

Registered number
3709869

ntl CABLECOMMS HOLDINGS NO 1 LIMITED

Report and Accounts

31 December 2002



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ntl CABLECOMMS HOLDINGS NO 1 LIMITED

Registered number

3709869

Directors

R M Mackenzie

S E Schubert

G N Roberts (alternate director)

R C Gale (alternate director)

Joint Company Secretaries

R M Mackenzie

G E James

Auditors

Ernst & Young LLP

1 More London Place

London

SE1 2AF

Bankers

National Westminster Bank PLC

PO Box 9

31 Promenade

Cheltenham

Gloucs

GL50 1LH

Solicitors

Travers Smith Braithwaite

10 Snow Hill

London

EC1A 2AL

Registered Office

ntl House

Bartley Wood Business Park

Hook

Hampshire RG27 9UP

ntl CABLECOMMS HOLDINGS NO 1 LIMITED
Directors' Report

The directors present their report and accounts for the year ended 31 December 2002.

RESULTS AND DIVIDENDS

The group made a loss for the year after taxation and minority interests of £325,009,000 (2001 – loss of £657,766,000). The directors do not recommend payment of a dividend (2001 – £nil).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

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 the ntl Group.

The group has direct equity interests in licence companies for the following cable franchises as at 31 December 2002:

Bolton, Cheshire, Stockport, Derby, Macclesfield, Wirral, Greater Manchester, Oldham, East Lancashire, Staffordshire and Bury

On 8 May 2002, NTL Incorporated ("NTL"), 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. Pursuant to the Plan, NTL Incorporated 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"). On 10 January 2003, the Plan became effective, and NTL Incorporated emerged from Chapter 11 reorganisation.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and thereafter and their interests in the share capital of the company were as follows:

S A Carter	(resigned 20 February 2002)
S Ross	(resigned 20 February 2002)
R M Mackenzie	(resigned 20 February 2002; re-appointed 10 January 2003)
J B Knapp	(appointed 20 February 2002; resigned 1 October 2003)
J F Gregg	(appointed 20 February 2002; resigned 10 January 2003)
B Richter	(appointed 10 January 2003; resigned 1 May 2003)
S E Schubert	(appointed 1 May 2003)
G N Roberts	(alternate director to R M Mackenzie) (appointed 24 March 2004)
R C Gale	(alternate director to S E Schubert) (appointed 24 March 2004)

The directors had no interest in the share capital of the company requiring disclosure under the Companies Act 1985. The company seeks exemption under SI802, The Companies (Disclosure of Directors' Interests) (Exceptions) Regulations 1985, not to disclose the directors' interests in the common stock of NTL Incorporated, a company incorporated in the United States of America and the ultimate parent undertaking of the company.

COMPANY SECRETARY

On 20 February 2002, R J Lubasch was appointed joint company secretary and resigned the position on 3 May 2002.

On 24 March 2004, G E James was appointed joint company secretary.

ntl CABLECOMMS HOLDINGS NO 1 LIMITED
Directors' Report

AUDITORS

Ernst & Young LL 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

A handwritten signature in black ink, appearing to be 'R M Mackenzie', written over a horizontal line.

R M Mackenzie
Company Secretary

23 JUL 2004

ntl CABLECOMMS HOLDINGS NO 1 LIMITED

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

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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF ntl CABLECOMMS HOLDINGS
NO 1 LIMITED**

We have audited the group's accounts for the year ended 31 December 2002, 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 16. These accounts have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's member, 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 member 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 member 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 Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with 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 group 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 group 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 2002 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

23 JUL 2004

ntl CABLECOMMS HOLDINGS NO 1 LIMITED
Profit and Loss Account
for the year ended 31 December 2002

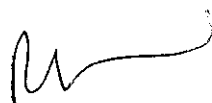
	Notes	2002 £'000	2001 £'000
Turnover	2	191,513	198,388
Cost of sales		(69,568)	(84,750)
Gross profit		<u>121,945</u>	<u>113,638</u>
Other operating expenses		(423,367)	(755,074)
Operating loss	3	<u>(301,422)</u>	<u>(641,436)</u>
Interest payable	5	(34,720)	(31,514)
Loss on ordinary activities before taxation		<u>(336,142)</u>	<u>(672,950)</u>
Taxation	6	-	-
Loss for the financial year		<u>(336,142)</u>	<u>(672,950)</u>
Minority interests (including non-equity interests)		11,133	15,184
Retained loss for the financial year		<u>(325,009)</u>	<u>(657,766)</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than those reflected in the profit and loss account for the years ended 31 December 2002 and 31 December 2001.

ntl CABLECOMMS HOLDINGS NO 1 LIMITED
Group Balance Sheet
as at 31 December 2002

	Notes	2002 £'000	2001 £'000
Fixed assets			
Intangible assets	7	-	-
Tangible assets	8	255,750	539,852
		<u>255,750</u>	<u>539,852</u>
Creditors: amounts falling due within one year	10	(1,359,117)	(1,307,077)
		<u>(1,359,117)</u>	<u>(1,307,077)</u>
Net current liabilities		(1,359,117)	(1,307,077)
		<u>(1,359,117)</u>	<u>(1,307,077)</u>
Net liabilities		<u>(1,103,367)</u>	<u>(767,225)</u>
Capital and reserves			
Called up share capital	11	1,000,000	1,000,000
Merger reserves		(608,553)	(608,553)
Profit and loss account		(1,530,768)	(1,205,759)
		<u>(1,139,321)</u>	<u>(814,312)</u>
Equity shareholder's deficit		(1,139,321)	(814,312)
Minority interests (including non-equity interests)	13	35,954	47,087
		<u>35,954</u>	<u>47,087</u>
		<u>(1,103,367)</u>	<u>(767,225)</u>



R M Mackenzie
Director

23 JUL 2004

ntl CABLECOMMS HOLDINGS NO 1 LIMITED**Balance Sheet****as at 31 December 2002**

	Notes	2002 £'000	2001 £'000
Fixed assets			
Investments	9	-	-
Creditors: amounts falling due within one year	10	(719,114)	(719,114)
Net liabilities		<u>(719,114)</u>	<u>(719,114)</u>
Capital and reserves			
Called up share capital	11	1,000,000	1,000,000
Profit and loss account		(1,719,114)	(1,719,114)
Equity shareholder's deficit		<u>(719,114)</u>	<u>(719,114)</u>



R M Mackenzie
Director

23 JUL 2004

ntl CABLECOMMS HOLDINGS NO 1 LIMITED
Notes to the Accounts
for the year ended 31 December 2002

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 group can meet its liabilities as and when they fall due.

Accounting convention

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

In preparing the accounts for the current year, the company has adopted FRS 18 "Accounting Policies" and FRS 19 "Deferred Tax".

Basis of consolidation

The group accounts consolidate the accounts of ntl Cablecomms Holdings No 1 Limited and all of its subsidiary undertakings drawn up to 31 December each year. No profit and loss account is presented for ntl Cablecomms Holdings No 1 Limited as permitted by section 230 of the Companies Act 1985.

The group profit and loss account includes the results of subsidiary undertakings from the date of their acquisition. The purchase consideration has been allocated to assets and liabilities on the basis of fair values at the date of acquisition.

Undertakings, other than subsidiary undertakings, in which the group has an investment representing not less than 20% of the voting rights and over which it exerts significant influence are treated as associated undertakings. The group accounts include the appropriate share of these undertakings' results and reserves based on audited accounts.

Intangible fixed assets

Licences:

Costs incurred in securing the licences to run cable television services have been capitalised, and are written off to the profit and loss account from the date services commence to the date the relevant franchise expires. Costs are also reviewed for impairment on the same basis as goodwill.

Depreciation and prematurity period

Network assets:

Depreciation is provided on a straight-line basis, at rates calculated to write off the cost, less estimated residual value, of each asset over its estimated useful lives as follows:

Freehold buildings	- 50 years
Leasehold buildings	- length of lease
Cable and ducting	- 40 years
Network	- 15 years
Head end equipment	- 15 years
Subscriber equipment	- 4-15 years

~~Computer equipment~~
During the time while the group's cable systems are partially under construction and partially in service ("the prematurity period"), depreciation of the network is charged monthly on its estimated costs at the end of the prematurity period, which is taken as two years, using the above rates scaled down by the ratio of average, actual or estimated number of subscribers, whichever is greater, in the current period to the estimated subscriber base at the end of this period.

ntl CARLECOMMS HOLDINGS NO 1 LIMITED
Notes to the Accounts
for the year ended 31 December 2002

1 Accounting policies (continued)

Depreciation and prematurity period (continued)

Construction in progress:

Stocks relating to network construction have been included in fixed assets. Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value as follows:

Raw materials and consumables	- purchase cost
Work in progress	- cost of direct materials and labour

Other:

Depreciation is provided on a straight-line basis, at rates calculated to write off the cost, less estimated residual value, of each asset over its estimated useful lives, as follows:

Freehold buildings	- 50 years
Leasehold land and buildings	- length of lease
Furniture and fixtures	- 10 years
Plant and office equipment	- 3-10 years
Motor vehicles	- 4 years
Computer equipment	- 3-5 years
Satellite equipment	- 4 years

Impairment review

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

The directors consider that the underlying assets of the group's core telecommunications operations 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 2003 before applying the UK's long-term growth rate.

The discount rate used to arrive at this calculation was 21.4% on a pre-tax basis.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only when the replacement assets are sold;
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable; and
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

ntl CABLECOMMS HOLDINGS NO 1 LIMITED

Notes to the Accounts

for the year ended 31 December 2002

1 Accounting policies (continued)

Investments

Investments are recorded at cost, less any provision for impairment.

Cash flow statement

The group has taken advantage of the exemption under FRS 1 (revised) not to prepare a cash flow statement as it is a subsidiary which is at least 90% controlled by the ultimate parent undertaking (see note 16).

2 Turnover

Turnover represents the invoiced amount of services provided, stated net of value added tax, and is attributable to one continuing activity, being the provision of information, communications and entertainment services, all of which is attributable to the United Kingdom.

3 Operating loss	2002	2001
	£'000	£'000
This is stated after charging:		
Depreciation of fixed assets	43,862	129,418
Loss on sale of assets	-	248
Impairment charge (see note 4)	<u>260,215</u>	<u>447,592</u>

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

ntl Group Limited, a fellow group undertaking, employs most of the employees of the NTL Group. Details of staff numbers and staff costs for the group are disclosed in the accounts of ntl Group Limited. The company does not have any directly employed associates.

4 Impairment charge	2002	2001
	£'000	£'000
Impairment of tangible fixed assets	259,768	129,418
Impairment of amounts owed by parent undertaking	447	318,174
	<u>260,215</u>	<u>447,592</u>

5 Interest payable	2002	2001
	£'000	£'000
Interest on amounts owed to group companies	<u>34,720</u>	<u>31,514</u>

ntl CABLECOMMS HOLDINGS NO 1 LIMITED

Notes to the Accounts

for the year ended 31 December 2002

6 Taxation

(a) Tax on loss on ordinary activities

The tax charge is made up as follows:

	2002 £'000	2001 £'000
Current tax charge:		
Current tax on income for the period	-	-
	<hr/>	<hr/>
	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
Total tax charge on loss on ordinary activities	-	-

(b) Factors affecting current tax charge

The difference between the effective statutory rate and the actual current tax charge is reconciled as follows:

	2002 £'000	2001 £'000
Loss on ordinary activities before tax	<u>(336,142)</u>	<u>(672,950)</u>
Loss on ordinary activities multiplied by the applicable statutory rate 30% (2001 - 30%)	(100,843)	(201,885)
Expenses not deductible for tax purposes	13,664	111,656
Depreciation in excess of capital allowances	91,650	79,858
Utilisation of tax losses brought forward	(6,873)	(1,716)
Unrelieved tax losses	<u>2,402</u>	<u>12,087</u>
Total current tax charge	<u>-</u>	<u>-</u>

(c) Factors that may affect future tax charges

Deferred tax assets have not been recognised in respect of tax losses of £186,640,864 and depreciation in excess of capital allowances of £131,861,962 as there is insufficient certainty as to the availability of future taxable profits.

7 Intangible fixed assets

<i>Group</i>	Licences £'000
Cost	
At 1 January and 31 December 2002	<u>532</u>
Amortisation	
At 1 January and 31 December 2002	<u>532</u>
Net book value	
At 1 January and 31 December 2002	<u>-</u>

ntl CABLECOMMS HOLDINGS NO 1 LIMITED

Notes to the Accounts

for the year ended 31 December 2002

8 Tangible fixed assets

<i>Group</i>	Network £'000	Construction in progress £'000	Other £'000	Total £'000
Cost				
At 1 January 2002	979,267	22,401	14,436	1,016,104
Additions	19,265	-	263	19,528
Transfers	22,401	(22,401)	-	-
At 31 December 2002	<u>1,020,933</u>	<u>-</u>	<u>14,699</u>	<u>1,035,632</u>
Depreciation				
At 1 January 2002	466,838	-	9,414	476,252
Charge for the year	43,493	-	369	43,862
Impairment	259,768	-	-	259,768
At 31 December 2002	<u>770,099</u>	<u>-</u>	<u>9,783</u>	<u>779,882</u>
Net book value				
At 31 December 2002	<u>250,834</u>	<u>-</u>	<u>4,916</u>	<u>255,750</u>
At 31 December 2001	<u>512,429</u>	<u>22,401</u>	<u>5,022</u>	<u>539,852</u>

Included in 'Other' are the following net book values of leasehold land and buildings:

	2002 £'000	2001 £'000
Freehold	2,624	2,705
Short leasehold	<u>2,192</u>	<u>2,328</u>

Freehold land amounting to £55,000 is not depreciated.

ntl CABLECOMMS HOLDINGS NO 1 LIMITED

Notes to the Accounts

for the year ended 31 December 2002

9 Investments

<i>Company</i>	<i>Subsidiary undertakings</i>
Cost	£'000
At 1 January and 31 December 2002	<u>1,719,114</u>
Provision for impairment	
At 1 January and 31 December 2002	<u>1,719,114</u>
Net book value	
At 1 January and 31 December 2002	<u>-</u>

All of the material investments in which the company holds at least 20% of the nominal value of any class of share capital, all of which are unlisted, are as follows. All are registered in England and Wales unless otherwise noted.

<i>Subsidiary</i>	<i>Holding</i>	<i>Proportion held</i>	<i>Principal activities</i>
Direct shareholdings			
ntl CableComms Bury and Rochdale	'A' Ordinary	98.82% (i)	Telecoms
ntl CableComms Cheshire	'A' Ordinary	98.82% (i)	Telecoms
ntl CableComms Macclesfield	'A' Ordinary	98.82% (i)	Telecoms
ntl CableComms Oldham and Thameside	'A' Ordinary	98.82% (i)	Telecoms
ntl CableComms Staffordshire	'A' Ordinary	98.82% (i)	Telecoms
ntl CableComms Stockport	'A' Ordinary	98.82% (i)	Telecoms
ntl CableComms Wirral	'A' Ordinary	100% (i)	Telecoms
ntl CableComms Greater Manchester	'A' Ordinary	96.98% # (i)	Telecoms
ntl Bolton Cablevision Holding Company	'A' Ordinary	98.82% (i)	Holding
ntl Derby Cablevision Holding Company	'A' Ordinary	98.82% (i)	Holding
ntl Manchester Cablevision Holding Company	'A' Ordinary	99% (i)	Holding
ntl CableComms East Lancashire	'A' Ordinary	87.82% (i)	Holding
ntl CableComms Derby	'A' Ordinary	99% #	Telecoms
ntl CableComms Bolton	'A' Ordinary	99% #	Telecoms
ntl Wirral Telephone and Cable TV Company	'A' Ordinary	99% #	Telecoms

(i) unlimited company

indirect holding

The company has taken advantage of the exemption under section 228 of the Companies Act 1985 not to disclose the aggregate amount of capital and reserves, and the result for the year for each of the subsidiary undertakings on the basis that their results are included in the group financial statements of ntl Communications Limited (see note 17).

The company 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.

£1 'A' ordinary shares

The right to attend, speak and vote at all general meetings of the company.

ntl-CABLECOMMS HOLDINGS NO 1 LIMITED

Notes to the Accounts

for the year ended 31 December 2002

10 Creditors: amounts falling due within one year

<i>Group</i>	2002 £'000	2001 £'000
Amounts owed to parent undertakings and undertakings in which the company has a participating interest	<u>1,359,117</u>	<u>1,307,077</u>
<i>Company</i>	2002 £'000	2001 £'000
Amounts owed to parent undertakings and undertakings in which the company has a participating interest	<u>719,114</u>	<u>719,114</u>

11 Share capital

<i>Group and company</i>	2002 £'000	2001 £'000
Authorised:		
1,000,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid:		
1,000,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

12 Reconciliation of shareholder's deficit and movements on reserves

<i>Group</i>	Share capital	Merger reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2001	1,000,000	(608,553)	(547,993)	(156,546)
Loss for the year	-	-	(657,766)	(657,766)
At 1 January 2002	1,000,000	(608,553)	(1,205,759)	(814,312)
Loss for the year	-	-	(325,009)	(325,009)
At 31 December 2002	1,000,000	(608,553)	(1,530,768)	(1,139,321)
<i>Company</i>		Share capital £'000	Profit and loss account £'000	Total £'000
At 1 January 2001		1,000,000	(1,719,114)	(719,114)
Loss for the year		-	-	-
At 1 January 2002		1,000,000	(1,719,114)	(719,114)
Loss for the year		-	-	-
At 31 December 2002		1,000,000	(1,719,114)	(719,114)

ntl-CABLECOMMS HOLDINGS NO 1 LIMITED
Notes to the Accounts
for the year ended 31 December 2002

13 Minority Interests	Equity £'000	Non equity £'000	Total £'000
At 31 December 2000	6,023	56,248	62,271
Dividends	-	6,422	6,422
Add: loss on ordinary activities after taxation	(21,606)	-	(21,606)
At 31 December 2001	(15,583)	62,670	47,087
Dividends	-	6,421	6,421
Add: loss on ordinary activities after taxation	(17,554)	-	(17,554)
At 31 December 2002	(33,137)	69,091	35,954

The minority shareholders have preference share issues made by each of the subsidiary companies.

The classification of the instruments as minority interests for the purposes of these accounts has been determined on the following basis:

The capital outstanding and the dividends payable are classified as non-equity minority interests in both the balance sheet and the profit and loss account, where the issue does not represent a contingent obligations on the parent undertaking or a group undertaking under guarantees in respect of letters of credit supporting the issue.

Details of the outstanding preference share issues are:

ntl CableComms Bury and Rochdale

A fixed cumulative preferential dividend at the rate of £409,464 per annum, accruing on a daily basis from 11 October 1994 until 11 October 2014.

ntl CableComms Cheshire

A fixed cumulative preferential dividend at the rate of £494,180 per annum, accruing on a daily basis from 11 October 1994 until 11 October 2014.

ntl CableComms Macclesfield

A fixed cumulative preferential dividend at the rate of £135,540 per annum, accruing on a daily basis from 11 October 1994 until 11 October 2014.

ntl CableComms Oldham and Thameside

A fixed cumulative preferential dividend at the rate of £485,708 per annum, accruing on a daily basis from 11 October 1994 until 11 October 2014.

ntl CableComms Staffordshire

A fixed cumulative preferential dividend at the rate of £451,821 per annum, accruing on a daily basis from 11 October 1994 until 11 October 2014.

ntl CableComms Stockport

A fixed cumulative preferential dividend at the rate of £319,099 per annum, accruing on a daily basis from 11 October 1994 until 11 October 2014.

ntl CableComms Wirral

A fixed cumulative preferential dividend at the rate of £2,000,000 per annum, accruing on a daily basis from 11 October 1994 until 11 October 2014.

ntl-CABLECOMMS HOLDINGS NO 1 LIMITED

Notes to the Accounts

for the year ended 31 December 2002

13 Minority Interests (continued)

ntl Bolton Cablevision Holding Company

A fixed cumulative preferential dividend at the rate of £381,225 per annum, accruing on a daily basis from 11 October 1994 until 11 October 2014.

ntl Derby Cablevision Holding Company

A fixed cumulative preferential dividend at the rate of £245,677 per annum, accruing on a daily basis from 11 October 1994 until 11 October 2014.

ntl Manchester Cablevision Holding Company

A fixed cumulative preferential dividend at the rate of £1,025,070 per annum, accruing on a daily basis from 11 October 1994 until 11 October 2014.

ntl CableComms East Lancashire

A fixed cumulative preferential dividend at the rate of £474,413 per annum, accruing on a daily basis from 11 October 1994 until 11 October 2014.

14 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 2002 the maximum contingent liability represented by outstanding borrowings by these companies amounted to approximately £3,193 million (2001 - £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.

In April 2004, this facility was replaced by a new senior secured credit facility under which the company's assets are secured.

15 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.

16 Parent undertaking and controlling party

The company's immediate principal parent undertaking is ntl North CableComms Management, Inc. a company incorporated in the state of Delaware, United States of America.

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 all sets of group accounts, which include the results of the company, are available from The Secretary, NTL Incorporated, ntl House, Bartley Wood Business Park, Hook, Hampshire RG27 9UP.