Registered number
3173552

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED
(formerly NTL INVESTMENT HOLDINGS LIMITED)
Report and Accounts

31 December 2005

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 accounts for the year ended 31 December 2005 The company, which was formerly known as ntl Investment Holdings Limited, changed its name to Virgin Media Investment Holdings Limited on 19 February 2007

RESULTS AND DIVIDENDS
The profit for the year, after taxation, amounted to £3,761,989,000 (2004 - £598,641,000) The increase was principally due to the release of a provision for impairment of amounts owed by group undertakings The directors are unable to recommend the payment of a dividend until the company has distributable reserves (2004 - £nil)

PRINCIPAL ACTIVITY
The principal activity of the company is that of an investment holding company, being a holding company for the majority of companies in the Virgin Media (formerly NTL) group A list of its principal investments is shown in note 8 The company is a wholly owned subsidiary of Virgin Media Inc (formerly NTL Incorporated) and manages the senior credit facility on behalf of the Virgin Media group

REVIEW OF THE BUSINESS
The profit for the year related mainly to the release of impairment provisions as a result of repayments of inter-company debt

As from 1 January 2005, the company has changed its accounting policy for the retranslation of principal amounts underlying the forward exchange forward contracts which the company uses in its management of exchange rate and interest rate exposures In accordance with Financial Reporting Standard 26 "Financial Instruments Recognition and Measurement" (FRS26), the standard has been applied retrospectively such that all comparative amounts have been adjusted as if the standard had always been in use The impact is limited since the company had no derivative financial instruments prior to the April 2004 refinancing transaction Further details of the impact of the application of this new standard for the first time are included in note 1

On 31 January 2005, the Virgin Media group completed the sale of its Broadcast operations comprising all of the ordinary shares of National Transcommunications Limited giving rise to a gain on disposal of approximately £1 billion On 5 February 2005, the group repaid £500 million of its bank debt from part of the proceeds of the sale

The U S Dollar denominated Convertible Unsecured Loan Notes were fully repaid in February 2005

On 9 May 2005, the Virgin Media group sold its operations in the Republic of Ireland, comprising all of the ordinary shares of ntl Communications (Ireland) Limited and ntl Irish Networks Limited and certain additional assets, to MS Irish Cable Holdings B V , an affiliate of Morgan Stanley & Co International Limited, for an aggregate purchase price of €333 4 million (£225 5 million) The proceeds of this sale were used on 14 June 2005 and 14 July 2005 to repay a further £200 million and £23 million of the bank debt

DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

In the Apnl 2004 refinancmg transaction, the Vrgm Media group mcurred obligations m a combmation of U S dollars, euros and pound sterlmg at fixed and vanable mterest rates As a result the group is exposed to vanability m its cash flows and earnmgs resultmg from changes m foreign currency exchange rates and mterest rates

The company has entered mto a number of denvative mstruments with a number of counter-parties to manage its exposures to changes m mterest rates and foreign currency exchange rates The denvative mstruments consist of mterest rate swaps, cross-currency mterest rate swaps and foreign currency forward contracts

FINANCIAL RISK MANAGEMENT

The company's financial mstruments mainly compnse bank and other loans, receivable and payable mter-company debt, bank overdrafts, cash and short term deposits The main purpose of these financial mstruments is to raise finance for the company's operations The Vrgm Media group mtends to manage its financial nsk, secure cost-effective fundmg for the group's operations and to minimise the adverse effects of fluctuations m the financial markets on the value of its financial assets and liabilities, on reported profitability and on its cash flows

External debt is passed down the chain on matchmg terms to fellow group undertakmgs which have a fundmg requirement In addition, workmg capital is managed centrally within the group creatmg further mter-company balances through normal operations

The company is subject to financial nsks where mterest rates are not fixed or where the debt is denominated m foreign currency The group's policy is to manage its mterest cost usmg a mix of fixed and vanable rate debts, and to hedge all or part of the exposure to mterest rate nsk, however the group's policy is not to hedge against mter-company debt denominated m foreign currencies

EVENTS SINCE THE BALANCE SHEET DATE AND FUTURE DEVELOPMENTS

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

On 3 March 2006, NTL Incorporated (the company's ultimate parent undertakmg) and Telewest Global, Inc announced that they had completed the merger of the two businesses, creatmg the UK's second largest communications company Immediately upon the merger, NTL Incorporated was renamed NTL Holdmgs Inc and Telewest Global, Inc was renamed NTL Incorporated

NTL Incorporated, ntl Cable 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, compnsmg 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 revolvmg credit facility

Dunng the course of an extensive group mter-company debt restructunng exercise commencmg 4 March 2006 as detailed m note 18, the company received significant repayments of pnncipal and mterest m excess on £3 4 billion In addition, dunng the year ended 31 December 2005 repayments of debt pnncipal were received amountmg to £0 5 billion Since none of the settled debt was replaced by equivalent mter-company debt, the provisions for impairment have been released m the year ended 31 December 2005

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED
Directors' Report

EVENTS SINCE THE BALANCE SHEET DATE AND FUTURE DEVELOPMENTS (continued)
On 4 July 2006, NTL Incorporated acquired Virgin Mobile Holdings (UK) plc ("Virgin Mobile"), the U K 's leading mobile virtual network operator with approximately 4 3 million customers and the U K 's fifth largest provider of mobile communication services ntl Group Limited, a subsidiary of NTL Incorporated, entered into a long-term exclusive trademark licence agreement with Virgin Enterprises Limited pursuant to which the group re-branded its combined consumer business with the Virgin Media brand from 8 February 2007 On the same day, ntl Group Limited was renamed Virgin Media Limited, ntl Cable PLC was renamed Virgin Media Finance PLC and NTL Incorporated was renamed Virgin Media Inc

The group believes that the acquisition of Virgin Mobile will enhance Virgin Media as a scale competitor in the U K telecommunications industry, enabling it to become the first market participant offering an integrated "quadruple-play" product suite, which bundles mobile telephony with its existing triple-play bundle, and assist it in improving customer service by leveraging best practices from Virgin Mobile The re-branding of the group's consumer business will bring the Virgin Media brand into approximately 5 0 million U K homes and, the group believes, will enhance consumer appeal for our range of communications services

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 incorporated in the USA 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

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 C Gale
Director
5 April 2007

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED
STATEMENT OF DIRECTORS' RESONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the accounts in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare accounts for each financial year which 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 those accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business, and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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 accounts for the year ended 31 December 2005, which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, and the related notes 1 to 18 These accounts 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 auditors' 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 are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the accounts 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 accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if 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 accounts It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, 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 accounts 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 accounts

Opinion
In our opinion the accounts 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 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London
5 April 2007

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED
Profit and Loss Account
for the year ended 31 December 2005

	Notes	2005 £'000	Restated 2004 £'000
Foreign exchange gains/(losses)		28,681	(26,466)
Impairment credit	4	3,683,246	672,799
Operating profit	2	3,711,927	646,333
Loss on debt extinguishment	3	(330)	(36,147)
Interest receivable and similar income	5	329,272	290,497
Interest payable and similar charges	6	(278,879)	(302,042)
Profit on ordinary activities before taxation		3,761,990	598,641
Taxation	7	-	-
Profit for the financial year	14	3,761,990	598,641

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED
Statement of Total Recognised Gains and Losses
for the year ended 31 December 2005

	Notes	2005 £'000	2004 £'000
Profit for the financial year		3,761,990	598,641
Gain/(loss) on cash flow hedges taken to equity		32,286	(23,977)
Loss on re-designation of certain cash flow hedges	12	(9,083)	-
Total recognised gains for the year	14	3,785,193	574,664

VIRGIN MEDIA INVESTMENT HOLDINGS LIMITED
Balance Sheet
as at 31 December 2005

	Notes		2005		Restated 2004
		£'000	£'000	£'000	£'000
Fixed assets					
Investments	8		351,765		351,765
Current assets					
Debtors	9	4,222,397		1,175,939	
Cash at bank and in hand		181,154		73,067	
		4,403,551		1,249,006	
Creditors: amounts falling due within one year	10	(69,742)		(189,235)	
Net current assets			4,333,809		1,059,771
Total assets less current liabilities			4,685,574		1,411,536
Creditors: amounts falling due after more than one year	11		(3,771,522)		(4,282,677)
Net assets			914,052		(2,871,141)
Capital and reserves					
Called up share capital	13		-		-
Share premium account	14		12,624,954		12,624,954
Profit and loss account	14		(11,710,902)		(15,496,095)
Equity shareholder's funds	14		914,052		(2,871,141)

R C Gale

R C Gale
Director
5 April 2007

1 Accounting policies

Accounting convention

The accounts 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

Change in accounting policy

Following the adoption of Financial Reporting Standard 26 "Financial Instruments Recognition and Measurement" (FRS 26) derivative financial instruments are recognised at fair value Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative

The transitional arrangements of FRS 26 permit the application of the standard for accounting periods commencing on 1 January 2005 and require the standard to be applied retrospectively so the corresponding amounts have been restated in accordance with the above policy The adjustments necessary to implement this policy have been made to the earliest prior period presented No derivative financial instruments existed as at 31 December 2003

Effect on the balance sheet at 31 December 2004

	£'000
Debtors	
Interest rate swap asset recognised	1,195
Creditors: amounts due after more than one year	
Interest rate swap liability recognised	(25,172)
Foreign currency forward rate contract liability recognised	(33,734)
Reversal of revaluation of third party debt under SSAP 20	66,687
	7,781
Net assets	8,976
Profit and loss account	
Profit for the year - net exchange gain	32,953
Unrealised net losses on interest rate swaps	(23,977)
Capital and reserves	8,976

The main adjustments made to the comparatives to comply with FRS 26 are that the company's portfolio of interest rate swaps, designated as cash flow hedges, and forward contracts, have been recognised on the balance sheet at fair value The changes in fair value during the comparative year have been recognised directly in equity for the effective portion of the hedges and in the profit and loss account for the ineffective portion

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 program 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 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

1 Accounting policies (continued)

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)

Merger relief
In a group recontruction 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

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)

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

Deferred taxation
Deferred taxation 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,

(b) provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable, and

(c) 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

2 Operating profit

	2005 £'000	Restated 2004 £'000
This is stated after (crediting)/charging		
Foreign exchange (gains)/ losses (see note 1)	(28,681)	26,466
Impairment credit (see note 4)	(3,683,246)	(672,799)

The directors' and auditors' remuneration are paid by Virgin Media Limited (formerly ntl Group Limited) and disclosed in the accounts of Virgin Media Finance PLC (formerly ntl Cable PLC)

Virgin Media Limited, a fellow group undertaking, employs most of the employees of the Virgin Media group Details of staff numbers and staff costs for the group are disclosed in the accounts of Virgin Media Limited The company does not have any directly employed staff

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

3 Exceptional items

	2005 £'000	2004 £'000
Loss on debt extinguishment	330	36,147

4 Impairment credit

	2005 £'000	2004 £'000
Release of provision for impairment of amounts owed by group undertakings	(3,683,246)	(672,799)

As a result of the settlement of previously impaired balances owed by subsidiary undertakings, the related impairment provision was released, giving rise to a credit to the profit and loss account for the year amounting to £524,808,000 in respect of repayments in the year and £3,158,438,000 in respect of settlements in the year ended 31 December 2006 (2004 - £672,799,000)

5 Interest receivable and similar income

	2005 £'000	2004 £'000
Gains from derivative instruments	877	-
Bank interest receivable	1,674	12
Interest on loan notes due from group undertakings	300,448	290,485
Recharge of deferred finance costs and bank fees to group undertakings	26,273	-
	329,272	290,497

6 Interest payable and similar charges

	2005 £'000	2004 £'000
Bank loan interest payable and related charges	152,519	180,155
Interest on loan notes due to group undertakings	126,360	121,887
	278,879	302,042

7 Taxation

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2005 £'000	2004 £'000
Current tax charge:		
Current tax on profit for the year	-	-
	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
	-	-
Total tax charge on 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

	2005 £'000	Restated 2004 £'000
Profit on ordinary activities before taxation	3,761,990	598,641
Profit on ordinary activities multiplied by the applicable statutory rate 30% (2003 - 30%)	1,128,597	179,592
Income not taxable	(1,104,973)	(147,459)
Other short term timing differences	-	(10,844)
Unrelieved tax losses	-	(21,289)
Group relief (claimed) without payment	(23,624)	-
Total current tax charge	-	-

(c) Factors that may affect future tax charges

Deferred tax assets of £nil (2004 - £21,289,189) in respect of tax losses and £nil (2004 £10,844,016) in respect of other timing differences have not been recognised as there is insufficient certainty as to the availability of future profits

8 Investments

	Total £'000
Cost	
At 1 January 2005	12,202,262
Disposals	(58,702)
At 31 December 2005	12,143,560
Provision for impairment	
At 1 January 2005	11,850,497
Impairment release	(58,702)
At 1 January 2005 and 31 December 2005	11,791,795
Net book value:	
At 1 January 2005 and 31 December 2005	351,765

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, are as follows

Name of Company	*Holding*	*Proportion held*	*Principal activities*
Virgin Media Limited (formerly ntl Group Limited)	Ordinary	100%	Telecoms
ntl Business Limited	Ordinary	100%	Telecoms
ntl (Chichester) Limited	Ordinary	100% #	Holding
ntl Rectangle Limited	Ordinary	100% #	Holding
X-Tant Limited	Ordinary	100% #	Telecoms
NTL (Triangle) LLC	Ordinary	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

Held by a subsidiary undertaking (ii) Registered in USA

8 Investments (continued)

Name of Company	*Holdings*	*Proportion*	*Nature of business*
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
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
Diamond Cable Communications Limited	Ordinary	100% #	Holding
Diamond Holdings Limited	Ordinary	100% #	Holding
Jewel Holdings Limited	Ordinary	100% #	Holding
ntl Midlands Limited	Ordinary	100% #	Telecoms
East Midlands Cable Communications Limited	Ordinary	100% #	Holding
East Midlands Cable Group Limited	Ordinary	100% #	Holding
LCL Cable (Holdings) Limited	Ordinary	100% #	Holding
Virgin Net Limited	Ordinary	100% #	Telecoms

\# Held by a subsidiary undertaking (i) Unlimited company

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 financial statements of ntl Cable 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

9 Debtors

	2005 £'000	Restated 2004 £'000
Loan notes due from group undertakings (see below)	4,172,848	961,961
Amounts due from parent undertakings (see below)	-	-
Interest receivable from group undertakings	37,662	212,783
Interest rate swaps (note 12)	11,887	1,195
	4,222,397	1,175,939
Amounts due after more than one year included above	791,722	1,174,744
Impairment of loan notes		
Loan notes due from group undertakings	4,172,848	4,643,409
Impairment provision against loan notes due from group undertakings	-	(3,681,448)
Loan notes due from group undertakings net of impairment provisions	4,172,848	961,961

Loan notes due from group undertakings were repayable on demand and were significantly settled in 2006, as stated in note 18 The rates of interest on the loan notes due from group undertakings are in the range nil % to 9 75%

	2005 £'000	Restated 2004 £'000
Impairment of parent company debt		
Amounts due from parent undertakings	665,298	665,298
Impairment provision against amounts due from parent undertakings	(665,298)	(665,298)
Amounts due from parent undertakings net of impairment provisions	-	-

10 Creditors: amounts falling due within one year

	2005 £'000	2004 £'000
Bank loans (note 11)	-	60,000
Interest on loan notes due to group undertakings	41,659	92,886
Accruals and deferred income	28,083	36,349
	69,742	189,235

11 Creditors: amounts falling due after more than one year

	2005 £'000	Restated 2004 £'000
Bank loans	1,429,484	2,047,192
Loan notes due to parent undertakings	822,841	788,601
Convertible Unsecured Loan Notes due to parent undertaking	-	445,735
Loan notes due to subsidiary undertakings	728,230	-
Long term advances from parent undertakings	759,179	942,243
Forward currency contracts (note 12)	16,770	33,734
Interest rate swaps (note 12)	15,018	25,172
	3,771,522	4,282,677

The bank loans are secured over the assets of certain members of the Virgin Media group including those of the company Bank loans comprise the senior credit facility of £1,713 million, comprising a revolving facility of £250 million, which was undrawn as at 31 December 2005 except for £12 1 million used for guarantees, and a term facility of £1,463 million Interest is payable at least every six months at LIBOR plus mandatory costs plus a margin rate depending upon satisfaction of a financial covenant over six monthly periods The term facility is denominated in a combination of pounds sterling, euros and U S dollars

The effective average annual interest rate on the term facility was 6 90% per annum at 31 December 2005 The principal under the term facility was to be repayable in semi-annual instalments beginning September 2004 with increasing repayments over the remainder of the term and the balance being settled in September 2011 However, as stated in note 18, this facility was fully repaid when replaced by a new facility in March 2006

The Convertible Unsecured Loan Notes due to parent undertaking as at 31 December 2004 comprised £76,677,122 of Sterling denominated Convertible Unsecured Loan Notes and $707,115,400 of U S Dollar denominated Convertible Unsecured Loan Notes The rate of interest was 15% These Loan Notes were redeemed in full in February 2005 as part of the refinancing transactions following the disposal of the Broadcast operations

Loan notes due to parent undertakings other than the Convertible Unsecured Loan Notes, whilst repayable on demand, are not anticipated to be settled within one year and have rates of interest that ranged from nil % to 9 75%

Loan notes due to subsidiary undertakings, whilst repayable on demand, are not anticipated to be settled within five years and have rates of interest that ranged from 6 4 % to 8 0%

Long-term advances from parent undertaking have no repayment date and are interest free

11 Creditors: amounts falling due after more than one year (continued)

Borrowings are repayable as follows	2005 £'000	2004 £'000
Amounts falling due.		
In more than five years	3,739,734	4,223,771

Details of loans not wholly repayable within five years are as follows

	2005 £'000	2004 £'000
Bank loan (net of deferred issue costs)	1,429,484	2,047,192
Loan notes due to parent undertakings	822,841	788,601
Convertible Unsecured Loan Notes due to parent undertaking	-	445,735
Loan notes due to subsidiaries	728,230	-
Long term advances from parent undertakings	759,179	942,243
	3,739,734	4,223,771

On 4 February 2005 the company voluntarily prepaid £500 million of principal outstanding under the senior credit facility using the proceeds of the sale of the former NTL group's Broadcast operations On 14 June 2005 and 14 July 2005 the company repaid a further £200 million and £23 million respectively, using the proceeds of the sale of the former NTL group's Ireland operations As a consequence, scheduled repayments in 2006 and beyond have been reduced

On 3 March 2006 the senior credit facility was replaced by new facilities as stated in note 18

12 Derivative instruments and hedging activities

The company has obligations in a combination of US 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 with a number of counter parties to manage these exposures, to the extent required by the April 2004 refinancing agreements

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 £1,250 million of its outstanding senior credit facility, which accrues at variable rates based on LIBOR The interest rate swaps allow the company to receive interest based on LIBOR in exchange for payments of interest at fixed rates of 5 30% and 5 10% The interest rate swaps became effective on 14 October 2004 and mature on 14 April 2007

At 31 December 2005, after taking into account the effect of interest rate swaps, approximately 91% (2004 - 67%) of the group's third party borrowings are at a fixed rate of interest

The company had designated these interest rate swaps as cash flow hedges because they hedged against changes in the amount of future cash flows attributable to changes in LIBOR On 2 October 2005, the company entered into an agreement with several financial institutions to provide financing in connection with the merger agreement with Telewest Global, Inc As a result of this agreement, the company discontinued the hedge designation of the interest rate swaps related to the interest payments on the senior credit facilities In respect of the above mentioned instruments, net unrealised losses of £16 8 million, which had been included in equity, have been reclassified to the profit and loss account in the year ended 31 December 2005

12 Derivative instruments and hedging activities (continued)

Cross-Currency Interest Rate Swaps
The company has entered into cross-currency interest rate swaps with principal amounts of $920 2 million and €151 0 million The company hedges the variability in the sterling value of interest payments on the $425 million 8 75% U S dollar Senior Notes due 2014 Under the cross currency interest rate swaps the group receives interest in U S dollars at a rate of 8 75% and pays interest in sterling at a rate of 9 42%

The company hedges the variability in the sterling value of variable rate interest payments based on LIBOR on $395 2 million and €151 million of the senior credit facility due 2012 Under the cross currency interest rate swaps the group receives interest in US dollars at a variable rate based on U S LIBOR plus 300 points and pays interest based on LIBOR plus basis points in the range 208 to 222 The group receives interest in euros at a variable rate based on EURIBOR plus 300 basis points and pays interest based on LIBOR plus 154 basis points

For the year ended 31 December 2004 and for the period to 15 July 2005 when they were redeemed in full, the company hedged the variability in the sterling value of the interest payments on the floating Rate Senior Notes due 2012 The net settlement of $4 3 million under the cross currency interest rate swap is included within interest expense for the year ended 31 December 2004 (2004 - £2 5 million)

The company has designated these cross-currency interest rate swaps as cash flow hedges because they hedge the changes in he 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 On 2 October 2005, the company entered into an agreement with several financial institutions to provide financing in connection with the merger agreement with Telewest Global, Inc As a result of this agreement, the company discontinued the hedge designation of the interest rate swaps related to the interest payments on the senior credit facilities

In aggregate, net unrealised losses of £9 1 million, which had been included in the statement of total gains and losses have been recycled to the profit and loss account in the year ended 31 December 2005

13 Share capital

	2005	Restated 2004
	£	£
Authorised		
1,000,000 ordinary shares of £0 001 each	1,000	1,000
	£	£
Allotted, called up and fully paid		
121,006 ordinary shares of £0 001 each (2004 - 121,006)	121	121

The ordinary shares were previously incorrectly reported as having a nominal value of £0 01 The share capital has been restated, reducing the allotted, called up and fully paid share capital from £1,210 in 2004 to £121

14 Reconciliation of shareholder's funds and movements on reserves

	Restated Share capital £'000	Share premium account £'000	Profit and loss account £'000	Restated Total £'000
At 1 January 2004 as previously reported	1	12,273,189	(16,070,760)	(3,797,570)
Restatement of share capital (note 13)	(1)	-	1	-
At 1 January 2004	-	12,273,189	(16,070,759)	(3,797,570)
Profit for the year	-	-	598,641	598,641
Other recognised gains and losses in the year	-	-	(23,977)	(23,977)
Arising on share issues	-	351,765	-	351,765
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 31 December 2005	-	12,624,954	(11,710,902)	914,052

Note Profit and loss account balances are reported after the effect of the restatement for the implementation of FRS 26 Fuller details of the impact of the change in accounting policy are included in Note 1

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 under this facility of certain other group companies At 31 December 2005 the maximum contingent liability represented by outstanding borrowings by these companies amounted to approximately £1,713 million (2004 - £2,417 million) Borrowings under the facility are secured by security over the assets of certain members of the group including those of the company On 3 March 2006 the senior credit facility was replaced by new facilities as stated in note 18

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 (formerly ntl Cable PLC)

The company's results are included in the group accounts of Virgin Media Finance PLC, copies of which may be obtained from Virgin Media, 160 Great Portland Street, London, W1W 5QA

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

On 3 March 2006 NTL Incorporated executed an agreement of merger with Telewest Global, Inc (incorporated in Delaware, USA), which resulted in NTL Incorporated being merged into a subsidiary of Telewest Global, Inc In accordance with the terms of the merger agreement, immediately following the merger Telewest Global, Inc was renamed NTL Incorporated and the former NTL Incorporated was renamed NTL Holdings Inc On 8 February 2007, NTL Incorporated was renamed Virgin Media Inc and NTL Holdings Inc was renamed Virgin Media Holdings Inc

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

18 Post balance sheet events

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

On 3 March 2006, NTL Incorporated (the company's ultimate parent undertaking) and Telewest Global, Inc announced that they had completed the merger of the two businesses, creating the UK's second largest communications company Immediately upon the merger, NTL Incorporated was renamed NTL Holdings Inc and Telewest Global, Inc was renamed

NTL Incorporated, ntl Cable 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

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 ntl Group Limited Consideration for the discharge was the assignment to the company of an equal amount owed to ntl Group Limited by ntl Rectangle Limited

Also on 4 March 2006 the company acquired the whole of the share capital of ntl Internet Services Limited and Diamond Cable Communications Limited from ntl Group Limited By way of consideration, an amount of the debt owed to the company by ntl Group Limited was discharged, equivalent to the fair market value of the two shareholdings transferred, amounting to £459,494,532

On 9 March 2006, the company transferred the amount of £1,199,599,767 owed to it by ntl Rectangle Limited to NTLIH Sub Limited in consideration for the assumption by that company of an equal amount in respect of the debt owed by the company to the consortium of banks under the senior credit facility dated 3 March 2006

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

18 Post balance sheet events (continued)

On 4 July 2006, NTL Incorporated acquired Virgin Mobile Holdings (UK) plc ("Virgin Mobile"), the U K 's leading mobile virtual network operator with approximately 4 3 million customers and the U K 's fifth largest provider of mobile communication services ntl Group Limited, a subsidiary of NTL Incorporated, entered into a long-term exclusive trademark licence agreement with Virgin Enterprises Limited pursuant to which the group re-branded its combined consumer business with the Virgin Media brand from 8 February 2007 On the same day, ntl Group Limited was renamed Virgin Media Limited, ntl Cable PLC was renamed Virgin Media Finance PLC and NTL Incorporated was renamed Virgin Media Inc

The group believes that the acquisition of Virgin Mobile will enhance Virgin Media as a scale competitor in the U K telecommunications industry, enabling it to become the first market participant offering an integrated "quadruple-play" product suite, which bundles mobile telephony with its existing triple-play bundle, and assist it in improving customer service by leveraging best practices from Virgin Mobile The re-branding of the group's consumer business will bring the Virgin Media brand into approximately 5 0 million U K homes and, the group believes, will enhance consumer appeal for our range of communications services

On 18 December 2006, a further group inter-company debt restructuring exercise gave rise to the repayments of principal and interest in excess of £1 4 billion In total, in excess of £3 4 billion of inter-company debt was settled in the year ended 31 December 2006 Since none of the settled debt was replaced by equivalent inter-company debt, the provisions for impairment have been released in the year ended 31 December 2005