

Cable Communications St Helens & Knowsley Limited

Directors' report and financial statements

31 December 1995

Registered number 2466599



Cable Communications St Helens & Knowsley Limited

Directors' report and financial statements

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Cable Communications St Helens & Knowsley Limited

Company information

Directors

S J Davidson
A Michels (USA)

Secretary

V Hull

Registered office

The Quadrangle
Imperial Square
Cheltenham
Gloucestershire
GL50 1YX

Auditors

KPMG
Edward VII Quay
Navigation Way
Ashton-on-Ribble
Preston
Lancashire
PR2 2YF

Solicitors

Wiggin and Co
The Quadrangle
Imperial Square
Cheltenham
Gloucestershire
GL50 1YX

Cable Communications St Helens & Knowsley Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1995.

Review of the business and future developments

The principal activity of the company is, and will continue to be, the development of a cable television and communications network.

TeleWest plc

In October 1995, the merger of the company's former ultimate parent company, SBC CableComms (UK) ("SBCC") with TeleWest Communications plc, was completed. The merger was effected through the formation of a new company, TeleWest plc, which acquired both TeleWest Communications plc and SBCC in exchange for shares.

Results and dividends

The profit for the year after taxation amounted to £14,968 (1994: £38,149). The directors do not recommend the payment of a dividend (1994: £nil).

Significant changes in fixed assets

Information relating to changes in tangible fixed assets is given in note 5 to these financial statements.

Directors and directors' interests

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

S J Davidson		(appointed 3 October 1995)
A Michels	(USA)	(appointed 3 October 1995)
D F Bryan	(USA)	(appointed 3 October 1995, resigned 1 January 1996)
J M Turner	(USA)	(resigned 30 May 1995)
A Sugden		(resigned 3 October 1995)
G J Howe	(USA)	(resigned 3 October 1995)
W K Geppert	(USA)	(resigned 31 July 1995)
D A Roy	(USA)	(appointed 30 May 1995, resigned 3 October 1995)
R Wilson		(appointed 31 July 1995, resigned 3 October 1995)
I H Bolland		(appointed 31 July 1995, resigned 3 October 1995)

None of the directors who held office at the end of the financial year has any disclosable interest in the shares of the company or fellow subsidiary undertakings.

The interests of the directors in the share capital of TeleWest plc at 31 December 1995 are disclosed in the directors' report attached to the financial statements of that company. No director had any interest in the share capital of TeleWest plc at 1 January 1995.

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.

Cable Communications St Helens & Knowsley Limited

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 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.

By order of the board



V Hull
Secretary

The Quadrangle
Imperial Square
Cheltenham
Gloucestershire
GL50 1YX

15 May 1996

Report of the auditors, KPMG, to the members of Cable Communications St Helens & Knowsley Limited

We have audited the financial statements on pages 7 to 13 .

Respective responsibilities of directors and auditors

As described on page 5 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 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG

*Chartered Accountants
Registered Auditors*

Edward VII Quay
Navigation Way
Ashton-on-Ribble
Preston
Lancashire
PR2 2YF

15 May 1996

Cable Communications St Helens & Knowsley Limited

Profit and loss account

for the year ended 31 December 1995

	Note	1995 £	1994 £
Administrative expenses		(1,301,427)	(148,146)
Other operating income		1,297,606	205,084
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation	2	(3,821)	56,938
Tax on (loss)/profit on ordinary activities	4	18,789	(18,789)
		<hr/>	<hr/>
Profit for the financial year		14,968	38,149
Retained profit brought forward		39,263	1,114
		<hr/>	<hr/>
Retained profit carried forward		54,231	39,263
		<hr/>	<hr/>

The company had no recognised gains or losses other than those reflected in its profit and loss account for both 1994 and 1995. All income and expenditure incurred by the company was in respect of continuing operations.

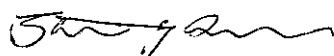
Cable Communications St Helens & Knowsley Limited

Balance sheet

at 31 December 1995

	Note	1995 £	1994 £
Fixed assets			
Tangible assets	5	23,993,860	8,515,877
Current assets			
Debtors	6	2,815,749	205,083
Creditors: amounts falling due within one year	7	(26,755,376)	(8,662,906)
Net current liabilities		(23,939,627)	(8,457,823)
Total assets less current liabilities		54,233	58,054
Provisions for liabilities and charges	8	-	(18,789)
Net assets		54,233	39,265
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account	10	54,231	39,263
Equity shareholders' funds	10	54,233	39,265

These financial statements were approved by the board of directors on 15 May 1996 and were signed on its behalf by:



S J Davidson
Director

Cable Communications St Helens & Knowsley 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.

Cash flow statement

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 plc and its cash flows are included within the consolidated cash flow statement of that company.

Fixed assets and depreciation

Depreciation is provided to write off the cost less estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Communications equipment and network construction 3 - 25 years.

Provision for depreciation commences at the start of the month in which the asset is first brought into use.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Leasing commitments

Rentals paid under operating leases are charged to income on a straight-line basis over the term of the lease.

Cable Communications St Helens & Knowsley Limited

Notes (continued)

2 (Loss)/profit on ordinary activities before taxation

(Loss)/profit on ordinary activities before taxation is stated after (crediting)/charging:

	1995 £	1994 £
Royalty income	(49,720)	(7,382)
Rental of network assets	(1,247,886)	(197,702)
Depreciation and other amounts written off owned tangible fixed assets	1,022,564	148,146
Management charge	278,863	-
	<u> </u>	<u> </u>

Auditors' remuneration has been borne by a fellow subsidiary undertaking.

3 Directors' emoluments and staff costs

Directors' emoluments have been paid by a fellow subsidiary undertaking.

The company had no employees during the year (1994: nil) and accordingly there are no staff costs (1994 : £nil).

4 Tax on profit on ordinary activities

	1995 £	1994 £
Deferred taxation (note 8)	(18,789)	18,789
	<u> </u>	<u> </u>

No liability to corporation tax arises due to tax losses surrendered by group companies in the year.

Cable Communications St Helens & Knowsley Limited

Notes (continued)

5 Tangible fixed assets

Communications equipment and network construction £

Cost:

At 1 January 1995	8,666,796
Additions	16,406,221
Transfers	105,454

At 31 December 1995	25,178,471
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Accumulated depreciation:

At 1 January 1995	150,919
Charge for year	1,022,564
Transfers	11,128

At 31 December 1995	1,184,611
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Net book value:

31 December 1995	23,993,860
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31 December 1994	8,515,877
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6 Debtors

	1995 £	1994 £
Amounts owed by fellow subsidiary undertakings	2,815,749	205,083

Cable Communications St Helens & Knowsley Limited

Notes (continued)

7 Creditors: amounts falling due within one year

	1995 £	1994 £
Amounts owed to immediate parent company	20,802,497	7,589,563
Amounts owed to fellow subsidiary undertakings	5,952,879	1,073,343
	<u>26,755,376</u>	<u>8,662,906</u>

8 Provisions for liabilities and charges

The movements in deferred taxation during the current and previous years are as follows:

	1995 £	1994 £
At 1 January	18,789	-
(Credit)/Charge for the year	(18,789)	18,789
	<u>-</u>	<u>18,789</u>
At 31 December	-	18,789

The amounts provided for deferred taxation and the amounts not provided are set out below

	1995 £ Provided	1995 £ Unprovided	1994 £ Provided	1994 £ Unprovided
Difference between accumulated depreciation and amortisation and capital allowances	63,632	-	18,789	-
Trading losses surrendered from other group companies	(63,632)	-	-	-
	<u>-</u>	<u>-</u>	<u>18,789</u>	<u>-</u>

Due to the availability of trading losses surrendered by other group companies, for which no payment is made, there is no deferred tax provision at 31 December 1995.

Cable Communications St Helens & Knowsley Limited

Notes (continued)

9 Share capital

	1995 £	1994 £
Authorised:		
Ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	2	2
	<hr/>	<hr/>

10 Reconciliation of movements in equity shareholders' funds

	Share capital £	Profit and loss account £	Equity shareholders' funds £
At 1 January 1994	2	1,114	1,116
Profit for the year	-	38,149	38,149
	<hr/>	<hr/>	<hr/>
At 1 January 1995	2	39,263	39,265
Profit for the year	-	14,968	14,968
	<hr/>	<hr/>	<hr/>
At 31 December 1995	2	54,231	54,233
	<hr/>	<hr/>	<hr/>

11 Ultimate parent company

The ultimate parent company of Cable Communications St Helens & Knowsley Limited is TeleWest plc which is registered in England and Wales. TeleWest plc is the parent of the smallest and largest group for which group financial statements which include Cable Communications St Helens & Knowsley Limited are drawn up. Copies of these group financial statements can be obtained from The Company Secretary, TeleWest plc, Genesis Business Park, Albert Drive, Woking, Surrey, GU21 5RW.