

Registered number 2075227



The Cable Corporation Limited

Directors' report and financial statements

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The Cable Corporation Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2003.

Principal activity and review of business

The principal activity of the Company is, and will continue to be, that of a holding Company.

Subsequent Events

In July 2004 the Company's ultimate parent, Telewest Communications plc, successfully completed its financial restructuring and Telewest Global, Inc. became the Company's ultimate holding company. Further details are set out in note 1, basis of preparation.

Results and dividends

The results for the year ended 31 December 2003 and the financial position of the Company are shown in the financial statements. The directors do not recommend the payment of a dividend in respect of the year (2002: *£nil*).

Directors and their interests

The directors who served during the year were as follows:

CJ Burdick	(resigned 18 February 2004)
SS Cook	
AWP Stenham	(appointed 18 February 2004)
NR Smith	(appointed 18 February 2004)

None of the directors who held office at the end of the financial year had any interest in the share capital of the Company or group subsidiary undertakings.

At 31 December 2003, CJ Burdick, AWP Stenham and SS Cook were directors of Telewest Communications plc and their interest in the ordinary share capital of Telewest Communications plc at 31 December 2003 and the beginning of the year are disclosed in the directors' report attached to the financial statements of that company.

At 31 December 2003, NR Smith was a director of Telewest Communications Networks Limited and his interest in the ordinary share capital of Telewest Communications plc at 31 December 2003 and the date of appointment are disclosed in the directors' report attached to the financial statements of that company.

During the financial year, no rights to subscribe for shares in the Company or group subsidiary undertakings were granted to or exercised by any director who held office at the end of the financial year and to the date of this report or by any member of his immediate family.

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Directors' report *(continued)*

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements 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 for that period. In preparing those financial statements, the directors are required to:

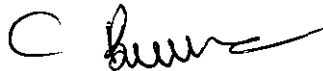
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare 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 maintaining 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 financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Auditors

Pursuant to a shareholder's resolution, the Company is not obliged to reappoint its auditors annually.

On behalf of the board



C Burns
Secretary

Export House
Cawsey Way
Woking
Surrey
GU21 6QX

27 January 2005

The Cable Corporation Limited

Independent auditors' report to the members of The Cable Corporation Limited

We have audited the financial statements on pages 5 to 12.

This report is made solely to the Company's members, as a body, 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 members those matters we are required to state to them 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 members as a body, 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 preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 if, in our opinion, the directors' report is not consistent with the financial statements, 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 transactions with the group is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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 judgements made by the directors in the preparation of the financial statements, 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 of the state of the Company's affairs as at 31 December 2003 and of the loss of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

2 Cornwall Street
Birmingham
B3 2DL

27 May

2005

The Cable Corporation Limited

Profit and loss account

For the year ended 31 December 2003.

	<i>Note</i>	2003 £'000	2002 £'000
Administrative expenses		(284,997)	-
Operating loss/result	2	(284,997)	-
Amounts written off investments	6	(87,261)	-
Loss on ordinary activities before taxation		(372,258)	-
Taxation on ordinary activities	4	-	-
Loss for the financial year	11	(372,258)	-

All income and expenditure arose in connection with continuing operations, and there is no difference between the result reported in the profit and loss account and the result on an historical cost basis.

The Cable Corporation Limited

Balance sheet

At 31 December 2003

	Note	2003 £'000	2002 £'000
Fixed assets			
Investments	6	-	87,261
Current assets			
Debtors: amounts falling due within one year	7	132,945	-
Creditors: amounts falling due within one year	8	(424,442)	(500)
Net current liabilities		(291,497)	(500)
Total assets less current liabilities		(291,497)	86,761
Creditors: amounts falling due after more than one year	9	-	(6,000)
Net (liabilities) / assets		(291,497)	80,761
Capital and reserves			
Called up share capital	10	11,057	11,057
Share premium account	11	93,067	93,067
Merger reserves	11	6,771	6,771
Profit and loss account	11	(402,392)	(30,134)
Equity shareholders' (deficit) / funds	11	(291,497)	80,761

These financial statements were approved by the board of directors on 27 January 2005 and were signed on its behalf by:



NR Smith
Director

The Cable Corporation Limited

Notes

(Forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The financial statements are prepared on a going concern basis, which the directors believe to be appropriate as the Company relies on support from Telewest UK Limited, an intermediate holding company.

In July 2004, Telewest Communications plc successfully completed its financial restructuring. This resulted in the reorganisation of the business and operations of Telewest Communications plc and its subsidiaries ('the Group') under Telewest Global, Inc., incorporated in the United States, which became the new ultimate holding company. The directors believe that the restructuring has left Telewest Global, Inc. and its subsidiaries ('the new Group') with sufficient liquidity to meet the new Group's funding needs and enable it to provide continued support to subsidiary companies.

The Company has transferred all inter-company liabilities due to its ultimate parent company and subsidiaries, from 'Creditors falling due after more than one year' to 'Creditors falling due within one year'.

The Company, along with other group undertakings, has carried out a review of intercompany balances. As a result of this review, certain intercompany debtors and creditors have been reclassified.

Group financial statements

The Company is exempt by virtue of section 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

Cash flow exemption

Under FRS 1, the Company is exempt from producing a cash flow statement on the grounds that the ultimate parent company, Telewest Communications plc, includes it in its own published consolidated financial statements.

Related party transactions

As the Company was a wholly owned subsidiary of Telewest Communications plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Telewest Communications plc, within which this company is included, can be obtained from The Company Secretary, Telewest Communications plc, Export House, Cawsey Way, Woking, Surrey, GU21 6QX.

The Cable Corporation Limited

Notes (continued)

1 Accounting policies (continued)

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 that result in an obligation to pay more tax in future or a right to pay less tax in future have occurred at the balance sheet date, except as otherwise required by Financial Reporting Standard (FRS) 19 Deferred Tax. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains or losses in tax assessments in periods different to those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Investments

Investments in subsidiary undertakings are stated in the Company balance sheet at cost less provision for any impairment in value.

2 Operating loss/result

	2003 £'000	2002 £'000
Operating loss/result is after charging:		
Provision against balances due from subsidiary undertakings	(284,997)	-

The Company, along with other group undertakings, has carried out a review of recoverability of inter group balances. As a result of this review, the Company has made provisions totalling £284,997,000 against intercompany debtors.

3 Employees and directors

There were no employees during the year (2002: nil) and no director received any remuneration for services provided to the Company during the year (2002: £nil).

The Cable Corporation Limited

Notes (continued)

4 Taxation on loss on ordinary activities

Reconciliation of the Company's current tax to the UK statutory rate:

	2003 £000	2002 £000
Loss on ordinary activities before taxation	(372,258)	-
Tax on pre tax losses at 30%	(111,677)	-
Amounts not deductible for tax purposes	111,677	-
Current tax	-	-
UK Corporation tax at 30% (2002: 30%)	-	-
UK Deferred tax	-	-
Tax on ordinary activities	-	-

5 Deferred tax

As at 31 December 2003, the Company estimates that it has, subject to Inland Revenue agreement, £8.6 million (2002: £8.6 million), of tax losses available to relieve future profits. In addition the Company estimates that it has unclaimed capital allowances as at 31 December 2003 of £nil (2002: £nil), subject to Inland Revenue agreement.

A deferred tax asset of £2.6 million (2002: £2.6 million) has not been recognised on carry forward losses and other timing differences. These assets can only be deducted against certain types of future income. There is currently insufficient evidence that the right type of income will be generated.

The Cable Corporation Limited

Notes (continued)

6 Investments

	Subsidiary Undertakings £'000
At 1 January 2003	87,261
Impairment	(87,261)
At 31 December 2003	-

In 2003, the Company carried out an impairment review of subsidiary undertakings in accordance with FRS 11 *Impairment of Fixed Assets and Goodwill* to ensure that investments are stated at no more than the recoverable amount being the higher of net realisable value and value in use. As a result an exceptional charge of £87,261,000 has been charged to the profit and loss account in 2003.

In the opinion of the directors, the aggregate value of the Company's investments in subsidiary undertakings is not less than the amount at which they are stated in the financial statements.

At 31 December 2003, the Company had directly and indirectly held interests in the following undertakings:

Company	Description of shares held	Proportion of nominal shares held
Direct holdings:		
Windsor Television Limited	25p ordinary	100%
Middlesex Cable Limited	£1 ordinary	100%
Indirect holdings:		
The Cable Corporation Equipment Limited	£1 ordinary	100%
European Business Networks Limited	£1 ordinary	100%
Chariot Collections Services Limited	£1 ordinary	100%

The nature of the business of Windsor Television Limited and Middlesex Cable Limited is the provision of cable television and telephony services. All other companies are dormant.

7 Debtors: amounts falling due within one year

	2003 £'000	2002 £'000
Amounts due from subsidiary undertakings	417,942	-
Provision against bad and doubtful debt	(284,997)	-
	<u>132,945</u>	<u>-</u>

The Cable Corporation Limited

Notes (continued)

8 Creditors: amounts falling due within one year

	2003 £'000	2002 £'000
Amount due to group undertakings	423,942	-
Unsecured loan	500	500
	<u>424,442</u>	<u>500</u>

9 Creditors: amounts falling due after more than one year

	2003 £'000	2002 £'000
Amount due to group undertakings	-	6,000
	<u>-</u>	<u>6,000</u>

10 Share capital

	2003 £'000	2002 £'000
Authorised:		
139,999,998 ordinary shares of 25p each	35,000	35,000
10,000,000 B ordinary shares of £6.50 each	65,000	65,000
2 special shares of 25p each	-	-
	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid :

18,225,389 ordinary shares of 25p each	4,557	4,557
1,000,000 B ordinary shares of £6.50 each	6,500	6,500
2 special shares of 25p each	-	-
	<u>11,057</u>	<u>11,057</u>

The Cable Corporation Limited

Notes (continued)

11 Reconciliation of movements in shareholders' funds and reserves

	Share Capital	Merger Reserve	Share Premium	Profit and loss account	Total
	£000	£000	£000	£000	£000
At 1 January 2003	11,057	6,771	93,067	(30,134)	80,761
Loss for the year				(372,258)	(372,258)
At 31 December 2003	<u>11,057</u>	<u>6,771</u>	<u>93,067</u>	<u>(402,392)</u>	<u>(291,497)</u>

12 Contingent liabilities

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

In December 2004, the Company, together with other group companies, entered into 2 new facilities agreements pursuant to which it has given a guarantee and a fixed and floating charge over certain of its assets to secure borrowings of other group companies. The guaranteed borrowings of those companies were £1,800 million, of which £1,700 million was drawn down at the date of these accounts.

In 2003, pursuant to the terms of a then existing and terminated facility agreement, the Company, together with other group companies had given a guarantee and a fixed and floating charge over certain of its assets to secure borrowings of other group companies. The guaranteed borrowings of those companies were £2,250 million, of which £2,000 million was drawn down at the year end.

13 Ultimate parent company

At 31 December 2003, the ultimate parent company was Telewest Communications plc, which is registered in England and Wales. Telewest Communications plc is the parent of the smallest and largest group for which group financial statements, including the Company, are drawn up. Copies of these group financial statements may be obtained from The Company Secretary, Telewest Communications plc, Export House, Cawsey Way, Woking, Surrey, GU21 6QX. Telewest Global, Inc. became the ultimate parent of the Company on 14 July 2004.