

Registered number
FC 023130

001139-30

ntl UK CABLECOMMS HOLDINGS, INC

Report and Accounts

31 December 2004



ntl UK CABLECOMMS HOLDINGS, INC

Registered number

FC 023130

Directors

R M Mackenzie

R C Gale

Company Secretary

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

1209 Orange Street

Wilmington

Delaware 19801

USA

Principal place of business

ntl House

Bartley Wood Business Park

Hook

Hampshire RG27 9UP

ntl UK CABLECOMMS HOLDINGS, INC
Directors' Report

The directors present their report and accounts for the year ended 31 December 2004.

RESULTS AND DIVIDENDS

The company made a profit of £20,562,000 for the year (2003 – £19,401,000). The directors do not recommend the payment of a dividend (2003 – £nil).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

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 in the United Kingdom. The principal activity of the company continues to be that of a holding company. The company is registered in the United Kingdom as a branch of an overseas company.

The company had no transactions during the year other than in respect of interest payable on loan notes payable to group companies and interest receivable on amounts owed by group companies.

EVENTS SINCE THE BALANCE SHEET DATE

On 2 October 2005, NTL Incorporated, the company's ultimate parent undertaking, and Telewest Global Inc announced that they had agreed a framework to combine both businesses. NTL Incorporated, and its indirect subsidiary ntl Investments Holdings Limited, have agreed to a commitment letter with several financial institutions who have agreed to arrange and to underwrite the new credit facilities in respect of this transaction.

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:

R M Mackenzie

G N Roberts (appointed 22 March 2004; resigned 31 August 2004)

R C Gale (appointed 1 October 2004)

The directors had no interest in the share capital of the company requiring disclosure under the Companies Act 1985.

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.

AUDITORS

A resolution to reappoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

By order of the board



G E James
Company Secretary

26 JAN 2006

ntl UK CABLECOMMS HOLDINGS, INC

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 section 700 of the Companies Act 1985, as amended by SI 1990/440, Overseas Companies (Accounts) (Modifications and Exemptions) Order 1990. 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 UK CABLECOMMS HOLDINGS, INC

We have audited the company's accounts for the year ended 31 December 2004, which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, and the related notes 1 to 13. 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. Our audit work has been undertaken so that we might state to the company's member those matters we are required, under UK Auditing Standards, to state to it 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, 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 applicable United Kingdom accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards, and to report to you our opinion as to whether the accounts give a true and fair view.

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 2004 and of its profit for the year then ended in accordance with accounting principles generally accepted in the United Kingdom.

Ernst & Young LLP

Ernst & Young LLP
London

26 JAN 2006

ntl UK CABLECOMMS HOLDINGS, INC
Profit and Loss Account
for the year ended 31 December 2004

	Notes	2004 £'000	2003 £'000
Other operating expenses		-	-
Operating profit		-	-
Interest payable	2	(6,273)	(4,479)
Interest receivable	3	26,835	23,880
Profit on ordinary activities before taxation		20,562	19,401
Taxation	4	-	-
Retained profit for the financial year	9	20,562	19,401

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 years ended 31 December 2004 and 31 December 2003.

ntl UK CABLECOMMS HOLDINGS, INC
Balance Sheet
as at 31 December 2004

	Notes	2004 £'000	2003 £'000
Fixed assets			
Investments	5	-	-
Current assets			
Debtors	6	252,808	225,973
Net current assets		<u>252,808</u>	<u>225,973</u>
Total assets less current liabilities		252,808	225,973
Creditors: amounts falling due after more than one year	7	(175,564)	(169,291)
Net assets		<u>77,244</u>	<u>56,682</u>
Capital and reserves			
Called up share capital	8	-	-
Share premium account	9	380,306	380,306
Capital contribution	9	515,318	515,318
Profit and loss account	9	(818,380)	(838,942)
Equity shareholder's funds	9	<u>77,244</u>	<u>56,682</u>

R. C. Gale

R C Gale
Director

26 JAN 2005

ntl UK CABLECOMMS HOLDINGS, INC
Notes to the Accounts
for the year ended 31 December 2004

1 Accounting policies

Accounting convention

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

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 12).

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 12).

Investments

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

2 Interest payable

	2004 £'000	2003 £'000
Interest on loan notes payable to group companies	<u>6,273</u>	<u>4,479</u>

ntl UK CABLECOMMS HOLDINGS, INC
Notes to the Accounts
for the year ended 31 December 2004

3 Interest receivable	2004	2003
	£'000	£'000
Interest on amounts owed by group companies	<u>26,835</u>	<u>23,880</u>

4 Taxation

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2004	2003
	£'000	£'000
Current tax charge:		
Current tax on income for the period	-	-
	<u>-</u>	<u>-</u>
Deferred tax:		
Origination and reversal of timing differences	-	-
	<u>-</u>	<u>-</u>
Total tax charge on profit on ordinary activities	<u>-</u>	<u>-</u>

(b) Factors affecting current tax charge

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

	2004	2003
	£'000	£'000
Profit on ordinary activities before taxation	<u>20,562</u>	<u>19,401</u>
Profit on ordinary activities multiplied by the applicable statutory rate 30% (2003 - 30%)	6,169	5,820
Group relief without payment	<u>(6,169)</u>	<u>(5,820)</u>
Total current tax charge	<u>-</u>	<u>-</u>

(c) Factors that may affect future tax charges

There were no factors that may affect future tax charges.

ntl UK CABLECOMMS HOLDINGS, INC
Notes to the Accounts
for the year ended 31 December 2004

5 Investments

	Subsidiary undertakings £'000
Cost	
At 1 January and at 31 December 2004	<u>515,318</u>
Provision for impairment	
At 1 January and at 31 December 2004	<u>515,318</u>
Net book value	
At 1 January and at 31 December 2004	<u>-</u>

Details of the principal 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:

<i>Subsidiary</i>	<i>Country of incorporation</i>	<i>Holding</i>	<i>Proportion held</i>	<i>Principal activities</i>
NNS UK Holdings 1 LLC	US	Common stock	100%	Holding
NNS UK Holdings 2, Inc	US	Common stock	100%	Holding
ntl UK Telephone and Cable TV Holding Company Limited	UK	Ordinary shares	100%	Holding
ntl CableComms Limited	UK	Ordinary shares	100% #	Non trading
ntl Bromley Company	US	Common stock	100% # (i)	Holding
ntl North Cablecomms Holdings, Inc	US	Common stock	100%	Holding
ntl North Cablecomms Management, Inc	US	Common stock	100%	Holding
ntl CableComms Holdings No 1	UK	Ordinary shares	100% #	Holding
ntl Bolton Cablevision Holding Company	UK	Ordinary shares	100% # (i)	Holding
ntl CableComms Bolton	UK	Ordinary shares	100% # (i)	Telecoms
ntl CableComms Bury and Rochdale	UK	Ordinary shares	100% # (i)	Telecoms
ntl CableComms East Lancashire	UK	Ordinary shares	100% # (i)	Holding
ntl Wirral Telephone and Cable TV Company	UK	Ordinary shares	100% # (i)	Telecoms
ntl CableComms Macclesfield	UK	Ordinary shares	100% # (i)	Telecoms
ntl CableComms Oldham and Tameside	UK	Ordinary shares	100% # (i)	Telecoms
ntl CableComms Staffordshire	UK	Ordinary shares	100% # (i)	Telecoms
ntl CableComms Stockport	UK	Ordinary shares	100% # (i)	Telecoms
ntl CableComms Wirral	UK	Ordinary shares	100% # (i)	Telecoms
ntl Derby Cablevision Holding Company	UK	Ordinary shares	100% # (i)	Holding
ntl CableComms Derby	UK	Ordinary shares	100% # (i)	Telecoms
ntl Manchester Cablevision Holding Company	UK	Ordinary shares	100% # (i)	Holding
ntl CableComms Greater Manchester	UK	Ordinary shares	100% # (i)	Holding

ntl UK CABLECOMMS HOLDINGS, INC
Notes to the Accounts
for the year ended 31 December 2004

5 Investments (continued)

<i>Subsidiary</i>	<i>Country of incorporation</i>	<i>Holding</i>	<i>Proportion held</i>	<i>Principal activities</i>
ntl Programming Subsidiary Company	US	Common stock	100% #	Holding
ntl Solent Company	US	Common stock	100% #	Holding
ntl South CableComms Holdings, Inc	US	Common stock	100% #	Holding
ntl South CableComms Management,	US	Common stock	100% #	Holding
ntl CableComms Holdings No 2 Limited	UK	Ordinary shares	100% #	Holding
ntl CableComms Bromley	UK	Ordinary shares	100% # (i)	Telecoms
ntl CableComms Solent	UK	Ordinary shares	100% # (i)	Telecoms
ntl CableComms Surrey	UK	Ordinary shares	100% # (i)	Telecoms
ntl CableComms Sussex	UK	Ordinary shares	100% # (i)	Telecoms
ntl CableComms Wessex	UK	Ordinary shares	100% # (i)	Telecoms
ntl Surrey Company	US	Common stock	100% #	Holding
ntl Sussex Company	US	Common stock	100% #	Holding
ntl Wessex Company	US	Common stock	100% #	Holding
ntl Wirral Company	US	Common stock	100% #	Holding

indirect holding

(i) unlimited company

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 12).

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.

6 Debtors

	2004	2003
	£'000	£'000
Amounts owed by group undertakings	168,804	168,803
Interest due from group undertakings	84,004	57,170
	<u>252,808</u>	<u>225,973</u>

Amounts and interest owed by group undertakings totalling £252,808,000 (2003 - £225,973,000) fall due after more than one year

ntl UK CABLECOMMS HOLDINGS, INC
Notes to the Accounts
for the year ended 31 December 2004

7 Creditors: amounts falling due after one year	2004	2003
	£'000	£'000
Loan notes to parent undertakings	164,812	164,812
Interest payable on loan notes	10,752	4,479
	<u>175,564</u>	<u>169,291</u>

Notes payable to parent undertakings are repayable on demand. The rate of interest on the notes payable to parent ranged from nil % to 9.75%.

Borrowings are repayable

	2004	2003
	£'000	£'000
Amounts falling due:		
In more than five years	175,564	169,291
	<u>175,564</u>	<u>169,291</u>

Details of loans not wholly repayable within five years are as follows:

	2004	2003
	£'000	£'000
Loan notes payable to parent undertaking	164,812	164,812
Interest payable on loan notes	10,752	4,479
	<u>175,564</u>	<u>169,291</u>

8 Share capital	2004	2003
	£'000	£'000
Authorised:		
1,000 shares of Common stock of nil par value	-	-
Allotted, called up and fully paid:		
112 shares Common stock of nil par value	-	-

9 Reconciliation of shareholder's funds and movements on reserves

	Share capital	Share premium account	Capital contribution	Profit and loss account	Total
	£'000	£'000	£'000	£'000	£'000
At 1 January 2003	-	1	515,318	(858,343)	(343,024)
Profit for the year	-	-	-	19,401	19,401
Arising on share issues	-	380,305	-	-	380,305
At 1 January 2004	-	380,306	515,318	(838,942)	56,682
Profit for the year	-	-	-	20,562	20,562
At 31 December 2004	-	380,306	515,318	(818,380)	77,244

ntl UK CABLECOMMS HOLDINGS, INC
Notes to the Accounts
for the year ended 31 December 2004

10 Contingent liabilities

In April 2004, the company, along with fellow subsidiary undertakings, became party to a senior secured credit facility with a syndicate of banks replacing a previous facility which the company was also a party to. The company is a guarantor of borrowings made by certain other group companies under the new facility as it was under the previous facility. At 31 December 2004 the maximum contingent liability represented by outstanding borrowings by these companies amounted to approximately £2,417 million (2003 - £2,785 million). Borrowings under the facility are secured on the assets of certain members of the NTL Group including those of the company.

11 Related party transactions

The company has taken advantage of the exemption under FRS 8 not to disclose transactions with group undertakings as it is a subsidiary undertaking which is at least 90% controlled by the ultimate parent undertaking.

12 Parent undertaking and controlling party

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

The company's results are included in the group accounts of ntl Cable PLC, 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 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.

13 Post balance sheet event

On 2 October 2005, NTL Incorporated and Telewest Global Inc announced that they had agreed a framework to combine both businesses. NTL Incorporated and its indirect subsidiary, ntl Investments Holdings Limited, have agreed to a commitment letter with several financial institutions who have agreed to arrange and to underwrite the new credit facilities in respect of this transaction.