

Flextech Broadband Holdings Limited

Directors' report and financial statements

31 December 2004

Registered number 4197227



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

Principal activity and review of business

The principal activity of the company is, and will continue to be, that of a holding company.

Business review and dividends

The loss for the year after taxation was £nil (2003: £nil). The directors are unable to recommend the payment of a dividend (2003: £nil).

In July 2004 the company's ultimate parent, Titan Cable plc (formerly 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 their interests

The directors who served during the period, and to the date of this report, were as follows:

CJ Burdick (resigned 18 February 2004)
SS Cook
NR Smith

The company is a wholly-owned subsidiary of Telewest Global Inc., its ultimate parent company, which is incorporated in Delaware, USA. Therefore under the Companies (Disclosure of Directors' Interests) (Exceptions) Regulations 1985 directors of the company are exempt from the obligation otherwise imposed by s324 of the Companies Act 1985 to notify the company of their interests in shares in, or debentures of, Telewest Global, Inc.


None of the directors who held office at the end of the financial year had any interest in the share capital of the company or any other UK based group company.

During the financial year, no rights to subscribe for shares in the company or any other UK group company were granted to or exercised by any director who held office at the end of the financial year and to the date of this report or by any member of his immediate family.

Auditors

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG Audit plc will therefore continue in office.

On behalf of the board



C Burns
Company Secretary

Export House
Cawsey Way
Woking
Surrey
GU21 6QX

26 July 2005

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 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.



KPMG Audit Plc

PO Box 695
8 Salisbury Square
London
EC4Y 8BB

Independent auditors' report to the members of Flextech Broadband Holdings Limited

We have audited the financial statements on pages 5 to 10.

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 member, 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 guide.

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.

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.

Independent auditors' report to the members of Flextech Broadband Holdings Limited *(continued)*

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 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

26 July 2005

KPMG Audit Plc
Chartered Accountants
Registered Auditor

Profit and loss account

for the year ended 31 December

	<i>Note</i>	2004 £000	2003 £000
Amounts written off investments	5	-	-
Loss on ordinary activities before taxation		-	-
Tax on loss on ordinary activities		-	-
Retained loss for the financial year		-	-
Retained deficit brought forward		(1,734)	(1,734)
Retained deficit carried forward		(1,734)	(1,734)

All figures relate to continuing operations and there is no difference between the profit reported in the profit and loss account and the profit on an historical cost basis.

The company had no recognised gains or 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 notes on pages 7 to 10 form part of these financial statements.

Balance sheet

at 31 December

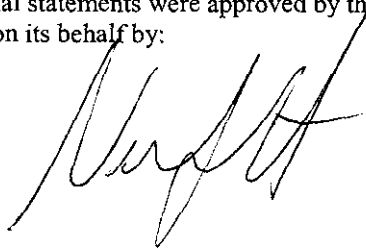
	Notes	2004 £000	2003 £000
Current assets			
Debtors due within one year	6	227	227
Current liabilities			
Amounts due within one year	7	(1,961)	(1,961)
Net liabilities		<u>(1,734)</u>	<u>(1,734)</u>
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	9	(1,734)	(1,734)
Shareholder's deficit – equity		<u>(1,734)</u>	<u>(1,734)</u>

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

26 July

2005 and

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 can rely on support from Telewest UK Limited, an intermediate holding company.

In July 2004, Titan Cable plc (formerly Telewest Communications plc) successfully completed its financial restructuring. This resulted in the reorganisation of the business and operations of Titan Cable plc (formerly Telewest Communications plc) and its subsidiaries ("the group") under Telewest Global, Inc., incorporated in Delaware, USA, 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.

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. Timing differences are differences between the company'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.

Group financial statements

In accordance with Section 228 of the Companies Act 1985, the company is exempt from the requirements to prepare group financial statements as it is a wholly owned subsidiary undertaking of Telewest Communications plc which prepares consolidated financial statements.

Cash flow statement

Under Financial Reporting Standard (FRS) 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that its ultimate parent undertaking, Telewest Global, Inc., includes the company in its own published consolidated financial statements.

Related party transactions

As the company was a wholly owned subsidiary of Telewest Global, Inc., the company has taken advantage of the exemption contained in Financial Reporting Standard (FRS) 8 and has therefore not disclosed transactions or balances with entities where 90% or more of the voting rights are controlled within the group. The consolidated financial statements of Telewest Global, Inc., within which this company is included, can be obtained from the address given in note 11.

Notes (continued)

1 Accounting policies (continued)

Investments

Investments held as fixed assets are held at cost less provision for any impairment.

2 Loss on ordinary activities before taxation

The auditor's remuneration for 2004 and 2003 was borne by a fellow group company, which was Titan Cable plc (formerly Telewest Communications plc) up to 14 July 2004 and Telewest Communications Group Limited thereafter.

3 Employees and directors

There were no employees during the period (2003: nil). No remuneration was paid to the directors during the period. (2003: £nil)

4 Tax on ordinary activities

	2004 £000	2003 £000
UK corporation tax at 30% (2003: 30%)	-	-
UK deferred tax	-	-
	<hr/>	<hr/>
Tax on ordinary activities	-	-
	<hr/>	<hr/>
Reconciliation of the company's current tax to the UK statutory rate:		
	2004 £000	2003 £000
Tax on pre tax losses at 30%	-	-
Effects of:		
Amounts written off investments	-	-
Claim for group relief	-	-
	<hr/>	<hr/>
Current tax	-	-
	<hr/>	<hr/>

Notes (continued)

5 Fixed Asset Investments

At 31 December 2004, the company directly held the following investments:

	Country of registration and operation	Holding	Proportion held	Nature of business
<i>Subsidiary undertakings</i>				
Start! Games Limited	England and Wales	Ordinary shares of 1 pence each	70%	Development of games concepts

ICM investment was sold on 22 April 2004 for £1.

	Shares in group undertakings £000	Participating interests £000	Loans to group undertakings £000	Loans to undertakings in which the company had a participating interest £000	Total £000
<i>Cost</i>					
At beginning and end of year	153	679	500	402	1,734
Sale of investments	-	(679)	-	(338)	(1,017)
Loan transferred to creditors at £nil net realisable value	-	-	-	(64)	(64)
Impairment in prior years	(153)	-	(500)	-	(653)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NBV at end of year	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

6 Debtors

	2004 £000	2003 £000
Amounts due by group undertaking	227	227
	<hr/>	<hr/>

7 Creditors

	2004 £000	2003 £000
Amounts due to group undertakings	1,961	1,961
	<hr/>	<hr/>

Notes (continued)

8 Called up share capital

	2004	2003
	£000	£000
<i>Authorised</i>		
1,000 ordinary shares of £1 each	1,000	1,000
<i>Allotted, issued, called up and fully paid</i>		
2 ordinary shares of £1 each	2	2

9 Reserves

	Profit & loss account
	£'000
At 1 January 2004 and 31 December 2004	(1,734)

10 Contingent liabilities

The company has joint and several liabilities under a group VAT registration.

11 Ultimate parent company

At 31 December 2004, the ultimate parent company was Telewest Global, Inc., which is incorporated in Delaware, USA. Telewest Global, Inc. is the parent of the largest group for which group financial statements, including the company, are drawn up. The smallest group in which the results of the company are consolidated is that headed by Telewest UK Limited, incorporated in England and Wales. Copies of the group financial statements of Telewest Global, Inc. may be obtained from the Company Secretary, Telewest Broadband, Export House, Cawsey Way, Woking, Surrey, GU21 6QX. Telewest Global, Inc. became the ultimate parent of the company on 14 July 2004.