

**Smashedatom Limited**

**Directors' report and financial  
statements**

**Registered number 03985597**

**31 December 2003**



L28  
COMPANIES HOUSE

\*L04282RG\*

0352  
29/10/04

## Contents

Directors' report	1
Statement of directors' responsibilities	2
Independent auditors' report to the members of Smashedatom Limited	4
Profit and loss account	5
Balance sheet	6
Notes	7

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2003.

### Business results and dividend

During August 2001 the directors took the decision to cease trading due to lack of revenues within the media sector. As the directors intend to liquidate the company following the settlement of the remaining net assets, the directors have not prepared the financial statements on a going concern basis. The effect of adopting this basis of preparation is explained in note 1.

The directors are unable to recommend the payment of a dividend (2002: £nil).

### Subsequent Events

In July 2004 the company's ultimate parent, Telewest Communications plc, successfully completed its financial restructuring and Telewest Global, Inc. became the Company's ultimate holding company. Further details are set out in note 1, basis of preparation.

### Directors and directors' interests

The directors who held office during the year and to the date of this report were as follows:

SS Cook	
MW Luiz	(resigned 31 October 2003)
TR Nelson	(resigned 17 February 2003)
LM Opie	(appointed 16 September 2003)
NR Smith	(appointed 15 September 2003)

SS Cook was also a director of Telewest Communications plc at the year end. The interests of the director who held office at the end of the year in the share capital of that company are disclosed in the Telewest Communications plc group financial statements.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company or any other related company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

### Auditor

In accordance with section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



C Burns  
Secretary

Export House  
Cawsey Way  
Woking Surrey  
GU21 6QX

29 October 2004

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

As explained in note 1 to the financial statements, the directors do not believe that the going concern basis is appropriate and consequently, these financial statements have not been prepared on that basis.

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 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.



## KPMG Audit Plc

PO Box 695  
8 Salisbury Square  
London EC4Y 8BB  
United Kingdom

### Independent auditors' report to the members of Smashedatom Limited

We have audited the financial statements on pages 4 to 8 which, as described in note 1, have not been prepared on a going concern basis.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, 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 1985. 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.

#### 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 2003 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

*29 October 2004*

**Profit and loss account**  
*for the year ended 31 December 2003*

	<i>Note</i>	<b>2003</b> <b>£000</b>	2002 £000
Turnover		-	-
Administrative expenses		-	(201)
		<hr/>	<hr/>
<b>Operating loss</b>		-	(201)
		<hr/>	<hr/>
<b>Loss on ordinary activities before interest</b>		-	(201)
		<hr/>	<hr/>
<b>Loss on ordinary activities before and after tax</b>		-	(201)
Retained loss brought forward		<b>(7,519)</b>	(7,318)
		<hr/>	<hr/>
<b>Retained loss carried forward</b>		<b>(7,519)</b>	(7,519)
		<hr/> <hr/>	<hr/> <hr/>

All the above results relate to discontinued activities.

The company had no recognised gains and losses other than those included in the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented.

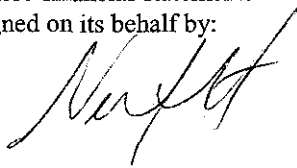
The historical cost losses in the period are the same as those reported above.

The notes on pages 6 to 8 form part of these financial statements.

**Balance sheet**  
*at 31 December 2003*

	<i>Notes</i>	<b>2003</b> <b>£000</b>	2002 £000
<b>Creditors: amounts due within one year</b>	<b>4</b>	<b>(1,519)</b>	<b>(1,519)</b>
<b>Net current liabilities</b>		<b>(1,519)</b>	<b>(1,519)</b>
<b>Net liabilities</b>		<b>(1,519)</b>	<b>(1,519)</b>
<b>Capital and reserves</b>			
Called up share capital	5	<b>600</b>	600
Share premium	6	<b>5,400</b>	5,400
Profit and loss account		<b>(7,519)</b>	<b>(7519)</b>
<b>Shareholders' deficit - equity</b>	<b>7</b>	<b>(1,519)</b>	<b>(1,519)</b>

These financial statements were approved by the board of directors on **29 October** 2004 and were signed on its behalf by:



**NR Smith**  
*Director*

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

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

The financial statements are prepared on a going concern basis, which the directors believe to be appropriate as the Company relies on support from its ultimate holding company. The ultimate holding company was Telewest Communications plc at 31 December 2003.

In July 2004, Telewest Communications plc successfully completed its financial restructuring. This resulted in the reorganisation of the business and operations of Telewest Communications plc and its subsidiaries ("the group") under Telewest Global, Inc., incorporated in the United States which became the new ultimate holding company. The directors believe that the restructuring has left Telewest Global, Inc. and its subsidiaries ("the new Group") with sufficient liquidity to meet the new Group's funding needs and enable it to provide continued support to subsidiary companies.

The company has transferred all inter-company liabilities due to its ultimate parent company and subsidiaries, from 'creditors falling due after more than one year' to 'Creditors falling due within one year'.

#### *Going concern*

The financial statements have not been prepared on a going concern basis as the company ceased operations in August 2001 and the directors do not intend to acquire a replacement trade. The financial statements therefore have been prepared on the basis of break up values. Non current assets have been reclassified as current assets, stated at the lower of cost and net realisable value, and provision has been made for future foreseeable losses to the extent they are not offset by future profits.

#### *Cash flow statement*

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

#### *Deferred taxation*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in future or a right to pay less tax in future have occurred at the balance sheet date, except as otherwise required by FRS 19 Deferred Tax. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.



## Notes (continued)

### 2 Administrative expenses

The auditor's remuneration for 2003 and 2002 was borne by the ultimate holding company, Telewest Communications plc.

### 3 Employees and directors

There were no employees during the year (2002: *nil*). No remuneration was paid to the directors during the year (2002: *£nil*).

### 4 Creditors: amounts falling due within one year

	2003 £000	2002 £000
Trade creditors	-	23
Amounts owed to related undertakings	1,519	1,473
Other creditors including taxation and social security	-	4
Accruals and deferred income	-	19
	<u>1,519</u>	<u>1,519</u>

### 5 Called up share capital

	2003 £000	2002 £000
<i>Authorised</i>		
6,000,000 (2000: 6,000,000) 'A' Preference shares of 10 pence each	600	600
2,000,000 (2000: 2,000,000) Non-Voting shares of 10 pence each	200	200
	<u>800</u>	<u>800</u>
<i>Allotted, called up and fully paid</i>		
6,000,000 (2000: 6,000,000) 'A' Preference shares of 10 pence each	600	600
	<u>600</u>	<u>600</u>

### 6 Share premium

	2003 £000
At beginning and end of year	<u>5,400</u>

**Notes (continued)**

**7 Reconciliation of movement in shareholders' deficit – equity**

	2003 £000	2002 £000
Opening equity shareholders' deficit	(1,519)	(1,318)
Loss for the financial year	-	(201)
	<hr/>	<hr/>
<b>Closing equity shareholders' deficit</b>	<b>(1,519)</b>	<b>(1,519)</b>
	<hr/>	<hr/>

**8 Ultimate parent undertaking**

The company was formed as a joint venture under the Joint Venture Agreement, dated 5 October 2000, between Telewest Communications Holdco Limited and AtomicTangerine, Inc. Both ventures share control of the company under this agreement. The accounts of both of these companies are available to the public and may be obtained from the following addresses:

Telewest Communications plc  
 160 Great Portland Street  
 London  
 W1N 5TB

AtomicTangerine, Inc.  
 333 Ravenswood Avenue  
 Menlo Park  
 California, 94025  
 United States of America