

## **Report and Accounts**

# *NTL Investment Holdings Limited*

**31 December 1999**



# NTL Investment Holdings Limited

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Registered No. 3173552

## **DIRECTORS**

S Carter  
R M Mackenzie  
S Ross

## **SECRETARY**

R M Mackenzie

## **AUDITORS**

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

## **BANKERS**

Bank of Scotland  
38 Threadneedle Street  
London EC2P 2EH

## **REGISTERED OFFICE**

NTL House  
Bartley Wood Business Park  
Hook  
Hampshire RG27 9XA

**DIRECTORS' REPORT**

The directors present their report and accounts for the year ended 31 December 1999.

**RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £1,568,000 (1998 – profit of £12,583,000). The directors do not recommend the payment of a dividend.

**PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The company is the parent undertaking of NTL Group Limited.

**THE INTRODUCTION OF THE EURO**

To the extent that the group will find it necessary to undertake transactions denominated in the euro, the directors are satisfied that the group's systems and procedures are adequate for the purpose.

**DIRECTORS AND THEIR INTERESTS**

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

L Wood	(resigned 1 December 2000)
R M Mackenzie	
R A McKellar	(resigned 30 September 1999)
D W Kelham	(appointed 30 September 1999 and resigned 1 December 2000)

In addition, S Ross was appointed as a director on 1 November 2000 and S Carter was appointed as chairman and director on 1 December 2000.

No director had any interest in the share capital of the company.  
Two directors exercised share options in ntl Inc. during the year.

**NTL (UK) GROUP, INC.**

For a more detailed review of the ntl group's business activities and future prospects, the report and accounts of NTL (UK) Group, Inc. for the year ended 31 December 1999, should be consulted. NTL (UK) Group, Inc. is the parent undertaking of the company and is registered in England and Wales as a foreign company with number FC18124.

**AUDITORS**

Ernst & Young have expressed their willingness to continue in office as auditors.

By order of the board



R M Mackenzie  
Secretary

31 Jan 2001

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.

**REPORT OF THE AUDITORS****to the members of NTL Investment Holdings Limited**

We have audited the accounts on pages 5 to 13, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 3, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

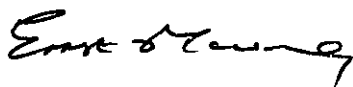
**Basis of opinion**

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 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 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 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 as at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Registered Auditor  
London

31 Jan 2001

# NTL Investment Holdings Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1999

	<i>Notes</i>	<i>1999 £000</i>	<i>1998 £000</i>
Administrative expenses		15	1,385
<b>OPERATING LOSS</b>	3	(15)	(1,385)
Interest receivable	4	99,787	61,107
Interest payable	5	(98,204)	(47,139)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,568	12,583
Tax on profit on ordinary activities	6	–	–
<b>PROFIT FOR THE FINANCIAL YEAR</b>	11	1,568	12,583

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit for the year of £1,568,000 (1998 – £12,583,000).

# NTL Investment Holdings Limited

## BALANCE SHEET

at 31 December 1999

	Notes	1999 £000	1998 £000
<b>FIXED ASSETS</b>			
Investment in subsidiary undertakings	7	1,649,104	269,242
<b>CURRENT ASSETS</b>			
Debtors	8	1,795,720	994,633
Cash at bank and in hand		27,810	649
		1,823,530	995,282
<b>CREDITORS: amounts falling due within one year</b>	9	2,339,705	1,222,049
<b>NET CURRENT LIABILITIES</b>		(516,175)	(226,767)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,132,929	42,475
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	—	—
Share premium account	11	1,150,391	61,505
Profit and loss account	11	(17,462)	(19,030)
<b>EQUITY SHAREHOLDERS' FUNDS</b>		1,132,929	42,475



S Ross  
Director

31 Jan 2001

NOTES TO THE ACCOUNTS

at 31 December 1999

1. **FUNDAMENTAL ACCOUNTING CONCEPT**

The accounts have been prepared on the going concern basis because the company's 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.

2. **ACCOUNTING POLICIES**

*Accounting convention*

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

*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.

*Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. The resulting exchange differences are taken to the profit and loss account.

*Cash flow statement*

The company has taken advantage of the exemption under FRS1 (revised) not to prepare a cash flow statement as it is a subsidiary which is at least 90% owned by the ultimate parent undertaking.

*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 is exempt from the obligation to prepare and deliver group accounts. These accounts therefore present information about NTL Investment Holdings Limited as an individual undertaking and not about its group.

3. **OPERATING LOSS**

This is stated after charging:

	1999	1998
	£000	£000
Auditors' remuneration – as auditors	–	–
Directors' remuneration	–	–
	<u>          </u>	<u>          </u>

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



# NTL Investment Holdings Limited

## NOTES TO THE ACCOUNTS

at 31 December 1999

### 4. INTEREST RECEIVABLE

	1999 £000	1998 £000
Bank interest	1,583	15,588
Notes receivable from subsidiary undertaking	98,204	45,519
	<u>99,787</u>	<u>61,107</u>

### 5. INTEREST PAYABLE

	1999 £000	1998 £000
Bank loan and overdraft	—	1,620
Notes payable to parent undertaking	98,204	45,519
	<u>98,204</u>	<u>47,139</u>

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

There is no corporation tax charge as the company incurred losses during the year.

### 7. INVESTMENTS

	£000
Cost	
At 1 January 1999	269,242
Additions in the year	2,450,662
Disposals	(1,070,800)
At 31 December 1999	<u>1,649,104</u>

NOTES TO THE ACCOUNTS

at 31 December 1999

7. INVESTMENTS (continued)

Details of the principal investments in which the company holds at least 20% of the nominal value of any class of share capital are as follows:

<i>Name of company</i>	<i>Holding</i>	<i>Proportion held</i>	<i>Nature of business</i>
<i>Subsidiary undertakings</i>			
NTL Group Limited	Ordinary shares	100%	Holding company
National Transcommunications Limited	Ordinary shares	100% #	Transmission services
DTELS Limited	Ordinary shares	100% #	Radiocommunications services
X-Tant Limited	Ordinary shares	70% #	Telecommunications
Andover Cablevision Limited	Ordinary shares	100% #	Telecommunications
ComTel Coventry Limited	Ordinary shares	100% #	Telecommunications
Oxford Cable Limited	Ordinary shares	100% #	Telecommunications
ComTel Cable Services Limited	Ordinary shares	100% #	Telecommunications
Stafford Communications Limited	Ordinary shares	100% #	Telecommunications
ntl South Central Limited	Ordinary shares	100% #	Telecommunications
NTL Telecom Services Limited	Ordinary shares	100% #	Telecommunications
NTL Milton Keynes Limited	Ordinary shares	100% #	Telecommunications
NTL Westminster Limited	Ordinary shares	100% #	Telecommunications
NTL Triangle LLC	Common Stock	100% #	Holding company
Cambridge Holding Company Limited	Ordinary shares	100% #	Holding company
ntl Cambridge Limited	Ordinary shares	100% #	Telecommunications
Anglia Cable Communications Limited	Ordinary shares	100% #	Telecommunications
East Coast Cable Limited	Ordinary shares	100% #	Telecommunications
ntl Teeside Limited	Ordinary shares	100% #	Telecommunications

# Held by a subsidiary undertaking

In the opinion of the directors the investments in subsidiary undertakings are worth not less than cost.

The group has taken advantage of section 231(5) of the Companies Act 1995 and disclosed only those investments that have a principal affect on results or assets.

NOTES TO THE ACCOUNTS

at 31 December 1999

7. INVESTMENTS (continued)

On 11 November 1999 the company acquired NTL (Triangle) LLC from NTL Communications Limited for a consideration of £ 980,000,000 satisfied by the issue of one £1 ordinary share. The investment has been included in the group's balance sheet at its fair value at the date of acquisition.

Analysis of the acquisition of this business is as follows:

	<i>Book value and fair value to company £000</i>
Intangible fixed assets	37,878
Investment	23,268
Tangible fixed assets	108,580
Debtors	23,229
Bank and cash	3,488
Creditors due within one year	(10,934)
Creditors due after more than one year	(76,593)
Net assets	108,916
Goodwill	871,084
	<u>980,000</u>
Discharged by:	
Shares	<u>980,000</u>

On 11 November 1999 the company sold NTL (Triangle) LLC to NTL Group Limited for a consideration of £ 980,000,000. The investment has been included in the company's balance sheet at cost.

# NTL Investment Holdings Limited

## NOTES TO THE ACCOUNTS

at 31 December 1999

### 7. INVESTMENTS (continued)

On 30 June 1999 the company acquired ntl Telecom Services Limited from NTL Communications Limited for a consideration of £ 90,800,000 satisfied by the issue of one £1 ordinary share. The investment has been included in the company's balance sheet at its fair value at the date of acquisition.

Analysis of the acquisition of this business is as follows:

	<i>Book value and fair value to company £000</i>
Tangible fixed assets	75,682
Debtors	13,085
Creditors due within one year	(20,908)
Net assets	67,859
Goodwill	22,941
	<u>90,800</u>
Discharged by:	
Shares	<u>90,800</u>

On 30 June 1999 the company sold ntl Telecom Services Limited to NTL Group Limited for a share consideration of £ 90,800,000. The investment has been included in the company's balance sheet at cost.

# NTL Investment Holdings Limited

## NOTES TO THE ACCOUNTS

at 31 December 1999

### 8. DEBTORS

	1999 £000	1998 £000
Loan notes due from group undertakings	1,532,926	523,957
Amount owed by group undertakings	164,590	415,435
Long-term advances from group undertakings	—	9,722
Interest receivable from group undertakings	98,204	45,519
	<u>1,795,720</u>	<u>994,633</u>

### 9. CREDITORS: amounts falling due within one year

	1999 £000	1998 £000
Amounts due to group undertakings	—	6,584
Notes payable to group undertakings	1,575,726	566,757
Interest payable to group undertakings	98,204	45,519
Long term advances from parent undertaking	665,207	602,621
Other creditors	568	568
	<u>2,339,705</u>	<u>1,222,049</u>

### 10. SHARE CAPITAL

	1999 £	1998 £
<i>Authorised:</i>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid:</i>		
Ordinary shares of £1 each	<u>118</u>	<u>115</u>

On 21 December 1999 one ordinary share was issued for £18,086,000. On 30 June 1999 one ordinary share was issued for £90,800,000. On 11 November 1999 one ordinary share was issued for £980,000,000.

NOTES TO THE ACCOUNTS

at 31 December 1999

11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Share capital £000</i>	<i>Share premium account £000</i>	<i>Profit and loss account £000</i>	<i>Total share- holders' funds £000</i>
At 1 January 1998	—	61,505	(31,613)	29,892
Profit for the year	—	—	12,583	12,583
At 1 January 1999	—	61,505	(19,030)	42,475
Profit for the year	—	—	1,568	1,568
Arising on share issue	—	1,088,886	—	1,088,886
At 31 December 1999	—	1,150,391	(17,462)	1,132,929

12. PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is ntl Communications Limited. It has included the company in its group accounts, copies of which are available from its registered office: NTL House, Bartley Wood Business Park, Hook, Hampshire RG27 9XA.

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

13. RELATED PARTIES

The company has taken advantage of the exemption under FRS 8 not to disclose transactions with group undertakings as a subsidiary undertaking which is at least 90% controlled by the ultimate parent undertaking.