** | | | | | |
| Called up share capital | 13 | | - | | - |
| Share premium account | 14 | | 15,125,544 | | 12,624,954 |
| Profit and loss account | 14 | | (11,862,496) | | (11,710,902) |
| **Equity shareholder's funds** | 14 | | 3,263,048 | | 914,052 |

R C Gale
Director
27 November 2007

## 1 Accounting policies

*Accounting convention*
The financial statements are prepared in accordance with applicable United Kingdom accounting standards, under the historical cost convention except where fair value accounting has been adopted as detailed below

*Group accounts*
The company has taken advantage of the exemption under Section 228 of the Companies Act 1985 not to prepare group accounts because it is a wholly owned subsidiary of another company incorporated in Great Britain which prepares group accounts (see note 17) These financial statements therefore present information about the company as an individual undertaking and not about its group

*Cash flow statement*
The company has taken advantage of the exemption under FRS 1 (revised) not to prepare a cash flow statement as it is a subsidiary which is at least 90% controlled by the ultimate parent undertaking (see note 17)

*Deferred taxation*
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

(a) provision is made for deferred tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only when the replacement assets are sold, and

(b) deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

*Investments*
Investments are recorded at cost, less any provision for impairment

*Merger relief*
In a group reconstruction where Section 132 of the Companies Act 1985 applies, any share premium recorded by the company represents the minimum premium value comprising the difference between the cost of investment of the transferor and the aggregate nominal value of the shares issued

*Foreign currencies*
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date The resulting exchange differences are taken to the Profit and Loss Account

*Trade and other receivables*
Receivables are stated at recoverable amount Provision is made when the amount receivable is not considered recoverable and the full amount is written off when the probability for recovery of a balance is assessed as being remote

## 1 Accounting policies (continued)

***Derivative financial instruments and hedging***

The company uses derivative financial instruments such as forward currency contracts, interest rate and currency swaps, to hedge its risks associated with foreign currency and interest rate fluctuations Such financial instruments were introduced in April 2004 as part of the extensive refinancing programme for the group

Derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value at each period end Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles The fair value of interest rate swap contracts is determined by reference to market values for similar instruments

For those derivatives designated as hedges and for which hedge accounting is desired, the hedging relationship is documented at its inception This documentation identifies the hedging instrument, the hedged item or transaction, the rate of the risk being hedged and how effectiveness will be measured throughout its duration Such hedges are expected at inception to be highly effective

For the purpose of hedge accounting, hedges are classified as
~fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability, or
~cash flow hedges when hedging exposure to a variability in cash flows that is either attributable to a particular risk associated with a recognised asset of liability or a highly probable forecast transaction

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken to the Profit and Loss Account as finance incomes or expenses, respectively The treatment of gains and losses arising from revaluing derivatives designated as hedging instruments depends upon the nature of the hedging relationship, as follows

Fair Value Hedges
For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged, the derivative is remeasured at fair value and gains and losses from both are taken to the Profit and Loss Account For hedged items carried at amortised cost, the adjustment is amortised through the Profit and Loss Account such that it is fully amortised by maturity When an unrecognised firm commitment is designated as a hedged item, this gives rise to an asset or liability in the Balance Sheet, representing the cumulative change in fair value of the firm commitment attributable to the hedged risk The company discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the company revokes the designation

Cash Flow Hedges
For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in the Profit and Loss Account Amounts taken to equity are transferred to the Profit and Loss Account when the hedged transaction affects the profit or loss, such as when a forecast sale or purchase occurs Where the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability

If a forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to the Profit and Loss Account If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs and are transferred to the Profit and Loss Account or to the initial carrying amount of a non-financial asset or liability as above If the related transaction is not expected to occur, the amount is taken to the Profit and Loss Account

## 2 Operating (loss)/profit

| | 2006 | 2005 |
| --- | --- | --- |
| | £'000 | £'000 |
| This is stated after charging/(crediting) | | |
| Foreign exchange losses/(gains) | 32,113 | (28,681) |
| Impairment credit (see note 4) | - | (3,683,246) |

The directors' remuneration is paid by Virgin Media Limited and disclosed in the group accounts of Virgin Media Finance PLC

Auditor's remuneration of £8,000 (2005 - £16,000) represents costs attributed to the company by the fellow group undertakings that pay all auditor's remuneration on behalf of the Virgin Media group The company is exempt from disclosing additional information regarding non-audit services, as the disclosures required under Regulation 4 (1) (b) of Section 390B of Companies Act 1985, are made in the group accounts of Virgin Media Finance PLC

Certain expenses are specifically attributable 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 company does not have any directly employed staff and is not charged an allocation of staff costs by the Virgin Media group Details of staff numbers and staff costs for the group are disclosed in the group accounts of Virgin Media Finance PLC

## 3 Exceptional items

| | 2006 | 2005 |
| --- | --- | --- |
| | £'000 | £'000 |
| **Recognised below operating profit:** | | |
| Loss on the disposal of investments | 26,248 | - |
| Loss on debt extinguishment | 32,842 | 330 |
| | 59,090 | 330 |

On 8 March 2006, the company transferred 25% of the shares it held in Diamond Cable Communications Limited to its direct subsidiary, VMIH Sub Limited in exchange for shares in that company valued at £118,273,350 generating a loss on disposal of investments of £26,248,000

Loss on debt extinguishment in 2006 of £32,842,000 million relates to the March 2006 refinancing of the senior credit facility

## 4 Impairment credit

| | 2006 | 2005 |
| --- | --- | --- |
| | £'000 | £'000 |
| Release of provision for impairment of amounts owed by group undertakings | - | (3,683,246) |

During the year ended 31 December 2005 a release of a provision for impairment of amounts owed by group undertakings was made as a result of the settlement of the previously impaired balances Of the total balances settled, £524,808,000 was paid during the year ended 31 December 2005 and £3,158,438,000 was paid during the year ended 31 December 2006

## 5 Interest receivable and similar income

| | 2006 £'000 | 2005 £'000 |
|---|---|---|
| Gains from derivative instruments | 1,313 | 877 |
| Bank interest | 6,591 | 1,674 |
| Interest on loan notes due from group undertakings | 192,520 | 300,448 |
| Recharge of deferred finance costs and bank fees to group undertakings | 9,594 | 26,273 |
| | 210,018 | 329,272 |

## 6 Interest payable and similar charges

| | 2006 £'000 | 2005 £'000 |
|---|---|---|
| Bank loan interest and related charges | 119,515 | 152,519 |
| Interest on loan notes due to group undertakings | 155,881 | 126,360 |
| | 275,396 | 278,879 |

## 7 Taxation

**(a) Tax on (loss)/profit on ordinary activities**

The tax charge is made up as follows

| | 2006 £'000 | 2005 £'000 |
|---|---|---|
| **Current tax charge:** | | |
| Current tax on (loss)/profit for the year | - | - |
| | - | - |
| **Deferred tax:** | | |
| Origination and reversal of timing differences | - | - |
| | - | - |
| Total tax charge on (loss)/profit on ordinary activities | - | - |

**(b) Factors affecting current tax charge**

The difference between the effective statutory rate and the actual current tax charge is reconciled as follows

| | 2006 £'000 | 2005 £'000 |
|---|---|---|
| **(Loss)/profit on ordinary activities before taxation** | (156,581) | 3,761,990 |
| (Loss)/profit on ordinary activities multiplied by the applicable statutory rate 30% (2005 - 30%) | (46,974) | 1,128,597 |
| Income not taxable | - | (1,104,973) |
| Group relief surrendered/(claimed) without payment | 46,974 | (23,624) |
| **Total current tax charge** | - | - |

**(c) Factors that may affect future tax charges**

There are no factors that may affect future tax charges

## 8 Investments

| | Total £'000 |
|---|---|
| **Cost** | |
| At 1 January 2006 | 12,143,560 |
| Additions | 11,263,586 |
| Disposals | (4,370,114) |
| At 31 December 2006 | 19,037,032 |
| **Provision for impairment** | |
| At 1 January 2006 and 31 December 2006 | 11,791,795 |
| **Net book value:** | |
| At 31 December 2006 | 7,245,237 |
| At 31 December 2005 | 351,765 |

The share ownership in Telewest UK Limited and its subsidiaries was passed to the company through group reorganisations commencing 19 June 2006 The company acquired shares in Virgin Media (UK) Group, Inc from another parent undertaking, for a total consideration of £4,225,593,000 comprising cash generated from the issue of shares of £2,420,593,000 and further cash generated from new bank borrowings of £1,200,000,000 together with additional inter-company borrowing of £571,001,000 and cash in hand of £33,999,000 The company then acquired the entire issued share capital of Telewest UK Limited in exchange for these shares in the dual resident parent company undertaking The cost of investment is however reduced from £4,225,593,000 by £470,815,000 to £3,754,778,000 in accordance with Section 132 of the Companies Act 1985 (see note 14)

On 18 December 2006, the company made a further investment of £1,735,850,000 in Telewest UK Limited in consideration for the transfer of an interest bearing inter-company loan note

The internal group reorganisation which resulted in Telewest becoming a wholly-owned subsidiary of the company included additions to investments totalling £9,716,221,000 and disposals of investments totalling £4,225,593,000 At 31 December 2006 the carrying value of the company's investment in Telewest was £5,490,628,000

On 4 March 2006 the company acquired the entire share capital of ntl Internet Services Limited and Diamond Cable Communications Limited from Virgin Media Limited By way of consideration, an amount of the debt of £459,495,000 owed to the company by Virgin Media Limited was discharged, equivalent to the fair market value of the two shareholdings transferred

On 9 March 2006, the company disposed of the whole of its investment in ntl Internet Services Limited (carrying value of £39,530,000) and 25% of the share capital of Diamond Cable Communications Limited (carrying value of £104,991,000) to VMIH Sub Limited The consideration for the disposal was 600 new ordinary £1 shares in VMIH Sub Limited, worth £118,274,000, which resulted in a loss on disposal of investments of £26,248,000

On 14 July 2006, the company acquired Virgin Mobile Holdings (UK) PLC ("Virgin Mobile") for a total consideration of £969,055,000 satisfied by the issue of ordinary shares to the value of £550,812,000 and £418,243,000 in cash On the same day, this company was renamed Virgin Mobile Holdings (UK) Limited

During the year, the company made investments of £541,000 in exchange for the entire share capital of ntl Victoria Limited, a company incorporated on 23 January 2006 in England and Wales

Details of the principal investments in which the company holds more than 20% of the nominal value of any class of share capital, all of which are unlisted, can be found at note 19

## 9 Debtors

| | 2006 £'000 | 2005 £'000 |
|---|---|---|
| Loan notes due from group undertakings | 886,187 | 4,172,848 |
| Amounts due from group undertakings | 2,736 | - |
| Interest receivable from group undertakings | 10,132 | 37,662 |
| Interest rate swaps (note 12) | 28,213 | 11,887 |
| | 927,268 | 4,222,397 |
| Amounts due after more than one year included above | 696,319 | 791,722 |

Loan notes due from group undertakings are repayable on demand but are not expected to be settled within one year The rates of interest on the loan notes due from group undertakings are in the range 5 00% to 10 50%

## 10 Creditors: amounts falling due within one year

| | 2006 £'000 | 2005 £'000 |
|---|---|---|
| Bank loans (note 11) | 21,443 | - |
| Interest on loan notes due to group undertakings | 57,593 | 41,659 |
| Witholding taxes due regarding interest payable on foreign third party debt | 759 | - |
| Accruals and deferred income | 32,290 | 28,083 |
| | 112,085 | 69,742 |

## 11 Creditors: amounts falling due after more than one year

| | 2006 £'000 | 2005 £'000 |
|---|---|---|
| Bank loans (net of deferred ıssue costs) | 1,795,153 | 1,429,484 |
| Loan notes due to parent undertakıngs | 1,070,352 | 822,841 |
| Loan notes due to subsıdıary undertakıngs | 1,203,045 | 728,230 |
| Long term advances from parent undertakıngs | 726,319 | 759,179 |
| Forward currency contracts (note 12) | 62,034 | 16,770 |
| Interest rate swaps (note 12) | 62,895 | 15,018 |
| | 4,919,798 | 3,771,522 |

The bank loans are secured over the assets of certaın members of the Vırgın Medıa group, ıncludıng those of the company Bank loans, denomınated ın a combınatıon of Sterlıng, Euros and U S Dollars, comprıse the senıor credıt facılıty of £1,872 4 mıllıon (2005 - £1,713 0 mıllıon), comprısıng a revolvıng facılıty of £100 mıllıon (2005 - £250 mıllıon), whıch was undrawn as at 31 December 2006 except for £12 3 mıllıon (2005 - £12 1 mıllıon) used for guarantees, and a term facılıty of £1,772 4 mıllıon (2005 - £1,463 0 mıllıon) Interest ıs payable at least every sıx months at LIBOR, US LIBOR or EURIBOR plus a margın rate currently rangıng from 1 75% to 2 75% and mandatory costs The margıns on £589 8 mıllıon of the term loan facılıtıes and on the revolvıng credıt facılıty ratchet from 1 25% to 2 25% based on leverage ratıos Prıncıpal repayments ın respect of £589 8 mıllıon of the term loan facılıtıes are due semı-annually begınnıng ın September 2007 and endıng ın March 2011 The remaınıng term loan facılıtıes are repayable ın full on theır maturıty dates, whıch range from September 2012 through March 2013 Repayments are also requıred when cash flows exceed certaın thresholds

The effectıve ınterest rates on the varıable ınterest rate debt for the perıod sınce drawn down were as follows

| | 2006 | 2005 |
|---|---|---|
| Senıor credıt facılıty | 7 10% | 6 90% |

Loan notes due to parent undertakıngs, whılst repayable on demand, are not antıcıpated to be settled wıthın one year and have rates of ınterest that ranged from 5 24% to 10 50%

Loan notes due to subsıdıary undertakıngs, whılst repayable on demand, are not antıcıpated to be settled wıthın five years and have rates of ınterest that ranged from 5 0 % to 8 0%

Long-term advances from parent undertakıng have no repayment date and are ınterest free

| Borrowıngs are repayable as follows | 2006 £'000 | 2005 £'000 |
|---|---|---|
| **Amounts falling due:** | | |
| In more than five years | 4,794,869 | 3,739,734 |

Detaıls of loans not wholly repayable wıthın five years are as follows

| | 2006 £'000 | 2005 £'000 |
|---|---|---|
| Bank loans (net of deferred ıssue costs) | 1,795,153 | 1,429,484 |
| Loan notes due to parent undertakıngs | 1,070,352 | 822,841 |
| Loan notes due to subsıdıarıes | 1,203,045 | 728,230 |
| Long term advances from parent undertakıngs | 726,319 | 759,179 |
| | 4,794,869 | 3,739,734 |

## 12 Derivative instruments and hedging activities

The company has obligations in a combination of U S Dollars, Euros and Sterling at fixed and variable interest rates As a result, the company is exposed to variability in its cash flows and earnings resulting from changes in foreign currency exchange rates and interest rates The company has entered into a number of derivative instruments on behalf of itself and other group companies with a number of counter-parties to manage these exposures, to the extent required by the April 2004 refinancing agreements and reinforced by the subsequent agreement dated March 2006

*Interest Rate Swaps*

The company has entered into interest rate swap agreements to manage the exposure to variability in future cash flows on the interest payments associated with £2,150 million (2005 - £1,250 million) of the Virgin Media group's outstanding senior credit facility, which accrues at variable rates based on LIBOR The interest rate swaps allow the company to receive interest based on six month LIBOR in exchange for payments of interest at fixed rates of between 5 09% and 5 30% (2005 - 5 10% and 5 30%)

The net settlement of £7 7 million under the interest rate swaps is included within interest expense for the year ended 31 December 2006 (2005 - £5 1 million) At 31 December 2006, after taking into account the effect of interest rate swaps, approximately 70% (2005 - 91%) of the group's third party borrowings are at a fixed rate of interest

*Cross-Currency Interest Rate Swaps*

The company has entered into cross-currency interest rate swaps with principal amounts of $1,625 million (2005 - $820 2 million) and €725 million (2005 - €151 0 million)

The company hedges the variability in the Sterling value of interest payments on the 8 75% $425 million U S Dollar Senior Notes due 2014, the 9 125% $550 million U S Dollar Senior Notes due 2016, the 8 75% €225 million Euro Senior Notes due 2014, on €500 million of the Euro denominated Senior Credit Facility and on $650 million of the U S Dollar denominated Senior Credit Facility Under the cross currency interest rate swaps the company receives interest in U S Dollars at a fixed rate of 8 75% for the 2014 Senior Notes and 9 125% for the 2016 Senior Notes and at a variable rate based on US LIBOR for the senior credit facility The company also receives Euros at a fixed rate of 8 75% for the 2014 Senior Notes and at a variable rate based on EURIBOR for the senior credit facility In exchange the company makes interest payments in Sterling at fixed rates of 9 42% for the U S Dollar denominated Senior Notes due 2014, 8 54% for the U S Dollar denominated Senior Notes due 2016, 10 26% for the Euro denominated Senior Notes due 2014, and at a variable rate based on LIBOR, based on the Sterling equivalent of $650 million and €500 million

The company hedges the variability in the sterling value of the variable rate interest payments on $650 million (2005 - $395 2 million) and €725 million (2005 - €151 million) of the senior credit facility Under the cross currency interest rate swaps the group receives interest in U S Dollars at a variable rate based on U S LIBOR plus 2 00% and pays interest based on LIBOR plus interest in the range of 2 04% to 2 14% The company receives interest in Euros at a fixed rate of 8 75% and pays interest at a fixed rate of 10 26% based on variable rate based on €225 million and receives interest in Euros at a variable rate based on EURIBOR plus 2 00% basis points and pays interest based on LIBOR plus interest in the range of 2 14% to 2 18% on the remaining €500 million

The company has designated these cross-currency interest rate swaps as cash flow hedges because they hedge the changes in the Sterling value of the interest payments on its U S Dollar and Euro denominated senior credit facility, that result from changes in the U S Dollar, Euro and Sterling exchange rates

The net settlement of £5 0 million under the cross currency interest rate swap is included within interest expense for the year ended 31 December 2006 (2005 - £4 3 million)

In aggregate, net unrealised gains of £5 0 million (2005 - £32 2 million), have been included in the Statement of Total Recognised Gains and Losses

## 12 Derivative instruments and hedging activities (continued)

**Foreign currency forward contracts**

The company has entered into forward contracts maturing on 14 April 2009 to purchase a total of $425 million These contracts hedge the variability in the Sterling value of the principal obligation of the 8 75% U S Dollar Senior Notes due 2014, resulting from changes in the U S Dollar and Sterling exchange rates The principal obligations under the $550 million 9 125% Senior Notes due 2016, the €225 million Senior Notes due 2014 and the $646 million and €498 million principal obligations under the Senior Credit Facility are hedged via the aforementioned cross-currency interest swaps, and not by separate forward rate contracts

The foreign currency forward rate contracts in connection with the $425 million 8 75% U S Dollar Senior Notes mature 15 April 2009 with contract exchange rates in the range $1 6619 to $1 7050

The foreign currency forward rate contracts are not accounted for as hedges As such, the contracts are carried at fair value on the company's Balance Sheet with changes in the fair value recognised immediately in the Profit and Loss Account The forward rate contracts do not subject the company to material volatility in its earnings and cash flows because changes in fair value directionally and partially mitigate the gains or losses on the translation of its U S Dollar denominated debt into its functional currency Sterling

Net changes in the fair value of the forward rate contracts recognised in profit/(loss) from continuing operations for the years ended 31 December 2006 and 2005, were a loss of £28 9 million and gain of £16 9 million, respectively

## 13 Share capital

| | 2006 | 2005 |
|---|---|---|
| | £ | £ |
| Authorised | | |
| 1,000,000 ordinary shares of £0 001 each | 1,000 | 1,000 |
| | £ | £ |
| Allotted, called up and fully paid | | |
| 224,552 ordinary shares of £0 001 each (2005 - 121,006) | 225 | 121 |

| **Movement in share capital** | **2006** | **2005** |
|---|---|---|
| | £ | £ |
| At 1 January | 121 | 121 |
| Shares issued | 104 | - |
| At 31 December | 225 | 121 |

On 19 June 2006, the company allotted 84,352 £0 001 shares with an aggregate nominal value of £84 35 to Virgin Media Finance PLC, its immediate parent undertaking, for £2,420,593,000 in cash A further 19,194 shares with an aggregate nominal value of £19 19 were allotted to Virgin Media Finance PLC on 14 July 2006 in exchange for shares in Virgin Mobile with a value of £550,812,000 (see Note 8)

## 14 Reconciliation of shareholder's funds and movements on reserves

| | Share capital £'000 | Share premium account £'000 | Profit and loss account £'000 | Total £'000 |
|---|---|---|---|---|
| At 1 January 2005 | - | 12,624,954 | (15,496,095) | (2,871,141) |
| Profit for the year | - | - | 3,761,990 | 3,761,990 |
| Other recognised gains and losses in the year | - | - | 23,203 | 23,203 |
| At 1 January 2006 | - | 12,624,954 | (11,710,902) | 914,052 |
| Loss for the year | - | - | (156,581) | (156,581) |
| Other recognised gains and losses in the year | - | - | 4,987 | 4,987 |
| Arising on share issues on group reorganisation | - | 2,500,590 | - | 2,500,590 |
| At 31 December 2006 | - | 15,125,544 | (11,862,496) | 3,263,048 |

In accordance with Section 132 of the Companies Act 1985, shares issues as a result of a group reorganisation are accounted for by the company at nominal value or where issued at a premium, the minimum premium value has been taken to the share premium account The minimum premium value represents the difference between the cost of investment of the transferor and the aggregate nominal value of the shares issued In respect of the acquisition of Telewest, the minimum premium value amounted to £1,949,778,000 The share premium arising on the acquisition of Virgin Mobile amounted to £550,812,000 therefore the total amount arising on the issue of shares amounted to £2,500,590,000

## 15 Contingent liabilities

The company, along with fellow subsidiary undertakings, is party to a senior secured credit facility with a syndicate of banks The company is a guarantor of borrowings by certain other group companies under this facility At 31 December 2006 the maximum contingent liability represented by outstanding borrowings by these companies amounted to approximately £5,125 million (2005 - £1,713 million) of which £1 8 million is included on the company balance sheet Borrowings under the facility are secured by security over the assets of certain members of the group including those of the company

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

## 16 Related party transactions

The company has taken advantage of the exemption under FRS 8 not to disclose transactions with group undertakings as it is a subsidiary undertaking which is at least 90% controlled by the ultimate parent undertaking

## 17 Parent undertaking and controlling party

The company's immediate parent undertaking is Virgin Media Finance PLC

The company's results are included in the group accounts of Virgin Media Finance PLC

The company's ultimate parent undertaking and controlling party is Virgin Media Inc , a company incorporated in the state of Delaware, United States of America

Copies of all sets of group accounts which include the results of the company are available from The Secretary, Virgin Media, 160 Great Portland Street, London, W1W 5QA

## 18 Post balance sheet events

On 13 April 2007, the company borrowed £590 million under its senior credit facility which will be repayable in 2012, and used £149 million of the net proceeds to repay some of its obligations under the senior credit facility that were originally scheduled to be paid in 2007 through 2011 This formed part of an arrangement whereby the Virgin Media group borrowed £890 million under its overall senior credit facility which will be repayable in 2012, and used £863 million of the net proceeds to repay some of its obligations under the senior credit facility that were originally scheduled to be paid in 2007 through 2011

In May 2007 the company made a mandatory prepayment of £12 7 million under its senior credit facility This formed part of a total mandatory prepayment of £73 6 million under the group's senior credit facility as a result of excess cash flow generated in 2006

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED
**Notes to the Financial Statements**
**for the year ended 31 December 2006**

## 19 Principal subsidiary undertakings

Details of the principal investments in which the group holds at least 20% of the nominal value of any class of share capital, all of which are unlisted, are as follows All investments are registered in England and Wales unless otherwise noted

| *Name of Company* | *Shares held* | *Proportion held* | *Principal activities* |
|---|---|---|---|
| Virgin Media Limited | Ordinary | 100% | Telecoms |
| Telewest UK Limited | Ordinary | 100% | Telecoms |
| Virgin Mobile Holdings (UK) Limited | Ordinary | 100% | Holding |
| VMIH Sub Limited | Ordinary | 100% | Holding |
| ntl Business Limited | Ordinary | 100% | Telecoms |
| Diamond Cable Communications Limited | Ordinary | 100% * | Holding |
| ntl Business (Ireland) Limited | Ordinary | 100% # | Telecoms |
| ntl (Chichester) Limited (in liquidation) | Ordinary | 100% # | Holding |
| ntl Funding Limited | Ordinary | 100% # | Telecoms |
| ntl Irish Holdings Limited | Ordinary | 100% # | Telecoms |
| DTELS Limited | Ordinary | 100% # | Telecoms |
| ntl Rectangle Limited | Ordinary | 100% # | Holding |
| X-Tant Limited | Ordinary | 100% # | Telecoms |
| ntl Victoria Limited | Ordinary | 100% # | Holding |
| Diamond Holdings Limited | Ordinary | 100% # | Holding |
| Jewel Holdings Limited | Ordinary | 100% # | Holding |
| East Midlands Cable Group Limited | Ordinary | 100% # | Holding |
| LCL Cable (Holdings) Limited | Ordinary | 100% # | Holding |
| Diamond Cable (Leicester) Limited | Ordinary | 100% # | Holding |
| ntl Midlands Limited | Ordinary | 100% # | Telecoms |
| Virgin Media Dover LLC | Common Stock | 100% # (ii) | Holding |
| NTL (Triangle) LLC | Common Stock | 100% # (ii) | Holding |
| ntl Cambridge Limited | Ordinary | 100% # | Telecoms |
| ntl (Aylesbury and Chiltern) Limited | Ordinary | 100% # | Telecoms |
| ntl (Broadland) Limited | Ordinary | 100% # | Telecoms |
| ntl (County Durham) Limited | Ordinary | 100% # | Telecoms |
| ntl (Ealing) Limited | Ordinary | 100% # | Telecoms |
| ntl (Fenland) Limited | Ordinary | 100% # | Telecoms |
| ntl (Hampshire) Limited | Ordinary | 100% # | Telecoms |
| ntl (Harrogate) Limited | Ordinary | 100% # | Telecoms |
| ntl (Kent) Limited | Ordinary | 100% # | Telecoms |
| ntl (Leeds) Limited | Ordinary | 100% # | Telecoms |
| ntl (Norwich) Limited | Ordinary | 100% # | Telecoms |
| ntl (Peterborough) Limited | Ordinary | 100% # | Telecoms |
| ntl (South East) Limited | Ordinary | 100% # | Telecoms |
| ntl (South Hertfordshire) Limited | Ordinary | 33 3% # | Telecoms |
| ntl (South London) Limited | Ordinary | 100% # | Telecoms |
| ntl (Wearside) Limited | Ordinary | 100% # | Telecoms |
| ntl (West London) Limited | Ordinary | 100% # | Telecoms |
| ntl (York) Limited | Ordinary | 100% # | Telecoms |

# Held by a subsidiary undertaking　　(ii) Registered in USA

## 19 Principal subsidiary undertakings (continued)

| *Name of Company* | *Holdings* | *Proportion* | *Nature of business* |
|---|---|---|---|
| ntl CableComms Limited | Ordinary | 100% # | Telecoms |
| ntl CableComms Bolton | Ordinary | 100% # (i) | Telecoms |
| ntl CableComms Bromley | Ordinary | 100% # (i) | Telecoms |
| ntl CableComms Bury and Rochdale | Ordinary | 100% # (i) | Telecoms |
| ntl CableComms Cheshire | Ordinary | 100% # (i) | Telecoms |
| ntl CableComms Derby | Ordinary | 100% # (i) | Telecoms |
| ntl CableComms Greater Manchester | Ordinary | 100% # (i) | Telecoms |
| ntl CableComms Macclesfield | Ordinary | 100% # (i) | Telecoms |
| ntl CableComms Oldham and Tameside | Ordinary | 100% # (i) | Telecoms |
| ntl CableComms Solent | Ordinary | 100% # (i) | Telecoms |
| ntl CableComms Staffordshire | Ordinary | 100% # (i) | Telecoms |
| ntl CableComms Stockport | Ordinary | 100% # (i) | Telecoms |
| ntl CableComms Surrey | Ordinary | 100% # (i) | Telecoms |
| ntl CableComms Sussex | Ordinary | 100% # (i) | Telecoms |
| ntl CableComms Wessex | Ordinary | 100% # (i) | Telecoms |
| ntl CableComms Wirral | Ordinary | 100% # (i) | Telecoms |
| ntl Wirral Telephone and Cable TV Company | Ordinary | 100% # (i) | Telecoms |
| ntl Communications Services Limited | Ordinary | 100% # | Service |
| Virgin Net Limited | Ordinary | 100% # | Telecoms |
| Virgin Mobile Group (UK) Limited | Ordinary shares | 100% # | Holding |
| Virgin Mobile Telecoms Limited | Ordinary shares | 100% # | Telecoms |
| Virgin Media Television Limited (formerly Flextech Television Limited) | Ordinary | 100% # | Content |
| Flextech Rights Limited | Ordinary shares | 100% # | Content |
| Minotaur International Limited (disposed of July 2007) | Ordinary shares | 100% # | Content |
| Interactive Digital Sales Limited | Ordinary shares | 100% # | Content |
| Bravo TV Limited | Ordinary shares | 100% # | Content |
| Living TV Limited | Ordinary shares | 100% # | Content |
| Challenge TV | Ordinary shares | 100% # | Content |
| Trouble TV Limited | Ordinary shares | 100% # | Content |
| sit-up Limited | Ordinary shares | 100% # | Content |
| Cable Finance Limited | Ordinary shares | 100% # ^ | Holding |
| General Cable Group Limited | Ordinary shares | 100% # | Telecoms |
| Blueyonder Workwise Limited | Ordinary shares | 100% # | Telecoms |
| Imminus Limited | Ordinary shares | 100% # | Telecoms |
| Birmingham Cable Limited | Ordinary shares | 100% # | Telecoms |
| Birmingham Cable Finance Limited | Ordinary shares | 100% # ^ | Telecoms |
| Cable London Limited | Ordinary shares | 100% # | Telecoms |
| Cable Camden Limited | Ordinary shares | 100% # | Telecoms |
| Cable Enfield Limited | Ordinary shares | 100% # | Telecoms |
| Cable Hackney & Islington Limited | Ordinary shares | 100% # | Telecoms |
| Cable Haringey Limited | Ordinary shares | 100% # | Telecoms |
| Eurobell (Holdings) Limited | Ordinary shares | 100% # | Holding |
| Eurobell (Sussex) Limited | Ordinary shares | 100% # | Telecoms |
| Eurobell (South West) Limited | Ordinary shares | 100% # | Telecoms |
| Eurobell (West Kent) Limited | Ordinary shares | 100% # | Telecoms |
| Eurobell Internet Services Limited | Ordinary shares | 100% # | Telecoms |

\# Held by a subsidiary undertaking (i) Unlimited company *25% owned by subsidiary

^ Registered in Jersey

## 19 Principal subsidiary undertakings (continued)

| *Name of Company* | *Holdings* | *Proportion* | *Nature of business* |
|---|---|---|---|
| Telewest Communications (South West) Limited | Ordinary shares | 100% # | Telecoms |
| Telewest Communications (Cotswolds) Limited | Ordinary shares | 100% # | Telecoms |
| Telewest Communications (London South) Limited | Ordinary shares | 100% # | Telecoms |
| Telewest Communications (South East) Limited | Ordinary shares | 100% # | Telecoms |
| Telewest Communications (South Thames Estuary) Limited | Ordinary shares | 100% # | Holding |
| Telewest Communications (Midlands) Limited | Ordinary shares | 100% # | Telecoms |
| Telewest Communications (Telford) Limited | Ordinary shares | 100% # | Telecoms |
| Telewest Communications (North West) Limited | Ordinary shares | 100% # | Holding |
| Telewest Communications (Central Lancashire) Limited | Ordinary shares | 100% # | Telecoms |
| Telewest Communications (Liverpool) Limited | Ordinary shares | 100% # | Telecoms |
| Telewest Communications (St Helens & Knowsley) Limited | Ordinary shares | 100% # | Telecoms |
| Telewest Communications (Wigan) Limited | Ordinary shares | 100% # | Telecoms |
| Telewest Communications (Fylde & Wyre) Limited | Ordinary shares | 100% # | Telecoms |
| Telewest Communications (Southport) Limited | Ordinary shares | 100% # | Telecoms |
| Telewest Communications (Midlands & North West) Limited | Ordinary shares | 100% # | Telecoms |
| Telewest Communications (Cumbernauld) Limited | Ordinary shares | 100% # (iii) | Telecoms |
| Telewest Communications (Dumbarton) Limited | Ordinary shares | 100% # (iii) | Telecoms |
| Telewest Communications (Dundee & Perth) Limited | Ordinary shares | 100% # (iii) | Telecoms |
| Telewest Communications (Falkirk) Limited | Ordinary shares | 100% # (iii) | Telecoms |
| Telewest Communications (Glenrothes) Limited | Ordinary shares | 100% # (iii) | Telecoms |
| Telewest Communications (Motherwell) Limited | Ordinary shares | 100% # (iii) | Telecoms |
| Telewest Communications (Scotland) Limited | Ordinary shares | 100% # (iii) | Telecoms |
| Telewest Communications (North East) Limited | Ordinary shares | 100% # | Telecoms |
| Telewest Communications Networks Limited | Ordinary shares | 100% # | Telecoms |
| Telewest Communications Group Limited | Ordinary shares | 100% # | Telecoms |
| Yorkshire Cable Communications Limited | Ordinary shares | 100% # | Telecoms |
| Barnsley Cable Communications Limited | Ordinary shares | 100% # | Telecoms |
| Doncaster Cable Communications Limited | Ordinary shares | 100% # | Telecoms |
| Halifax Cable Communications Limited | Ordinary shares | 100% # | Telecoms |
| Sheffield Cable Communications Limited | Ordinary shares | 100% # | Telecoms |
| Wakefield Cable Communications Limited | Ordinary shares | 100% # | Telecoms |
| Middlesex Cable Limited | Ordinary shares | 100% # | Telecoms |
| Windsor Television Limited | Ordinary shares | 100% # | Telecoms |
| Bluebottle Call Limited | Ordinary shares | 100% # | Property |

# Held by a subsidiary undertaking (iii) Registered in Scotland

The company has taken advantage of the exemption under Section 228 of the Companies Act 1985 not to disclose the aggregate amount of capital and reserves, and the result for the year for each of the subsidiary undertakings on the basis that their results are included in the group accounts of Virgin Media Finance PLC (see note 17)

The company has taken advantage of Section 231(5) of the Companies Act 1985 and disclosed only those investments whose results or financial position principally affected the financial statements of the company