

**Telewest Communications  
(Tyneside) Limited**

*(formerly United Artists Communications (Tyneside) Limited)*

**Directors' report and financial statements**

**31 December 1996**

Registered number 2407676



# Telewest Communications (Tyneside) Limited

*(formerly United Artists Communications (Tyneside) Limited)*

## Directors' report and financial statements

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# Telewest Communications (Tyneside) Limited

*(formerly United Artists Communications (Tyneside) Limited)*

## Company information

### Directors

SJ Davidson  
D Van Valkenburg (USA)  
CJ Burdick (USA)

### Company secretary

VM Hull

### Registered office

Genesis Business Park  
Albert Drive  
Woking  
Surrey  
GU21 5RW

### Auditors

KPMG Audit Plc  
Quayside House  
110 Quayside  
Newcastle upon Tyne  
NE1 3DX

### Solicitors

Clifford Chance  
200 Aldersgate Street  
London  
EC1A 4JJ

# Telewest Communications (Tyneside) Limited

*(formerly United Artists Communications (Tyneside) Limited)*

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1996.

### Principal activities and business review

Telewest Communications (Tyneside) Limited is a subsidiary company of Telewest Communications (North East) Limited. It owns a 0.1% interest in Telewest Communications (North East) Partnership ("the partnership"), the principal place of business of which is located at Communications House, Dukesway West, Team Valley, Gateshead, Tyne and Wear. Its principal activity is, and will continue to be, to invest in the partnership.

### Change of name

On the 1 July 1996, the company changed its name from United Artists Communications (Tyneside) Ltd to Telewest Communications (Tyneside) Ltd.

### Results and dividends

The company incurred a loss of £14,128 (1995: £11,011) for the financial year. The directors do not recommend the payment of a dividend.

### Movement in fixed assets

Movements in fixed assets in the year are shown in note 4.

### Directors and directors' interests

The directors who held office during the year were as follows:

SJ Davidson

LC Rexroth (appointed 31 July 1996; resigned 30 June 1997)

A Michels (USA) (resigned 31 July 1996)

DF Bryan (USA) (resigned 1 January 1996)

CJ Burdick and D Van Valkenburg were appointed as directors of the company on 3 March 1997 and 30 June 1997, respectively.

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 fellow subsidiary undertakings.

The interests of S Davidson in the ordinary share capital of Telewest Communications plc, the ultimate parent company, at 1 January and 31 December 1996 are disclosed in the directors' report attached to the financial statements of that company.

At the 31 July and 31 December 1996, LC Rexroth had an interest in 21,277 and 190,885 ordinary shares subject to option in the Telewest Communications plc (No.1) Executive Share Option Scheme and Telewest Communications plc (No. 2) Executive Share Option Scheme, respectively. LC Rexroth also had an interest in 3,500 shares in the form of American Depositary Shares and is a potential beneficiary of 117,538 ordinary shares awarded to him under the Telewest Communications plc Restricted Share Scheme ("RSS"), subject to the rules of the RSS.

# Telewest Communications (Tyneside) Limited

*(formerly United Artists Communications (Tyneside) Limited)*

## Directors' report *(continued)*

Details of the above schemes can be found in the financial statements of Telewest Communications plc.

No rights to subscribe for shares in the company or any fellow subsidiary undertakings were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

### 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 of the company for that period. In preparing those financial statements, the directors are required to:

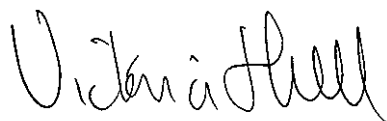
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



**V Hull**  
*Company Secretary*

Genesis Business Park  
Albert Drive  
Woking, Surrey  
GU21 5RW

16 September 1997

**Report of the auditors, KPMG, to the members of Telewest  
Communications (Tyneside) Limited**  
*(formerly United Artists Communications (Tyneside) Limited)*

We have audited the financial statements on pages 5 to 9.

**Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of 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 1996 and of its loss 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 Auditors*

Quayside House  
110 Quayside  
Newcastle upon Tyne  
NE1 3DX

17 September 1997

# Telewest Communications (Tyneside) Limited

*(formerly United Artists Communications (Tyneside) Limited)*

## Profit and loss account

*for the year ended 31 December 1996*

	<i>Note</i>	<b>1996</b>	<b>1995</b>
		<b>£</b>	<b>£</b>
Administrative expenses		<b>(500)</b>	(500)
Share of partnership loss		<b>(13,628)</b>	(10,511)
<b>Loss for the financial year</b>	<b>3</b>	<b>(14,128)</b>	(11,011)
Retained loss brought forward		<b>(41,146)</b>	(30,135)
<b>Retained loss carried forward</b>		<b>(55,274)</b>	(41,146)

The company has no recognised gains or losses other than those reflected in its profit and loss account. All expenditure incurred by the company was made in connection with continuing operations.

# Telewest Communications (Tyneside) Limited

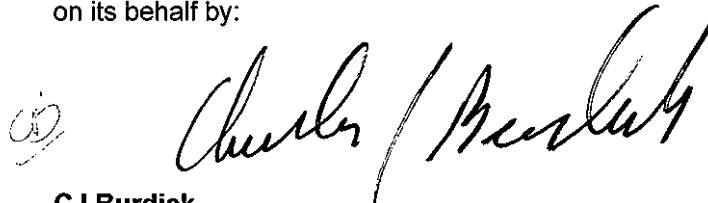
(formerly United Artists Communications (Tyneside) Limited)

## Balance sheet

at 31 December 1996

	Note	1996		1995	
		£	£	£	£
<b>Fixed assets</b>					
Investments	4		-		13,161
<b>Creditors: amounts falling due within one year</b>	5	<b>(51,101)</b>		<b>(50,601)</b>	
<b>Net current liabilities</b>			<b>(51,101)</b>		<b>(50,601)</b>
<b>Provisions for liabilities and charges</b>	6		<b>(467)</b>		-
<b>Net liabilities</b>			<b>(51,568)</b>		<b>(37,440)</b>
<b>Capital and reserves</b>					
Called up share capital	7		2		2
Share premium account			<b>1,986</b>		1,986
Capital contributions			<b>1,718</b>		1,718
Profit and loss account			<b>(55,274)</b>		(41,146)
<b>Equity shareholders' deficit</b>	8		<b>(51,568)</b>		<b>(37,440)</b>

These financial statements were approved by the board of directors on 16 September and were signed on its behalf by:



**CJ Burdick**  
Director



# Telewest Communications (Tyneside) Limited

(formerly United Artists Communications (Tyneside) 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. They have been prepared on a going concern basis since the ultimate parent undertaking has agreed to provide or procure financial support for the foreseeable future.

#### ***Investments***

The investment represents the company's share in Telewest Communications (North East) Partnership. The partnership interest has been accounted for under the equity method. The company's share of the partnership's operating results for the year has been included in the profit and loss account. Where the cumulative losses of the partnership exceed the finance introduced into the partnership, the excess is shown as a provision under "Provisions for liabilities and charges".

#### ***Related party transactions***

The company is exempt from the requirement to disclose transactions with entities that are part of the group headed by Telewest Communications plc, the company's ultimate parent undertaking, or investees of that group qualifying as related parties, as more than 90% of the company's voting rights are controlled within that group and the consolidated financial statements of Telewest Communications plc, in which the company is included, are publicly available.

#### ***Cash flow exemption***

The company is exempt from the requirement of Financial Reporting Standard No. 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Telewest Communications plc and its cash flows are included within the consolidated cash flow statement of that company.

### 2 Employees and directors

The company had no employees during the year (1995: *nil*). No director received any emoluments during the year in respect of his services to the company (1995: *£nil*).

### 3 Loss for the financial year

	1996	1995
	£	£
<b><i>Loss for the financial year is stated after charging</i></b>		
Auditors' remuneration - audit services	500	500

# Telewest Communications (Tyneside) Limited

(formerly United Artists Communications (Tyneside) Limited)

## Notes (continued)

### 4 Fixed asset investments

	Investment in partnership £
At 1 January 1996	13,161
Share of loss of partnership	(13,161)
	<hr/>
<b>At 31 December 1996</b>	<b>-</b>
	<hr/> <hr/>

The company owns a 0.1% interest in Telewest Communications (North East) Partnership, the principal place of business of which is located at Communications House, Dukesway West, Team Valley, Gateshead, Tyne & Wear. Losses that can not be offset against investment are included in "Provisions for liabilities and charges" (see note 6).

### 5 Creditors: amounts falling due within one year

	1996 £	1995 £
Amounts owed to parent and fellow subsidiary undertakings	50,601	50,101
Accruals and deferred income	500	500
	<hr/>	<hr/>
	<b>51,101</b>	<b>50,601</b>
	<hr/> <hr/>	<hr/> <hr/>

### 6 Provisions for liabilities and charges

	1996 £	1995 £
Provision for losses of partnership (see note 4)	467	-
	<hr/> <hr/>	<hr/> <hr/>

# Telewest Communications (Tyneside) Limited

(formerly United Artists Communications (Tyneside) Limited)

## Notes (continued)

### 7 Called up share capital

	1996 £	1995 £
<b>Authorised</b>		
Ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1 each	2	2
	<hr/>	<hr/>

### 8 Reconciliation of movements in equity shareholders' deficit

	1996 £	1995 £
Shareholders' deficit at 1 January	(37,440)	(26,429)
Loss for the financial year	(14,128)	(11,011)
	<hr/>	<hr/>
Shareholders' deficit at 31 December	(51,568)	(37,440)
	<hr/>	<hr/>

### 9 Ultimate parent company

The ultimate parent company of Telewest Communications (Tyneside) Limited is Telewest Communications plc which is registered in England and Wales. Telewest Communications plc is the parent of the largest group for which group financial statements including Telewest Communications (Tyneside) Limited are drawn up. Copies of these group financial statements can be obtained from The Company Secretary, Genesis Business Park, Albert Drive, Woking, Surrey, GU21 5RW.

The parent undertaking which heads the smallest higher group of undertakings for which group financial statements are drawn up and of which the company is a member is Telewest Communications (North East) Limited ("TW(NE) Ltd"). TW(NE) Ltd is registered in England and Wales. Copies of these group financial statements can be obtained from The Company Secretary, Genesis Business Park, Albert Drive, Woking, Surrey, GU21 5RW.