

Registered No. 2511877

ntl UK TELEPHONE AND CABLE TV HOLDING COMPANY LIMITED

Report and Group Accounts

31 December 2001



ntl UK Telephone and Cable TV Holding Company Limited

Registered No. 2511877

DIRECTORS

J B Knapp
R M Mackenzie
S Schubert

SECRETARY

R M Mackenzie

DEPUTY COMPANY SECRETARY

G E James

AUDITORS

Ernst & Young LLP
Becket House
1 Lambeth Palace Road
London SE1 7EU

BANKERS

Barclays Bank
54 Lombard Street
London EC3P 3AH

SOLICITORS

Travers Smith Braithwaite
10 Snow Hill
London EC1A 2AL

REGISTERED OFFICE

ntl House
Bartley Wood Business Park
Hook
Hampshire RG27 9UP

ntl UK Telephone and Cable TV Holding Company Limited

DIRECTORS' REPORT

The directors present their report and the group accounts for the year ended 31 December 2001.

RESULTS AND DIVIDENDS

The group made a loss for the year of £65,528,000 (period ended 31 December 2000 – loss of £5,053,000). The directors do not recommend the payment of a dividend (period ended 31 December 2000 – £nil).

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the group is to act as an investment holding company for part of the interests in cable franchises in the UK of ntl

The group has indirect non-equity interests in licence companies for the following cable franchises at 31 December 2001.

| | | | |
|-----------------|--------------------|-------------------|--------|
| Bolton | Derby | Oldham & Tameside | Surrey |
| Bromley | Greater Manchester | Solent | Sussex |
| Bury & Rochdale | East Lancashire | Staffordshire | Wessex |
| Cheshire | Macclesfield | Stockport | Wirral |

On 8 May 2002, NTL Incorporated, the company's ultimate parent undertaking, and certain of NTL Incorporated's holding company subsidiaries, filed a "pre-arranged" joint reorganisation plan under Chapter 11 of the United States Bankruptcy Code (the "Plan"). NTL Incorporated's operating subsidiaries (including the company) were not included in the Chapter 11 filing. On 5 September 2002, the US Bankruptcy Court confirmed the Plan and the Plan was consummated on 10 January 2003. Pursuant to the Plan NTL was split into two separate companies, NTL Incorporated (previously NTL Communications Corp), holding NTL's main UK and Ireland assets (including the company) (referred to as "New NTL"), and NTL Europe, Inc. (previously NTL Incorporated), holding NTL's continental European and certain other assets (referred to as "NTL Euroco").

DIRECTORS AND THEIR INTERESTS

The directors who served during the year ended 31 December 2001 and thereafter are shown below:

| | |
|-------------|---|
| S Carter | (resigned 20 February 2002) |
| B Dew | (resigned 1 February 2002) |
| J Gregg | (appointed 20 February 2002; resigned 10 January 2003) |
| J B Knapp | (appointed 20 February 2002) |
| R Mackenzie | (resigned 20 February 2002; re-appointed 10 January 2003) |
| S Ross | (resigned 20 February 2002) |
| B Richter | (appointed 10 January 2003; resigned 1 May 2003) |
| S Schubert | (appointed 1 May 2003) |

The directors do not hold any interests in the shares of the company. The company seeks exemption not to disclose the directors' interests in the common stock of NTL Incorporated, a company incorporated in the USA and the ultimate parent undertaking of the company.

AUDITORS

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

By order of the Board



R M Mackenzie
Company Secretary
14 July 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
ACCOUNTS

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 group and of the profit or loss of the group 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NTL UK TELEPHONE AND CABLE TV HOLDING COMPANY LIMITED

We have audited the group's accounts for the year ended 31 December 2001, which comprise the Group Profit and Loss Account, Statement of Total Recognised Gains and Losses, Group Balance Sheet, Balance Sheet and the related notes 1 to 19. These accounts have been prepared on the basis of the accounting policies set out therein.

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statements of Directors' Responsibilities, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 transactions with the company 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 United Kingdom 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the group'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 of the state of affairs of the company and of the group as at 31 December 2001, and of the loss of the group 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

14 July 2003

ntl UK Telephone and Cable TV Holding Company Limited

GROUP PROFIT AND LOSS ACCOUNT for the year ended 31 December 2001

| | | <i>Nine month</i> | |
|--|--------------|--------------------------------|--------------------|
| | | <i>Year ended period ended</i> | |
| | | <i>31 December</i> | <i>31 December</i> |
| | | <i>2001</i> | <i>2000</i> |
| | <i>Notes</i> | <i>£000</i> | <i>£000</i> |
| Other operating expenses | | (64,547) | (1,886) |
| OPERATING LOSS | | (64,547) | (1,886) |
| Net interest payable | 6 | (981) | (3,167) |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | 2 | (65,528) | (5,053) |
| Tax on loss on ordinary activities | 7 | - | - |
| LOSS FOR THE FINANCIAL YEAR/PERIOD | 13 | (65,528) | (5,053) |

All activities derive from continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

GROUP BALANCE SHEET

at 31 December 2001

| | | <i>31 December</i> | <i>31 December</i> |
|--|--------------|--------------------|--------------------|
| | | <i>2001</i> | <i>2000</i> |
| | <i>Notes</i> | <i>£000</i> | <i>£000</i> |
| FIXED ASSETS | | | |
| Tangible assets | 8 | 17,107 | 25,611 |
| Investments | 9 | - | 33,023 |
| | | <u>17,107</u> | <u>58,634</u> |
| CURRENT ASSETS | | | |
| Debtors | 10 | - | 25,219 |
| CREDITORS: amounts falling due after more than one year | 11 | (53,422) | (54,640) |
| NET CURRENT LIABILITIES | | <u>(53,422)</u> | <u>(29,421)</u> |
| NET (LIABILITIES) / ASSETS | | <u>(36,315)</u> | <u>29,213</u> |
| CAPITAL AND RESERVES | | | |
| Called up equity share capital | 12 | - | - |
| Profit and loss account | 13 | (36,389) | 29,139 |
| EQUITY SHAREHOLDERS' (DEFICIT) / FUNDS | | <u>(36,389)</u> | <u>29,139</u> |
| MINORITY INTERESTS | | | |
| Equity | | 74 | 74 |
| | | <u>(36,315)</u> | <u>29,213</u> |


R M Mackenzie
Director

14 July 2003

ntl UK Telephone and Cable TV Holding Company Limited

BALANCE SHEET at 31 December 2001

| | | 31 December 2001 £000 | 31 December 2000 £000 |
|-----------------------------------|-------|-----------------------------|-----------------------------|
| | Notes | | |
| FIXED ASSETS | | | |
| Investments | 9 | - | 33,581 |
| | | - | 33,581 |
| CURRENT ASSETS | | | |
| Debtors | 10 | - | 25,219 |
| NET CURRENT ASSETS | | - | 25,219 |
| TOTAL ASSETS | | - | 58,800 |
| CAPITAL AND RESERVES | | | |
| Called up equity share capital | 12 | - | - |
| Profit and loss account | 13 | - | 58,800 |
| EQUITY SHAREHOLDERS' FUNDS | | - | 58,800 |



R M Mackenzie
Director

14 July 2003

NOTES TO THE ACCOUNTS
at 31 December 2001

1. ACCOUNTING POLICIES

Fundamental accounting concept

The accounts have been prepared on the going concern basis because the ultimate parent undertaking has given the necessary assurances such that sufficient resources will be made available for the foreseeable future so that the company can meet its liabilities as and when they fall due.

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

Basis of consolidation

The group accounts comprise the accounts of the parent undertaking and its subsidiary undertakings. The main subsidiary undertakings are shown in note 9. The results of subsidiary undertakings are consolidated from their effective date of acquisition until such time as they cease to be subsidiary undertakings. Subsidiary undertakings held exclusively with a view to subsequent disposal are excluded from the group.

Tangible fixed assets and depreciation

Tangible fixed assets are recorded at cost which includes materials, direct labour and administrative expenses directly attributable to the design, construction and connection of the telecommunications and cable television networks and equipment.

Administrative expenses to be capitalised include all overheads of those departments responsible solely for design (including feasibility studies), construction and connection. Where departments spend only part of their time on functions directly connected with design, construction and connection, the relevant proportion of total overheads is capitalised.

Capitalisation of costs ceases once projects are substantially complete. Costs which are initially capitalised on projects under construction where the projects do not become operational are written off to the profit and loss account, once it is determined that the project will not become operational.

Costs of departments relating to revenue related operations, such as direct selling, marketing and other customer related departments, are not capitalised.

Depreciation

Depreciation is provided on the difference between the cost of tangible fixed assets and their estimated residual value in equal annual instalments over the estimated useful lives of the assets. The directors review the useful economic lives and estimated residual value of all assets annually. Where expectations are significantly different from previous estimates, the remaining net book values of the assets are depreciated over the remaining useful economic life.

The current estimated useful lives are as follows:

Land and buildings:

- | | |
|--------------------------------|---|
| - freehold buildings | - to 40 years |
| - leasehold land and buildings | - to 40 years or term of lease if less |
| - leasehold improvements | - remaining term of lease or expected useful life of the improvements |

Communications network plant and equipment:

- | | |
|-------------------------------------|------------------|
| - ducting and network construction | - 10 to 40 years |
| - electronic equipment and cabling | - 10 to 20 years |
| - other network plant and equipment | - 6 to 25 years |
| Non-network plant and equipment | - 3 to 10 years |

Freehold land, where the cost is distinguishable from the cost of the building thereon, is not depreciated.

After a portion of the network is fully constructed and released to operations, depreciation of the network commences when target rates of penetration are achieved or no later than one year after the release date.

NOTES TO THE ACCOUNTS
at 31 December 2001

1. ACCOUNTING POLICIES (continued)

Franchise applications and other start-up costs

Franchise application costs represent the acquisition costs of rights to operate a telecommunications network in a given territory. Costs of successful and unsuccessful cable franchise applications are written off as incurred. Costs incurred between the award of a franchise licence and the connection of the first customer are written off over the period during which revenues are generated by the franchise.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership, the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are split between capital and interest elements using the annuity method. Depreciation on the relevant assets and interest are charged to the profit and loss account.

All other leases are operating leases and the annual rentals are charged to operating profit on a straight line basis over the lease term.

Fixed asset investments

Fixed asset investments are stated at cost less provisions for impairment.

Impairment review

In accordance with FRS 11 "Impairment of Fixed Assets and Goodwill", the carrying value of the group's tangible fixed assets and investments in subsidiary undertakings have been compared to their recoverable amounts, represented by their value in use to the group.

The directors consider that the underlying assets of the UK Group's core telecommunications operations, ntl:Home and ntl:Business, are only now beginning to be properly exploited. In addition there are significant barriers to entry, both in terms of the necessary capital investment and regulatory control of the telecommunications sector, which limit the extent to which future competition will erode the expected rates of growth and the level of returns that the assets are expected to generate. As a result the value in use has been derived from discounted cash flow projections that have assumed a period of ten years from 1 January 2002 before applying the UK's long-term growth rate.

The discount rate used to arrive at this calculation was 16.6% on a pre-tax basis.

Deferred taxation

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. The company provides for deferred tax only when there is a reasonable probability that the liability will arise in the foreseeable future. Where deferred tax is provided, the liability method is used. No deferred tax assets are recognised in respect of accumulated losses except where necessary to reduce a deferred tax liability to nil.

Provisions

The company accounts for provisions in accordance with Financial Reporting Standard No. 12 'Provisions and Contingencies'. Consequently, provisions are only recognised when the company has a legal or constructive obligation to transfer economic benefits as a result of past events. The amount recognised as a provision is a realistic and prudent estimate of the expenditure required to settle the obligation.

Profit and loss account

The company has taken advantage of the exemption contained in Section 230 of the Companies Act 1985 from presenting its own profit and loss account. The loss for the year of the company amounted to £58,800,000 (period ended 31 December 2000 – £nil).

Cash flow statement

Under the provisions of Financial Reporting Standard No. 1 (Revised), the company has not prepared a cash flow statement because it is a wholly owned subsidiary of a company for which consolidated accounts are publicly available (see note 18).

ntl UK Telephone and Cable TV Holding Company Limited

NOTES TO THE ACCOUNTS at 31 December 2001

1. ACCOUNTING POLICIES (continued)

Turnover

Turnover is attributable principally to the provision of broadband telecommunications (including cable television) services in the United Kingdom. The directors consider this to be a single class of business and accordingly no segmental analysis of operating profit or net liabilities is shown.

2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging:

| | <i>Nine month</i> | |
|---------------------------------------|--------------------------------|--------------------|
| | <i>Year ended period ended</i> | |
| | <i>31 December</i> | <i>31 December</i> |
| | <i>2001</i> | <i>2000</i> |
| | <i>£000</i> | <i>£000</i> |
| Depreciation of tangible fixed assets | 2,204 | 1,886 |
| Impairment charge | 62,343 | - |

3. DIRECTORS' AND AUDITORS' REMUNERATION

The directors did not receive any remuneration during the current year (period ended 31 December 2000 – £nil).

The auditors' remuneration is paid by NTL Group Limited and disclosed in the accounts of NTL (UK) Group, Inc.

4. STAFF NUMBERS AND COSTS

ntl Group Ltd, a fellow group undertaking, employs most of the group's employees. Details of staff numbers and staff costs for the group are disclosed in the accounts of ntl Group Ltd.

5. IMPAIRMENT CHARGE

Group:

| | <i>Nine month</i> | |
|--|--------------------------------|--------------------|
| | <i>Year ended period ended</i> | |
| | <i>31 December</i> | <i>31 December</i> |
| | <i>2001</i> | <i>2000</i> |
| | <i>£000</i> | <i>£000</i> |
| Impairment of tangible fixed assets (see note 8) | 4,101 | - |
| Impairment of investments (see note 9) | 33,023 | - |
| Impairment of amounts owed by fellow subsidiary undertakings | 25,219 | - |
| | 62,343 | - |

Company:

| | <i>Nine month</i> | |
|--|--------------------------------|--------------------|
| | <i>Year ended period ended</i> | |
| | <i>31 December</i> | <i>31 December</i> |
| | <i>2001</i> | <i>2000</i> |
| | <i>£000</i> | <i>£000</i> |
| Impairment of investments (see note 9) | 33,581 | - |
| Impairment of amounts owed by fellow subsidiary undertakings | 25,219 | - |
| | 58,800 | - |

ntl UK Telephone and Cable TV Holding Company Limited

NOTES TO THE ACCOUNTS at 31 December 2001

6. NET INTEREST PAYABLE

| | <i>Nine month Year ended period ended</i> | |
|---------------------------------|---|-------------------------|
| | <i>31 December 2001</i> | <i>31 December 2000</i> |
| | <i>£000</i> | <i>£000</i> |
| Interest payable on group loans | 981 | 3,167 |

7. TAX ON LOSS ON ORDINARY ACTIVITIES

No corporation tax has been charged for the year (period ended 31 December 2000 – £nil). The group has an unprovided deferred tax asset in respect of tax losses available for offset against future trading profits..

8. TANGIBLE FIXED ASSETS

| <i>Group</i> | <i>Land and buildings £000</i> | <i>Network cable, plant and equipment £000</i> | <i>Non- network plant and equipment £000</i> | <i>Total £000</i> |
|---------------------|--|--|--|-----------------------|
| Cost: | | | | |
| At 1 January 2001 | 10,807 | 25,206 | 2,661 | 38,674 |
| Disposals | - | (2,199) | - | (2,199) |
| At 31 December 2001 | 10,807 | 23,007 | 2,661 | 36,475 |
| Depreciation: | | | | |
| At 1 January 2001 | 3,459 | 7,221 | 2,383 | 13,063 |
| Charge for the year | 371 | 1,643 | 190 | 2,204 |
| Impairment | - | 4,101 | - | 4,101 |
| At 31 December 2001 | 3,830 | 12,965 | 2,573 | 19,368 |
| Net book value: | | | | |
| At 31 December 2001 | 6,977 | 10,042 | 88 | 17,107 |
| At 31 December 2000 | 7,348 | 17,985 | 278 | 25,611 |

Network cable, plant and equipment includes £267,000 (31 December 2000 – £2,345,000) in respect of amounts not yet in service and consequently upon which depreciation has not been charged.

The net book value of land and buildings comprised:

| | <i>31 December 2001</i> | |
|-----------------|-------------------------|-------------|
| | <i>2001</i> | <i>2000</i> |
| | <i>£000</i> | <i>£000</i> |
| Freehold | 5,692 | 5,849 |
| Short leasehold | 1,285 | 1,499 |
| | 6,977 | 7,348 |

Freehold land amounting to £475,000 (31 December 2000 – £475,000) is not depreciated.

ntl UK Telephone and Cable TV Holding Company Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

9. INVESTMENTS

Group

| | £000 |
|--------------------------------|----------|
| Other investments: | |
| At 31 December 2000 | 33,023 |
| Impairment charge (see note 5) | (33,023) |
| | <hr/> |
| At 31 December 2001 | - |
| | <hr/> |

Subsidiary undertakings of the company hold non-voting interests in the following undertakings:

| Name of undertaking | Description of class of shares held | Proportion of nominal value of interest held | |
|--|-------------------------------------|--|-----------|
| | | Group % | Company % |
| ntl Bolton Cablevision Holding Company | Preference | 100 | - |
| ntl Derby Cablevision Holding Company | Preference | 100 | - |
| ntl Manchester Cablevision Holding Company | Preference | 100 | - |
| ntl CableComms Bromley | Preference | 100 | - |
| ntl CableComms Bury & Rochdale | Preference | 100 | - |
| ntl CableComms Cheshire | Preference | 100 | - |
| ntl CableComms East Lancashire | Preference | 100 | - |
| ntl CableComms Macclesfield | Preference | 100 | - |
| ntl CableComms Oldham & Tameside | Preference | 100 | - |
| ntl CableComms Solent | Preference | 100 | - |
| ntl CableComms Staffordshire | Preference | 100 | - |
| ntl CableComms Stockport | Preference | 100 | - |
| ntl CableComms Surrey | Preference | 100 | - |
| ntl CableComms Sussex | Preference | 100 | - |
| ntl CableComms Wessex | Preference | 100 | - |
| ntl CableComms Wirral | Preference | 100 | - |

Preference dividends from the above undertakings are accruing at the rate of £11.5 million per annum in total. No preference dividends have been distributed by the above undertakings due to the lack of available distributable profits in those undertakings.

Company

| | Subsidiary undertakings £000 | Other investments £000 | Total £000 |
|---------------------|---------------------------------|---------------------------|---------------|
| At 31 December 2000 | 33,581 | - | 33,581 |
| Impairment charge | (33,581) | - | (33,581) |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2001 | - | - | - |
| | <hr/> | <hr/> | <hr/> |

ntl UK Telephone and Cable TV Holding Company Limited

NOTES TO THE ACCOUNTS at 31 December 2001

9. INVESTMENTS (continued)

Interests in subsidiary undertakings

| <i>Name of undertaking</i> | <i>Country of registration</i> | <i>Description of shares held</i> | <i>Proportion of nominal value of interest held</i> | |
|---|--------------------------------|-----------------------------------|---|------------------|
| | | | <i>Group %</i> | <i>Company %</i> |
| ntl Microlock Services Limited | England and Wales | Ordinary | 100 | 100 |
| ntl CableComms Limited | England and Wales | Ordinary | 100 | 100 |
| ntl CableComms Manchester Limited | England and Wales | Ordinary | 100 | 100 |
| ntl Solent Telephone & Cable TV Holding Company Limited | England and Wales | Ordinary | 100 | 100 |
| ntl Partcheer Company Limited | England and Wales | Ordinary | 100 | 100 |
| ntl Sideoffer Limited | England and Wales | Ordinary | 89 | 89 |
| ntl Streetunit Projects Limited | England and Wales | Ordinary | 100 | 100 |
| ntl Streetusual Services Limited | England and Wales | Ordinary | 100 | 100 |
| ntl Streetunique Projects Limited | England and Wales | Ordinary | 100 | 100 |
| ntl Streetvision Services Limited | England and Wales | Ordinary | 100 | 100 |
| ntl Streetvital Services Limited | England and Wales | Ordinary | 100 | 100 |
| ntl Streetwarm Services Limited | England and Wales | Ordinary | 91.1 | 91.1 |
| ntl Streetwide Services Limited | England and Wales | Ordinary | 100 | 100 |
| ntl Strikeagent Trading Limited | England and Wales | Ordinary | 100 | 100 |
| ntl Strikeapart Trading Limited | England and Wales | Ordinary | 100 | 100 |
| ntl Strikeamount Trading Limited | England and Wales | Ordinary | 100 | 100 |

The business of the undertakings listed above is to act as intermediate parent undertakings.

10. DEBTORS

Amounts owed by fellow subsidiary undertakings

| | <i>Group 31 December 2001 £000</i> | <i>Group 31 December 2000 £000</i> | <i>Company 31 December 2001 £000</i> | <i>Company 31 December 2000 £000</i> |
|--|--|--|--|--|
| Amounts owed by fellow subsidiary undertakings | - | 25,219 | - | 25,219 |

ntl UK Telephone and Cable TV Holding Company Limited

NOTES TO THE ACCOUNTS at 31 December 2001

11. CREDITORS: amounts falling due within one year

| | <i>Group</i> <i>31 December</i> <i>2001</i> <i>£000</i> | <i>Group</i> <i>31 December</i> <i>2000</i> <i>£000</i> | <i>Company</i> <i>31 December</i> <i>2001</i> <i>£000</i> | <i>Company</i> <i>31 December</i> <i>2000</i> <i>£000</i> |
|--|--|--|--|--|
| Amounts owed to fellow subsidiary undertakings | 53,422 | 54,640 | - | - |
| | <u>53,422</u> | <u>54,640</u> | <u>-</u> | <u>-</u> |

12. SHARE CAPITAL

| | <i>31 December</i> <i>2001</i> | <i>31 December</i> <i>2000</i> |
|-------------------------------------|-----------------------------------|-----------------------------------|
| Authorised: | | |
| 2 ordinary shares of US \$1 each | \$2 | \$2 |
| 1,000 deferred shares of £1 each | £1,000 | £1,000 |
| | <u></u> | <u></u> |
| Called up, allotted and fully paid: | | |
| 2 ordinary shares of US \$1 each | \$2 | \$2 |
| 2 deferred shares of £1 each | £2 | £2 |
| | <u></u> | <u></u> |

The holders of the deferred shares shall only be entitled to participate in the assets of the company after the holders of every other class of shares in the capital of the company shall have received on a return of assets on liquidation or otherwise the sum of £1,000 million in respect of each share held by them. The company shall have the power and authority at any time to purchase all or any of the deferred shares for an aggregate consideration of £1 which shall be applied for the benefit of the group.

13. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

| | <i>Group</i> <i>Profit and</i> <i>loss account</i> <i>£000</i> | <i>Company</i> <i>Profit and</i> <i>loss account</i> <i>£000</i> |
|------------------------------|---|---|
| At 31 March 2000 | 34,192 | 58,800 |
| Retained loss for the period | (5,053) | - |
| | <u>29,139</u> | <u>58,800</u> |
| At 31 December 2000 | 29,139 | 58,800 |
| Retained loss for the year | (65,528) | (58,800) |
| | <u>(36,389)</u> | <u>-</u> |
| At 31 December 2001 | (36,389) | - |

Goodwill

The cumulative amount of goodwill arising from acquisitions that has been charged to the profit and loss account reserves is:

| | <i>31 December</i> <i>2001</i> <i>£000</i> | <i>31 December</i> <i>2000</i> <i>£000</i> |
|---|--|--|
| At beginning and end of the year/period | 659 | 659 |
| | <u>659</u> | <u>659</u> |

NOTES TO THE ACCOUNTS

at 31 December 2001

14. CAPITAL COMMITMENTS

At 31 December 2001 and 31 December 2000, there was no capital expenditure contracted for and not accrued for in the accounts.

15. OPERATING LEASE COMMITMENTS

At 31 December 2001 and 31 December 2000, the group had no annual commitments under non-cancellable operating leases.

16. CONTINGENT LIABILITIES

The group, along with fellow subsidiary undertakings, is party to a senior secured credit facility with a syndicate of banks. The group is a guarantor of borrowings under this facility of certain other group companies. At 31 December 2001 the maximum contingent liability represented by outstanding borrowings by these companies amounted to approximately £2,885 million (2000 – 32,277 million). Borrowings under the facility are secured by security over the assets of certain members of the group including those of the group.

17. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard No. 8 not to disclose related party transactions with other ntl group companies.

18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING UNDERTAKING

The company's immediate parent undertaking is ntl UK CableComms Holdings, Inc. a company incorporated in the state of Delaware, USA.

The company's results are included in the group accounts of ntl Communications Limited, copies of which may be obtained from ntl, ntl House, Bartley Wood Business Park, Hook, Hampshire RG27 9UP.

Up to 10 January 2003, the ultimate parent undertaking and controlling party was NTL Incorporated, (later renamed NTL Europe, Inc.), a company incorporated in the state of Delaware, United States of America. From 10 January 2003 the company's ultimate parent undertaking and controlling party is NTL Communications Corp (later renamed NTL Incorporated), a company incorporated in the state of Delaware, United States of America. Copies of both sets of group accounts, which include the results of the company, are available from The Secretary, NTL Incorporated, 110 East 59th Street, 26th Floor, NY 10022, USA.

19. POST BALANCE SHEET EVENT

The directors performed an impairment review for the purposes of the company's accounts for the year ended 31 December 2002 in accordance with the requirements of Financial Reporting Standard No. 11 "Impairment of Fixed Assets and Goodwill". At the date of approval of the accounts for the year ended 31 December 2001 this review had not been completed, and so the directors are unable to determine the likelihood or possible magnitude of any losses which may result from this review.