

000489/45

Registered No. FC 023130

ntl UK CABLECOMMS HOLDINGS, INC

Report and Accounts

31 December 2001



ntl UK Cablecomms Holdings, Inc

Registered No. FC 023130

DIRECTOR

R M Mackenzie

COMPANY SECRETARY

G E James

AUDITORS

Ernst & Young LLP
1 More London Place
London SE1 2AF

BANKERS

Barclays Bank PLC
54 Lombard Street
London EC3P 3AH

SOLICITORS

Travers Smith Braithwaite
10 Snow Hill
London EC1A 2AL

REGISTERED OFFICE

Corporation Trust Center
1209 Orange Street
Wilmington
Delaware 19801
USA

PRINCIPAL PLACE OF BUSINESS

ntl House
Bartley Wood Business Park
Hook
Hampshire RG27 9UP

DIRECTOR'S REPORT

The director presents his first UK report and accounts for the year ended 31 December 2001.

RESULTS AND DIVIDENDS

The company made a loss £853,522,000 for the year ended 31 December 2001 (period ended 31 December 2000 - £nil). The directors do not recommend the payment of a dividend (period ended 31 December 2000 - £nil).

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

ntl UK CableComms Holdings, Inc is a Delaware corporation incorporated under the General Corporation of Law of the State of Delaware, United States and registered as a foreign company in the United Kingdom and as such is now obliged to file statutory accounts in the United Kingdom. The principal activity of the company is that of a holding company.

On 8 May 2002, NTL Incorporated, 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 and the Plan was consummated on 10 January 2003. Pursuant to the Plan NTL 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").

DIRECTORS AND THEIR INTERESTS

The directors who served during the year ended 31 December 2001 and thereafter are shown below:

S Carter	(resigned 20 February 2002)
B Dew	(resigned 1 February 2002)
R Mackenzie	
S Ross	(resigned 20 February 2002)

The directors do not hold any interests in the shares of the company. The company seeks exemption 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.

COMPANY SECRETARY

G E James was appointed as company secretary on 20 February 2002.

AUDITORS

During the year the directors appointed Ernst & Young LLP as auditors. Ernst & Young LLP will remain in office 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



G E James
Company Secretary

17 December 2003

STATEMENT OF DIRECTOR'S 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NTL CABLECOMMS HOLDINGS, INC

We have audited the company's accounts for the year ended 31 December 2001, which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, and the related notes 1 to 15. These accounts have been prepared on the basis of the accounting policies set out therein.

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 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 members 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 Director's Responsibilities, the company's directors are responsible for the preparation of the accounts in accordance with applicable 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 Director's 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 Director's 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 director 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 2001 and of its loss 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

17 December 2003

ntl UK Cablecomms Holdings, Inc

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2001

		<i>Year ended</i> <i>31 December</i> <i>2001</i> <i>£000</i>	<i>Nine months</i> <i>ended</i> <i>31 December</i> <i>2000</i> <i>£000</i>
	<i>Notes</i>		
Impairment charge	4	(853,522)	-
OPERATING LOSS		(853,522)	-
Interest receivable	5	20	-
Interest payable	6	(20)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(853,522)	-
Taxation	3	-	-
LOSS FOR THE YEAR	12	(853,522)	-

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The company had no recognised gains or losses other than those reflected in the profit and loss account for the year ended 31 December 2001 and period ended 31 December 2000.

ntl UK Cablecomms Holdings, Inc

BALANCE SHEET
at 31 December 2001

		31 December 2001 £000	31 December 2000 £000
	Notes		
FIXED ASSETS			
Investments	7	-	515,318
		<u> </u>	<u> </u>
CURRENT ASSETS			
Debtors	8	-	91,204
		<u> </u>	<u> </u>
TOTAL ASSETS LESS CURRENT LIABILITIES		-	606,522
		<u> </u>	<u> </u>
CREDITORS – amounts due after more than one year	9	(337,977)	(90,977)
		<u> </u>	<u> </u>
NET (LIABILITIES)/ASSETS		(337,977)	515,545
		<u> </u>	<u> </u>
CAPITAL AND RESERVES			
Called up share capital	10	-	-
Share premium account	12	1	1
Capital contribution	12	515,318	515,318
Profit and loss account	12	(853,296)	226
		<u> </u>	<u> </u>
		(337,977)	515,545
		<u> </u>	<u> </u>
SHAREHOLDERS' FUNDS			
Non-equity		515,318	515,318
Equity		(853,295)	227
		<u> </u>	<u> </u>
		(337,977)	515,545
		<u> </u>	<u> </u>



R M Mackenzie
Director

17 December 2003

NOTES TO THE ACCOUNTS

at 31 December 2001

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 in accordance with applicable accounting standards in the United Kingdom on the historical cost basis.

Group Accounts

The company has taken advantage of the exemption from preparing group accounts afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of another company incorporated in Great Britain which prepares group accounts (see note 15).

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate which it is anticipated the timing differences will reverse.

Fixed asst investments

Investments in subsidiary companies are held at cost less provisions for impairment.

Impairment review

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

The director considers that the underlying assets of the company'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 2002 before applying the UK's long-term growth rate.

The discount rate used to arrive at this calculation was 16.6% on a pre-tax basis.

Cash flow statement

Under the provisions of Financial Reporting Standard No. 1 (revised), the company has not prepared a cash flow statement because it is a wholly owned subsidiary of a company for which consolidated accounts are publicly available (see note 15).

NOTES TO THE ACCOUNTS
at 31 December 2001

2. DIRECTORS' AND AUDITORS' REMUNERATION

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

3. TAXATION

No corporation tax arises in the year, as the company had no net taxable income (2000 - £nil). There is no unprovided deferred tax liability.

4. IMPAIRMENT CHARGE

	<i>Year ended Period ended</i>	
	<i>31 December 2001</i>	<i>31 December 2000</i>
	<i>£000</i>	<i>£000</i>
Impairment of investments	515,318	-
Impairment of amounts owed by group undertakings	338,204	-
	<u>853,522</u>	<u>-</u>

5. INTEREST RECEIVABLE

	<i>2001</i>	<i>2000</i>
	<i>£000</i>	<i>£000</i>
Interest receivable on loans to subsidiary undertakings	20	-
	<u>20</u>	<u>-</u>

6. INTEREST PAYABLE

	<i>2001</i>	<i>2000</i>
	<i>£000</i>	<i>£000</i>
Interest payable on loans payable to group undertakings	20	-
	<u>20</u>	<u>-</u>

ntl UK Cablecomms Holdings, Inc

NOTES TO THE ACCOUNTS

at 31 December 2001

7. INVESTMENTS

	<i>31 December 2001 £000</i>
At 31 December 2000	515,318
Impairment of investments (see note 5)	(515,318)
At 31 December 2001	-

Held by subsidiary undertaking

* Unlimited company

<i>Name of Undertaking</i>	<i>Country of registration</i>	<i>Shares held at 31 December 2001</i>	<i>Proportion of nominal value of issued shares held %</i>
NNS UK Holdings 1, Inc	United States – UK Resident	Common Stock	100
NNS UK Holdings 2, Inc	United States – UK Resident	Common Stock	100
ntl UK Telephone and Cable TV Holding Company Limited	England & Wales	Ordinary Shares	100#
ntl CableComms Lancashire No 1	England & Wales	Ordinary Shares	100# *
ntl CableComms Lancashire No 2	England & Wales	Ordinary Shares	100# *
ntl CableComms Limited	England & Wales	Ordinary Shares	100#
ntl CableComms Manchester Limited	England & Wales	Ordinary Shares	100#
ntl CableComms West Surrey Limited	England & Wales	Ordinary Shares	100#
ntl Microlock Services Limited	England & Wales	Ordinary Shares	100#
ntl Partcheer Company Limited	England & Wales	Ordinary Shares	100#
ntl Sideoffer Limited	England & Wales	Ordinary Shares	100#

NOTES TO THE ACCOUNTS
at 31 December 2001

7. INVESTMENTS (continued)

<i>Name of Undertaking</i>	<i>Country of registration</i>	<i>Shares held at 31 December 2001</i>	<i>Proportion of nominal value of issued shares held %</i>
ntl Solent Telephone and Cable TV Company Limited	England & Wales	Ordinary Shares	100#
ntl Streetunique Projects Limited	England & Wales	Ordinary Shares	100#
ntl Streetunit Projects Limited	England & Wales	Ordinary Shares	100#
ntl Streetusual Services Limited	England & Wales	Ordinary Shares	100#
ntl Streetvision Services Limited	England & Wales	Ordinary Shares	100#
ntl Streetvital Services Limited	England & Wales	Ordinary Shares	100#
ntl Streetwarm Services Limited	England & Wales	Ordinary Shares	100#
ntl Streetwide Services Limited	England & Wales	Ordinary Shares	100#
ntl Strikeagent Trading Limited	England & Wales	Ordinary Shares	100#
ntl Strikeamount Trading Limited	England & Wales	Ordinary Shares	100#
ntl Strikeapart Trading Limited	England & Wales	Ordinary Shares	100#
ntl Technical Support Company Limited	England & Wales	Ordinary Shares	100#

Held by subsidiary undertaking

* Unlimited company

NOTES TO THE ACCOUNTS
at 31 December 2001

7. INVESTMENTS (continued)

<i>Name of Undertaking</i>	<i>Country of registration</i>	<i>Shares held at 31 December 2001</i>	<i>Proportion of nominal value of issued shares held %</i>
ntl Bromley Company	United States – UK Resident	Common Stock	100
ntl North Cablecomms Holdings, Inc	United States – UK Resident	Common Stock	100
ntl North Cablecomms Management, Inc	United States – UK Resident	Common Stock	100
ntl CableComms Holdings No 1 Limited	England & Wales	Ordinary Shares	100#
ntl Bolton Cablevision Holding Company	England & Wales	Ordinary Shares	100# *
ntl CableComms Bolton	England & Wales	Ordinary Shares	100# *
ntl CableComms Bury and Rochdale	England & Wales	Ordinary Shares	100# *
ntl CableComms East Lancashire	England & Wales	Ordinary Shares	100# *
ntl Wirral Telephone and Cable TV Company	England & Wales	Ordinary Shares	100# *
ntl CableComms Macclesfield	England & Wales	Ordinary Shares	100# *
ntl CableComms Oldham and Tameside	England & Wales	Ordinary Shares	100# *
ntl CableComms Staffordshire	England & Wales	Ordinary Shares	100# *
ntl CableComms Stockport	England & Wales	Ordinary Shares	100# *
ntl CableComms Wirral	England & Wales	Ordinary Shares	100# *
ntl Derby Cablevision Holding Company	England & Wales	Ordinary Shares	100# *
ntl CableComms Derby	England & Wales	Ordinary Shares	100# *
ntl Manchester Cablevision Holding Company	England & Wales	Ordinary Shares	100# *

ntl UK Cablecomms Holdings, Inc

NOTES TO THE ACCOUNTS

at 31 December 2001

7. INVESTMENTS (continued)

<i>Name of Undertaking</i>	<i>Country of registration</i>	<i>Shares held at 31 December 2001</i>	<i>Proportion of nominal value of issued shares held</i> %
ntl CableComms Greater Manchester	England & Wales	Ordinary Shares	100# *
ntl Programming Subsidiary Company	United States – UK Resident	Common Stock	100
ntl Solent Company	United States – UK Resident	Common Stock	100
ntl South CableComms Holdings, Inc	United States – UK Resident	Common Stock	100#
ntl South CableComms Management, Inc	United States – UK Resident	Common Stock	100#
ntl CableComms Holdings No 2 Limited	England & Wales	Ordinary Shares	100#
ntl CableComms Bromley	England & Wales	Ordinary Shares	100# *
ntl CableComms Solent	England & Wales	Ordinary Shares	100# *
ntl CableComms Surrey	England & Wales	Ordinary Shares	100# *
ntl CableComms Sussex	England & Wales	Ordinary Shares	100# *
ntl CableComms Wessex	England & Wales	Ordinary Shares	100# *
ntl Surrey Company	United States – UK Resident	Common Stock	100
ntl Sussex Company	United States – UK Resident	Common Stock	100
ntl Wessex Company	United States – UK Resident	Common Stock	100
ntl Wirral Company	United States – UK Resident	Common Stock	100

Held by subsidiary undertaking

* Unlimited company

NOTES TO THE ACCOUNTS
at 31 December 2001

8. **DEBTORS:** amounts falling due within one year

	31 December 2001 £000	31 December 2000 £000
Amounts owed by group undertakings	-	91,204

9. **CREDITORS:** amounts due in more than one year

	31 December 2001 £000	31 December 2000 £000
Amounts owed to fellow parent undertakings	337,977	90,977

10. **SHARE CAPITAL**

	No.	£000
Authorised: Common stock of nil value At 31 December 2001 and 2000	1,000	-
Allotted, called up and fully paid: Common stock of nil value At 31 December 2001 and 2000	110	-

11. **CAPITAL CONTRIBUTION**

The company has received a capital contribution of £515,318,000 from its parent. The terms of the contribution are such that it is not to be repaid otherwise than upon a winding up of the company. The contribution has been included within shareholders funds and has been classified as non-equity.

12. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	Share capital £000	Share premium account £000	Capital contribution £000	Profit and loss account £000	Total £000
Profit for the year	-	-	-	226	226
Capital contribution	-	-	515,318	-	515,318
Issue of shares	-	1	-	-	1
At 31 December 2000	-	1	515,318	226	515,545
Loss for the year	-	-	-	(853,522)	(853,522)
At 31 December 2001	-	1	515,318	(853,296)	(337,977)

NOTES TO THE ACCOUNTS

at 31 December 2001

13. 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 2001 the maximum contingent liability represented by outstanding borrowings by these companies amounted to approximately £2,885 million (31 December 2000 - £2,277 million). Borrowings under the facility are secured by security over the assets of certain members of the group including those of the company.

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard No. 8 not to disclose related party transactions with ntl group companies.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING UNDERTAKING

The company's immediate parent undertaking is ntl CableComms Group 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.

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 both sets of group accounts, which include the results of the company, are available from The Secretary, NTL Incorporated, 110 East 59th Street, 26th Floor, NY 10022, USA.