

Registered number  
3922682

**ntl (CWC HOLDINGS)**

**Report and Accounts**

**31 December 2003**



**ntl (CWC HOLDINGS)****Registered number****3922682****Directors**

ntl Directors Limited

ntl Secretaries Limited

**Company Secretary**

ntl Secretaries Limited

**Auditors**

Ernst &amp; 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 (CWC HOLDINGS)  
Directors' Report**

The directors present their report and accounts for the year ended 31 December 2003.

**RESULTS AND DIVIDENDS**

The company did not trade in the year (2002 – profit of £2,759,867,000). The directors do not recommend the payment of a dividend (period ending 2002 – £nil).

**PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The principal activity of the company is a holding company.

**DIRECTORS AND THEIR INTERESTS**

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

R M Mackenzie	(appointed 10 January 2003; resigned 1 October 2004)
J B Knapp	(resigned 1 October 2003)
J Gregg	(resigned 10 January 2003)
B Richter	(appointed 10 January 2003; resigned 1 May 2003)
S E Schubert	(appointed 1 May 2003; resigned 1 October 2004)
G N Roberts	(alternate director to R M Mackenzie)
	(appointed 24 March 2004; resigned 31 August 2004)
R C Gale	(alternate director to S E Schubert)
	(appointed 24 March 2004; resigned 1 October 2004)
ntl Directors Limited	(appointed 1 October 2004)
ntl Secretaries Limited	(appointed 1 October 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 USA and the ultimate parent undertaking of the company.

NTL Incorporated has indemnified one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985. Such qualifying third party indemnity provision is in force as at the date of approving the directors' report.

**COMPANY SECRETARY**

On 24 March 2004, G E James was appointed joint company secretary and resigned on 1 October 2004.

On 1 October 2004, Robert Mackenzie resigned as joint company secretary and ntl Secretaries Limited was appointed as company secretary.

**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  
For and on behalf of ntl Secretaries Limited

**12 JUL 2005**

**ntl (CWC HOLDINGS)**

**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 (CWC HOLDINGS)

We have audited the company's accounts for the year ended 31 December 2003, which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, and the related notes 1 to 10. 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 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 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 2003 and its result 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

12 JUL 2005

**ntl (CWC HOLDINGS)**  
**Profit and Loss Account**  
**for the year ended 31 December 2003**

	Notes	2003 £'000	2002 £'000
Operating expenses		-	2,759,867
<b>Operating profit</b>	2	-	2,759,867
Interest receivable	4	-	26
Interest payable	3	-	(26)
<b>Profit on ordinary activities before taxation</b>		-	2,759,867
Taxation	5	-	-
<b>Retained profit for the financial year</b>	7	-	2,759,867

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	2003 £'000	2002 £'000
Retained profit for the financial year	-	2,759,867
Cancellation of share capital	-	1,978,773
<b>Total recognised gains and losses</b>	-	4,738,640

**ntl (CWC HOLDINGS)**  
**Balance Sheet**  
**as at 31 December 2003**

	Notes	2003 £'000	2002 £'000
<b>Net assets</b>		<u>-</u>	<u>-</u>
<b>Capital and reserves</b>			
Called up share capital	6	-	-
Share premium account	7	-	-
Profit and loss account	7	-	-
<b>Equity shareholder's funds</b>	7	<u>-</u>	<u>-</u>



R M Mackenzie  
For and on behalf of ntl Directors Limited

12 JUL 2005

**ntl (CWC HOLDINGS)**  
**Notes to the Accounts**  
**for the year ended 31 December 2003**

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

***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:

- (a) 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;
- (b) 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
- (c) 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.

***Cash flow statement***

The company 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 10).



**ntl (CWC HOLDINGS)**  
**Notes to the Accounts**  
**for the year ended 31 December 2003**

**2 Operating profit**

<b>2003</b>	<b>2002</b>
<b>£'000</b>	<b>£'000</b>

This is stated after crediting:

Gain on transfer of intercompany indebtedness	<u>-</u>	<u>(2,759,867)</u>
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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 company, 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.

**3 Interest payable**

<b>2003</b>	<b>2002</b>
<b>£'000</b>	<b>£'000</b>

Interest on amounts owed to group companies	<u>-</u>	<u>26</u>
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**4 Interest receivable**

<b>2003</b>	<b>2002</b>
<b>£'000</b>	<b>£'000</b>

Interest on amounts owed by group companies	<u>-</u>	<u>26</u>
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**5 Taxation**

**(a) Tax on profit on ordinary activities**

The tax charge is made up as follows:

<b>2003</b>	<b>2002</b>
<b>£'000</b>	<b>£'000</b>

**Current tax charge:**

Current tax on income for the period	<u>-</u>	<u>-</u>
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**Deferred tax:**

Origination and reversal of timing differences	<u>-</u>	<u>-</u>
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Total tax charge on profit on ordinary activities	<u>-</u>	<u>-</u>
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**ntl (CWC HOLDINGS)**  
**Notes to the Accounts**  
**for the year ended 31 December 2003**

**5 Taxation (continued)**

**(b) Factors affecting current tax charge**

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

	2003 £'000	2002 £'000
<b>Profit on ordinary activities before tax</b>	-	2,759,867
Profit on ordinary activities multiplied by the applicable statutory rate 30% (2002 - 30%)	-	827,960
Non taxable income	-	(827,960)
<b>Total current tax charge</b>	-	-

**(c) Factors that may affect future tax charges**

There are no factors that may affect future tax charges

**6 Share capital**

	2003 £'000	2002 £'000
Authorised: 2 ordinary shares of £1.32 each	-	-
Allotted, called up and fully paid: 2 ordinary shares of £1.32 each	-	-

On 28 March 2002, the company performed a capital reduction with all but two £1.32 ordinary shares being cancelled.

**7 Reconciliation of shareholder's funds and movements on reserves**

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 January 2002	1,977,240	1,533	(4,738,640)	(2,759,867)
Profit for the year	-	-	2,759,867	2,759,867
Cancellation of share capital	(1,977,240)	(1,533)	1,978,773	-
At 1 January 2003	-	-	-	-
Result for the year	-	-	-	-
At 31 December 2003	-	-	-	-

**ntl (CWC HOLDINGS)**  
**Notes to the Accounts**  
**for the year ended 31 December 2003**

**8 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 2003 the maximum contingent liability represented by outstanding borrowings by these companies amounted to approximately £2,785 million (2002 - £3,193 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.

**9 Related party transactions**

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.

**10 Parent undertaking and controlling party**

The company's immediate parent undertaking is ntl Rectangle Limited.

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.

The company's ultimate parent undertaking and controlling party is NTL Incorporated, a company incorporated in the state of Delaware, United States of America.

Copies of the 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.