

Report and Accounts

LanBase European Holdings Limited

31 December 2001



LanBase European Holdings Limited

Registered No. 2529290

DIRECTORS

J Gregg
J B Knapp

COMPANY SECRETARY

R Mackenzie

DEPUTY COMPANY SECRETARY

G E James

REGISTERED OFFICE

ntl House
Bartley Wood Business Park
Hook
Hampshire RG27 9UP

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company is dormant and did not trade during the year ended 31 December 2001. The expenses of the company have been met by a fellow subsidiary undertaking.

EVENTS SINCE THE BALANCE SHEET DATE

On 8 May 2002, NTL Incorporated, the group's ultimate parent undertaking, and certain of NTL Incorporated's holding company subsidiaries, announced that they each had filed "prearranged" Chapter 11 cases under United States bankruptcy laws. On 24 May 2002, NTL Incorporated and the other debtors in the Chapter 11 cases filed their amended joint reorganisation plan (the "Plan"), amending and superseding the plan filed on 8 May 2002, and an amended disclosure statement. Under the proposed Plan, approximately \$10.6 billion of debt will be converted into equity in two reorganised companies – NTL UK and Ireland and NTL Euroco. The Plan has received agreement in principle from a steering committee of NTL's lending banks, and an unofficial committee of NTL's public bondholders (holding over 50% of the face value of NTL's bonds) has agreed to support the Plan. On 5 September 2002, the US Bankruptcy Court approved the Plan.

DIRECTORS AND THEIR INTERESTS

The directors during the year ended 31 December 2001 and thereafter were as follows:

B Dew	(resigned 1 February 2002)
R Mackenzie	(resigned 20 February 2002)
S Ross	(resigned 20 February 2002)
S Carter	(resigned 20 February 2002)
J Gregg	(appointed 20 February 2002)
J Knapp	(appointed 20 February 2002)

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 Inc, a company incorporated in the USA and the ultimate parent undertaking of the company.

By order of the board



G E James

Deputy Company Secretary



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 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; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company 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 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.

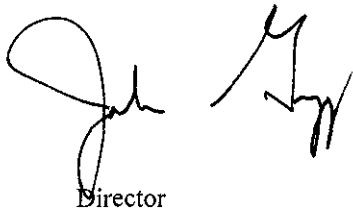
LanBase European Holdings Limited

BALANCE SHEET

at 31 December 2001

		31 December 2001	31 December 2000
	Notes	£	£
FIXED ASSETS			
Investments	3	174,715	174,715
CURRENT ASSETS			
Debtors – amounts due from group companies		250,310	250,310
TOTAL ASSETS LESS CURRENT LIABILITIES		425,025	425,025
CAPITAL AND RESERVES			
Called up share capital	4	128,976	128,976
Share premium		214,866	214,866
Profit and loss account		81,183	81,183
EQUITY SHAREHOLDERS' FUNDS		425,025	425,025

The company was a dormant company within the meaning of section 250 of the Companies Act 1985 throughout the accounting period ending at the date of this balance sheet.



Director

16 October 2002

LanBase European Holdings Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Group accounts

As the company is a wholly owned subsidiary of another undertaking incorporated in the United Kingdom, it has taken advantage of Section 228 of the Companies Act 1985 and not prepared group accounts. These accounts therefore present information about LanBase European Holdings Limited as an individual undertaking and not about its group.

2. PROFIT AND LOSS ACCOUNT

The company had neither income nor expenditure during the year. Accordingly, no profit and loss account has been prepared.

3. INVESTMENTS

	2001 £	2000 £
Investment at cost	330,355	330,355
Less: provision	(155,640)	(155,640)
	<u>174,715</u>	<u>174,715</u>

LanBase European Holdings owns 100% of the ordinary share capital of LanBase Limited, a dormant company.

4. SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	2001 <i>No.</i>	2000 <i>No.</i>	2001 £	2000 £
Ordinary Shares of £1 each	200,000	200,000	128,976	128,976

5. 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 2001 the maximum contingent liability represented by outstanding borrowings by these companies amounted to approximately £2,885 million. Borrowings under the facility are secured by security over the assets of certain members of the group including those of the company.

NOTES TO THE ACCOUNTS
at 31 December 2001

6. ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is ntl Business Limited

The smallest group in which the results of the company are consolidated is that of which ntl Communications Limited is the parent undertaking. The Group accounts of ntl Communications Limited may be obtained from ntl, ntl House, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP.

In the directors' opinion, the ultimate parent undertaking and controlling party is ntl Incorporated, a company incorporated in Delaware, United States of America. Copies of the group accounts, which include the company, are available from the Secretary, ntl Incorporated, 110 East 59th Street, 26th Floor, New York, NY 10022, USA.