

# **Telewest Communications Cable Limited**

**Directors' report and financial statements**

**31 December 1999**

Registered number 2883742



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# Telewest Communications Cable Limited

## Directors' report and financial statements

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# Telewest Communications Cable Limited

## Company information

### Directors

AK Illsley (resigned 19 April 2000)  
CJ Burdick (USA)  
SS Cook (appointed 11 August 2000)

### Secretary

JM Laver (resigned 1 August 2000)  
C Burns (appointed 1 August 2000)

### Registered office

Genesis Business Park  
Albert Drive  
Woking  
Surrey  
GU21 5RW

### Auditors

KPMG Audit Plc  
PO Box 695  
8 Salisbury Square  
London  
EC4Y 8BB

### Solicitors

Freshfields  
65 Fleet Street  
London  
EC4Y 1HS

Weil, Gotshal & Manges LLP  
One South Place  
London EC2M 2WG

# Telewest Communications Cable Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1999.

### Principal activities and business review

The Company continues to act as a holding company for companies with cable television and telephony interests in the United Kingdom.

### Results and dividends

The Company neither made a profit nor a loss during the year (1998: *£nil*). The directors do not recommend the payment of a dividend (1998: *£nil*).

### Directors and directors' interests

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

AK Illsley	(resigned 19 April 2000)
D Van Valkenburg	(USA, resigned 16 March 1999)
CJ Burdick	(USA)
VM Hull	(resigned 18 August 2000)
SS Cook	(appointed 18 August 2000)

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 other group subsidiary undertakings.

At 31 December 1999, AK Illsley, CJ Burdick and VM Hull were directors of Telewest Communications plc and their interest in the ordinary share capital of Telewest Communications plc at 31 December 1999 and the beginning of year or 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 or by any member of his immediate family.

# Telewest Communications Cable 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; 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.

By order of the board



**C Burns**  
Secretary

Genesis Business Park  
Albert Drive  
Woking, Surrey  
GU21 5RW

*26 October* 2000

# Telewest Communications Cable Limited

## Report of the auditor, KPMG Audit Plc, to the members of Telewest Communications Cable Limited

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

### **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. 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 company is not disclosed.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **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 1999 and of its result 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*

PO Box 695  
8 Salisbury Square  
London  
EC4Y 8BB

*30 October 2000*

# Telewest Communications Cable Limited

## Profit and loss account

*for the year ended 31 December 1999*

During the financial period, the Company did not trade and received no income and incurred no expenditure. Consequently, during the period the Company neither made a profit nor a loss.

# Telewest Communications Cable Limited

## Balance sheet at 31 December 1999

	Note	1999 £'000	1998 £'000
<b>Fixed assets</b>			
Investments	6	354,181	354,181
<b>Current assets</b>			
Debtors: due after more than one year	7	405,925	405,925
<b>Net current assets</b>		405,925	405,925
<b>Net assets</b>		760,106	760,106
<b>Capital and reserves</b>			
Called up share capital	8,9	100,124	100,124
Share premium	9	384,272	384,272
Acquisition reserve	9	270,187	270,187
Profit and loss account	9	5,523	5,523
<b>Equity shareholder's funds</b>	9	760,106	760,106

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

26 October

2000



**CJ Burdick**  
Director



# Telewest Communications Cable Limited

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The principal accounting policies, which have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements, are as follows:

#### ***Basis of preparation***

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

#### ***Investments***

Investments in subsidiary undertakings are stated in the balance sheet at cost. Provision is made for permanent diminution in value of the investments.

#### ***Foreign currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and gains or losses on translation are included in the profit and loss account.

#### ***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 (revised 1997) 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 flows of that company.

#### ***Group financial statements***

In accordance with section 228(2) of the Companies Act 1985, the Company is exempt from the requirement to produce group financial statements.

### 2 Profit on ordinary activities before tax

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

### 3 Remuneration of directors

No remuneration was paid to the directors in the year (1998: £nil).

# Telewest Communications Cable Limited

## Notes (continued)

### 4 Staff costs and numbers

The Company had no employees during the year (1998: nil) and, accordingly, there are no staff costs (1998: £nil).

### 5 Taxation

Due to the availability of trading losses surrendered by other group companies, for which no payment is made, there is no corporation tax charge for the year or preceding year.

### 6 Fixed asset investments

	Subsidiary undertakings		Total £'000
	Investments £'000	Loans £'000	
At 1 January 1999 and 31 December 1999	270,302	83,879	354,181

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

# Telewest Communications Cable Limited

## Notes (continued)

### 6 Fixed asset investments (continued)

#### Investment in subsidiary undertakings

The Company directly holds 100% of the £1 ordinary share capital, which also represents 100% of the voting rights, of Theseus No. 1 Limited and Theseus No. 2 Limited. Theseus No. 1 Limited and Theseus No. 2 Limited are holding companies which operate in the United Kingdom and which are incorporated in Great Britain and registered in England and Wales.

The Company also directly owns 100% of the £1 ordinary share capital, which also represents 100% of the voting rights, of Telewest Trustees Limited, a dormant company incorporated in Great Britain and registered in England and Wales.

The Company holds through its subsidiary undertakings the following principal subsidiary undertakings, and participating interests which operate in the United Kingdom. The principal activities of these entities, unless otherwise indicated, are the building and operation of cable television and telephony networks.

	Description of shares held	Proportion of the nominal value of shares held by the %
<b>Companies:</b>		
Telewest Communications Group Limited (Management Company)	£1 ordinary	100
Telewest Communications (South West) Limited	£1 ordinary	100
Telewest Communications (Cotswolds) Limited	£1 ordinary	80
	10p ordinary	80
Telewest Communications (London South) Limited	10p ordinary	99.75
Telewest Communications (North East) Limited	£1 ordinary	100
Telewest Communications (South East) Limited	£1 ordinary	100
Telewest Communications (Scotland) Limited	£1 ordinary	100
Telewest Communications (Glenrothes) Limited	£1 ordinary	100
Telewest Communications (Motherwell) Limited	£1 ordinary	100
Telewest Communications (Dundee and Perth) Limited	£1 ordinary	100
Cable Guide Limited (Publisher)	£1 ordinary	70
	£1 cumulative convertible preference	60
	Place of business	Percentage of ownership %
<b>Partnerships:</b>		
United Cable (London South) Limited Partnership	Croydon	100
Avon Cable Limited Partnership	Bristol	100

# Telewest Communications Cable Limited

## Notes (continued)

### 6 Fixed asset investments (continued)

#### *Investment in subsidiary undertakings (continued)*

	Place of business	Percentage of ownership %
<b>Partnerships:</b>		
Cotswolds Cable Limited Partnership	Cheltenham	100
Edinburgh Cable Limited Partnership	Edinburgh	100
Estuaries Cable Limited Partnership	Basildon	100
London South Cable Partnership	Croydon	100
Telewest Communications (North East) Partnership	Newcastle	100
Telewest Communications (South East) Partnership	Basildon	100
Tyneside Cable Limited Partnership	Newcastle	100
<b>Joint ventures:</b>		
Avon Cable Limited Partnership and Telewest Communications (South West) Limited Joint Venture	Bristol	100
London South Cable Partnership and Telewest Communications (London South) Limited Joint Venture	Croydon	100
Telewest Communications (Scotland) Venture	Edinburgh	100
Telewest Communications (Cotswolds) Venture	Cheltenham	100

### 7 Debtors: due after more than one year

	1999 £'000	1998 £'000
Amounts owed by parent undertaking	405,925	405,925

# Telewest Communications Cable Limited

## Notes (continued)

### 8 Called up share capital

	Ordinary shares of 10p each	Ordinary shares of 10p each
	Number	£'000
<b>Authorised:</b>		
At start and end of year	1,497,835,000	149,784
	<hr/>	<hr/>
<b>Allotted, issued and fully paid:</b>		
At start and end of year	1,001,244,940	100,124
	<hr/>	<hr/>

### 9 Reconciliation of movements in equity shareholder's funds

	Called up share capital £000	Share Premium £000	Acquisition Reserve £000	Profit and loss account £000	Equity share- holder's Funds £000
At 1 January 1999	100,124	384,272	270,187	5,523	760,106
Result for the year	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 1999</b>	<b>100,124</b>	<b>384,272</b>	<b>270,187</b>	<b>5,523</b>	<b>760,106</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

### 10 Contingent liabilities

The Company, along with fellow subsidiary undertakings, is party to a senior secured credit facility with a syndicate of banks. Borrowings under the facility are secured by the assets of the group including those of the Company.

# Telewest Communications Cable Limited

## Notes *(continued)*

### 11 **Ultimate parent company**

The ultimate parent company of Telewest Communications Cable Limited is 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 which include Telewest Communications Cable 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.