

**Report and Accounts**  
*NTL Group Limited*

**31 December 1999**



# NTL Group Limited

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Registered No. 2591237

## **DIRECTORS**

S Carter (Chairman)  
P G Douglas  
S Ross  
R M Mackenzie  
S Wagner  
B Dew

## **SECRETARY**

R M Mackenzie

## **AUDITORS**

Ernst & Young  
Becket House  
1 Lambeth Palace Road  
London SE1 7EU

## **REGISTERED OFFICE**

ntl House  
Bartley Wood Business Park  
Hook  
Hampshire RG27 9XA

**DIRECTORS' REPORT**

The directors present their report and accounts for the year ended 31 December 1999.

**RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £172,683,000 (1998 – loss of £122,257,000). The directors do not recommend the payment of a dividend.

**PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The principal activity of the company is the provision of telecommunications services to residential and business customers.

**FUTURE DEVELOPMENTS**

The directors aim to maintain the marketing and sales policies that have established the company as a significant business, providing high quality telecommunications services. They consider that 2000 will show continued growth.

**CHARITABLE DONATIONS**

During the year the company made various charitable donations totalling £16,000.

**ENVIRONMENTAL**

The company continues to place active emphasis on its environmental responsibilities, and its commitment to the environment is an integral part of its corporate programme. A priority for the year was to continue to inform and educate those who work for the company, with regards to the company's concerns for the environment.

**EMPLOYMENT POLICIES AND DISABLED EMPLOYEES**

ntl remains committed to the continuing introduction and practice of progressive employment policies which reflect changing business, social and employee needs. Particular emphasis continues to be placed on achieving equal opportunities in employment through specific recruitment and training programmes and creating greater awareness among all employees of cultural differences.

The company gives full consideration to applications from disabled persons where a handicapped or disabled person can adequately fulfill the requirements of the job. Depending on their skills and abilities, disabled employees have the same opportunities for promotion, career development and training as other employees.

**EMPLOYEE INVOLVEMENT**

The company is dedicated to increasing the practical involvement of individuals in the running of their businesses. The company's philosophy is to encourage all employees to contribute to improving business performance through the utilisation of their knowledge, experience, ideas and suggestions. In encouraging an open approach which seeks to involve people in every level of the business, great emphasis is placed on effective communication. Employees are briefed as widely as possible about activities and developments across the group via newsletters, electronic notice boards and presentations by the Chief Executive Officer and Chief Operating Officer.

The company fosters a team spirit among employees and their greater involvement within the company by offering participation in bonus schemes, sharesave plans and share option schemes.

# NTL Group Limited

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## DIRECTORS' REPORT

### DIRECTORS AND THEIR INTERESTS

The directors during the year and thereafter were as follows:

S Carter	(appointed 1 December 2000)
S Ross	(appointed 1 November 2000)
L Wood	(resigned 1 December 2000)
J P Thorp	(resigned 1 November 2000)
B Dew	(appointed 27 May 2000)
P G Douglas	
S Wagner	
D W Kelham	(appointed 30 September 1999, resigned 18 January 2001)
R M Mackenzie	
R A McKellar	(resigned 30 September 1999)

No director had any interest in the share capital of the company.

Two directors exercised share options in NTL Incorporated during the year.

### AUDITORS

Ernst & Young have expressed their willingness to continue in office as auditors.

By order of the board



R M Mackenzie  
Secretary

31 JAN 2001

## NTL Group Limited

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### 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; 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.

REPORT OF THE AUDITORS  
to the members of NTL Group Limited

We have audited the accounts on pages 6 to 21, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 8 to 10.

**Respective responsibilities of directors and auditors**

As described on page 4, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

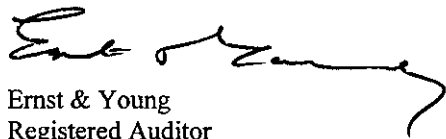
**Basis of opinion**

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 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 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Registered Auditor  
London

31 JAN 2001

# NTL Group Limited

## PROFIT AND LOSS ACCOUNT for the year ended 31 December 1999

	<i>Notes</i>	<i>1999</i> £000	<i>1998</i> £000
<b>TURNOVER</b>			
Cost of sales	3	158,680	62,847
		55,112	25,374
<b>GROSS PROFIT</b>		103,568	37,473
Other operating costs		51,162	26,692
Administrative expenses		155,858	75,539
<b>OPERATING LOSS</b>	4	(103,452)	(64,758)
Income from investments	5	34	264
Interest receivable	8	29,108	12,963
Interest payable	9	(98,373)	(70,926)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(172,683)	(122,257)
Tax on loss on ordinary activities	10	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>	20	(172,683)	(122,257)

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

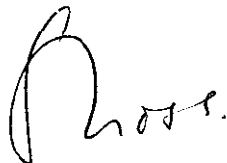
There are no recognised gains or losses other than the loss for the year of £172,683,000 (1998 – loss of £122,257,000).

# NTL Group Limited

## BALANCE SHEET at 31 December 1999

	<i>Notes</i>	<i>1999</i> £000	<i>1998</i> £000
<b>FIXED ASSETS</b>			
Intangible assets	11	414,074	396,613
Tangible assets	12	920,254	527,961
Investments	13	1,724,257	647,688
		<u>3,058,585</u>	<u>1,572,262</u>
<b>CURRENT ASSETS</b>			
Debtors	14	554,935	279,482
Cash at bank and in hand		55,640	-
		<u>610,575</u>	<u>279,482</u>
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(2,486,924)</u>	<u>1,913,428</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,876,349)</u>	<u>(1,633,946)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,182,236</u>	<u>(61,684)</u>
<b>CREDITORS: amounts falling due after more than one year</b>	16	37,903	705
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	18	414	871
		<u>1,143,919</u>	<u>(63,260)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	726	726
Share premium account	20	1,428,346	48,484
Capital redemption reserve	20	11	11
Profit and loss account	20	(285,164)	(112,481)
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>1,143,919</u>	<u>(63,260)</u>

S Ross  
Director



31 JAN 2000



# NTL Group Limited

## NOTES TO THE ACCOUNTS

at 31 December 1999

### 1. 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.

### 2. ACCOUNTING POLICIES

#### *Accounting convention*

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

#### *Group accounts*

As the company is a wholly owned subsidiary of another undertaking incorporated in the United Kingdom, it has taken advantage of section 228 of the Companies Act 1985 and is exempt from the obligation to prepare and deliver group accounts. These accounts therefore present information about NTL Group Limited as an individual undertaking and not about its group.

#### *Intangible fixed assets*

Goodwill is being amortised as follows:

Goodwill arising on the acquisition of the trade of part of the ntl group is being amortised evenly over the directors' estimate of its useful economic life of 15 years.

Goodwill arising on the acquisition of the trade of Net Channel Limited is being amortised evenly over the directors' estimate of its useful economic life of 15 years.

#### *Depreciation and prematurity period*

##### *Cable system assets:*

During the time while the cable systems are partially under construction and partially in service ("the prematurity period"), depreciation of the network is charged monthly on its estimated costs at the end of the prematurity period, which is taken as two years, using the rates as follows scaled down by the ratio of average, actual or estimated number of subscribers, whichever is greater, in the current period to the estimated subscriber base at the end of this period:

Leasehold buildings	-	Length of lease
Cable and ducting	-	40 years
Network	-	15 years
Head end equipment	-	15 years
Subscriber equipment	-	4 to 15 years
Computer equipment	-	3 to 5 years

As stocks relate to network construction, they have been included in fixed assets. Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value as follows:

Raw materials and consumables	-	purchase cost
Work in progress	-	cost of direct materials and labour

## NOTES TO THE ACCOUNTS

at 31 December 1999

### 2. ACCOUNTING POLICIES (continued)

#### *Depreciation and prematurity period* (continued)

##### *Non-cable system assets:*

Depreciation is provided on a straight line basis on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its estimated useful life as follows:

Freehold buildings	-	50 years
Leasehold land and buildings	-	Length of lease
Furniture and fixtures	-	10 years
Plant, machinery and office equipment	-	3 to 10 years
Capitalised overhead	-	15 years
Motor vehicles	-	4 years

#### *Capitalised overhead*

Overheads, including staff costs, relating to the design, construction and development of the network and related services have been capitalised. Depreciation of capitalised overheads is provided on a straight line basis over fifteen years.

#### *Government grants*

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

#### *Research and development*

Research and development expenditure is written off as incurred.

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. The resulting exchange differences are taken to the profit and loss account.

#### *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.

#### *Leasing and hire purchase commitments*

Assets held under finance leases and hire purchase contracts, which are those where substantially all of the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease.

# NTL Group Limited

## NOTES TO THE ACCOUNTS

at 31 December 1999

### 2. ACCOUNTING POLICIES (continued)

#### *Pensions*

The company makes a defined contribution to the ntl sponsored group personal pension plans for eligible employees. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

#### *Cash flow statement*

The company has taken advantage of the exemption under FRS1 (revised) not to prepare a cash flow statement as it is a subsidiary undertaking which is at least 90% owned by the ultimate parent undertaking.

### 3. TURNOVER

Turnover represents the invoiced amount of services provided, stated net of value added tax, and is attributable to one continuing activity, being the provision of information, communications and entertainment services, all of which is attributable to the United Kingdom.

Turnover is analysed as follows:

	1999 £000	1998 £000
Cable television	52,948	18,993
Telephony	71,671	36,005
Internet	24,865	6,845
Other	9,196	1,004
	<u>158,680</u>	<u>62,847</u>

### 4. OPERATING LOSS

This is stated after charging/(crediting):

	1999 £000	1998 £000
Depreciation of owned fixed assets	69,222	13,624
Depreciation of assets held under finance leases	1,036	1,196
Amortisation of goodwill	27,247	22,193
Operating lease rentals – land and buildings	2,890	2,691
– plant and machinery	267	288
Exchange difference on foreign currency borrowings	–	284
Reorganisation costs	(457)	(2,531)
	<u>          </u>	<u>          </u>

Auditors' remuneration is disclosed in the accounts of NTL (UK) Group, Inc.

### 5. INCOME FROM INVESTMENTS

	1999 £000	1998 £000
Dividends receivable from subsidiary undertaking	34	264
	<u>          </u>	<u>          </u>

# NTL Group Limited

## NOTES TO THE ACCOUNTS

at 31 December 1999

### 6. STAFF COSTS

	<i>1999</i>	<i>1998</i>
	<i>£000</i>	<i>£000</i>
Wages and salaries	62,319	28,796
Social security costs	6,259	2,856
Other pension costs	1,824	683
	<u>70,402</u>	<u>32,335</u>

The average number of employees during the year was as follows:

	<i>1999</i>	<i>1998</i>
	<i>No.</i>	<i>No.</i>
Selling, general and administration	1,391	1,295
Operations	1,055	816
Networks	252	188
	<u>2,698</u>	<u>2,299</u>

### 7. DIRECTORS' EMOLUMENTS

	<i>1999</i>	<i>1998</i>
	<i>£000</i>	<i>£000</i>
Emoluments	747	416

Company contributions paid to money purchase pension schemes

10	-
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	<i>1999</i>	<i>1998</i>
	<i>No.</i>	<i>No.</i>
Members of money purchase scheme	2	-
Members of defined benefit pension scheme	2	2

The amounts in respect of the highest paid director are as follows:

	<i>1999</i>	<i>1998</i>
	<i>£000</i>	<i>£000</i>
Emoluments	416	181

No contributions were paid to money purchase pension schemes by the company in respect of the highest paid director.

# NTL Group Limited

## NOTES TO THE ACCOUNTS

at 31 December 1999

### 7. DIRECTORS' EMOLUMENTS (continued)

The following emoluments were paid by the company to directors of fellow subsidiaries of the company, who are not also directors of NTL Group Limited. These emoluments were included in the management charges to these fellow subsidiaries:

CableTel West Glamorgan Limited, CableTel Newport, ntl South Wales Limited and Metro South Wales Limited paid a joint director £15,000 total emoluments during the year.

### 8. INTEREST RECEIVABLE

	<i>1999</i>	<i>1998</i>
	<i>£000</i>	<i>£000</i>
Bank interest	638	406
Notes receivable from group companies	28,470	12,557
	<u>29,108</u>	<u>12,963</u>

### 9. INTEREST PAYABLE

	<i>1999</i>	<i>1998</i>
	<i>£000</i>	<i>£000</i>
Bank loans and overdrafts	122	11,782
Finance charges payable under leases and hire purchase contracts	47	70
Notes payable to group companies	98,204	58,874
	<u>98,373</u>	<u>70,726</u>

### 10. TAX ON LOSS ON ORDINARY ACTIVITIES

There is no taxation charge due to tax losses arising in the year.

### 11. INTANGIBLE ASSETS

	<i>Goodwill</i>
	<i>£000</i>
Cost:	
At 1 January 1999	410,237
Additions in the year	44,708
At 31 December 1999	<u>454,945</u>
Amortisation:	
At 1 January 1999	13,624
Amortised in the year	27,247
At 31 December 1999	<u>40,871</u>
Net book amounts:	
At 31 December 1999	<u>414,074</u>
At 1 January 1999	<u>396,613</u>

# NTL Group Limited

## NOTES TO THE ACCOUNTS

at 31 December 1999

### 12. TANGIBLE FIXED ASSETS

	<i>Network</i>	<i>Construction in progress</i>	<i>Other</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cost:				
At 1 January 1999	474,277	14,180	138,105	626,562
Additions	52,245	16,960	92,655	161,860
Transfer from subsidiary undertakings	2,602	–	357,180	359,782
Transfers	14,180	(14,180)	–	–
Disposals	(192)	–	(5,129)	(5,321)
At 31 December 1999	543,112	16,960	582,811	1,142,883
Depreciation:				
At 1 January 1999	65,068	–	33,533	98,601
Charge for the year	37,107	–	33,151	70,258
Transfer from subsidiary undertakings	–	–	58,765	58,765
Disposals	(8)	–	(4,987)	(4,995)
At 31 December 1999	102,167	–	120,462	222,629
Net book value:				
at 31 December 1999	440,945	16,960	462,349	920,254
At 1 January 1999	409,209	14,180	104,572	527,961

Motor vehicles are all held under finance leases or hire purchase contracts. Their net book value at 31 December 1999 was £27,000 (1998 – £1,533,000).

Included in 'Network' and 'Other' are the following net book values of freehold and leasehold land and buildings:

	<i>Network</i>	<i>Other</i>	<i>1999 Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Freehold	3,527	5,215	8,742
Long leasehold	2,678	–	2,678
Short leasehold	1,596	1,066	2,662
	7,801	6,281	14,082

# NTL Group Limited

## NOTES TO THE ACCOUNTS

at 31 December 1999

### 12. TANGIBLE FIXED ASSETS (continued)

	<i>Network</i>	<i>Other</i>	<i>1998</i>
	<i>£000</i>	<i>£000</i>	<i>Total</i>
			<i>£000</i>
Freehold	2,856	–	2,856
Long leasehold	2,134	–	2,134
Short leasehold	3,151	3,811	6,962
	<u>8,141</u>	<u>3,811</u>	<u>11,952</u>

### 13. INVESTMENTS

	<i>Subsidiary</i>
	<i>undertakings</i>
	<i>£000</i>
Cost:	
At 1 January 1999	647,688
Additions	1,166,805
Transfer from subsidiary undertaking	564
Disposals	(90,800)
At 31 December 1999	<u>1,724,257</u>

In the opinion of the directors the aggregate value of the investments in subsidiary undertakings is not less than the amount at which they are stated in the accounts.

# NTL Group Limited

## NOTES TO THE ACCOUNTS

at 31 December 1999

### 13. INVESTMENTS (continued)

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. All are registered in England and Wales unless otherwise noted.

<i>Name of Company</i>	<i>Holdings</i>	<i>Proportion held</i>		<i>Nature of business</i>
National Transcommunications Limited	Ordinary shares	100%		Transmission services
DTELS Limited	Ordinary shares	100%		Radio communications services
Andover Cablevision Limited	Ordinary shares	100%		Telecommunications
Oxford Cable Limited	Ordinary shares	100%		Telecommunications
ComTel Cable Services Limited	Ordinary shares	100%		Telecommunications
Stafford Communications Limited	Ordinary shares	100%		Telecommunications
ntl South Central Limited	Ordinary shares	100%		Telecommunications
X-Tant Limited	VCPS CRPS	70% 70%	(ii) (iii)	Telecommunications
NTL Telecom Services Limited	Ordinary shares	100%	#	Telecommunications
NTL Milton Keynes Limited	Ordinary shares	100%	#	Telecommunications
NTL Westminster Limited	Ordinary shares	100%	#	Telecommunications
NTL (Triangle) LLC	Common Stock	100%	# (i)	Holding company
Maza Limited	Ordinary shares	100%	#	Telecommunications
Cambridge Holding Company Limited	Ordinary shares	100%	#	Holding company
ntl Cambridge Limited	Ordinary shares	100%	#	Telecommunications
Anglia Cable Communications Limited	Ordinary shares	100%	#	Telecommunications
East Coast Cable Limited	Ordinary shares	100%	#	Telecommunications
ntl Teesside Limited	Ordinary shares	100%	#	Telecommunications

# Held by subsidiary undertaking

(i) Registered in the USA

(ii) VCPS – voting cumulative preference shares

(iii) CRPS – cumulative redeemable preference shares



# NTL Group Limited

## NOTES TO THE ACCOUNTS

at 31 December 1999

### 13. INVESTMENTS (continued)

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.

The group 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.

On 30 June 1999 the company acquired NTL Telecom Services Limited from NTL Investment Holdings Limited (the immediate parent undertaking of NTL Group Limited) for a consideration of £90,800,000 satisfied by the issue of one £0.01 ordinary share. The consideration was based on the acquisition price of £90,800,000 paid by NTL Incorporated upon its acquisition of NTL Telecom Services Limited from a third party on 23 December 1998.

Analysis of the acquisition is as follows:

	<i>Book value and fair value to company £000</i>
Tangible fixed assets	75,682
Debtors	13,085
Creditors due within one year	(20,908)
Net assets	<u>67,859</u>
Goodwill arising on acquisition	22,941
	<u>90,800</u>
Discharged by:	
Shares	<u>90,800</u>

On 30 June 1999 the company sold NTL Telecom Services Limited to National Transcommunications Limited for a share consideration of £90,800,000. The investment has been included in the company's balance sheet at cost.

On 18 July 1999 the company acquired BT New Towns TV Limited, Westminster Cable Company Limited and certain narrowband businesses for a total consideration of £19,188,000. The investment has been included in the company's balance sheet at cost.

# NTL Group Limited

## NOTES TO THE ACCOUNTS

at 31 December 1999

### 13. INVESTMENTS (continued)

Analysis of the acquisition is as follows:

	<i>Book value and fair value to company £000</i>
Tangible fixed assets	930
Stock	222
Debtors	819
Creditors due within one year	(1,820)
Net assets	<u>151</u>
Goodwill arising on acquisition	19,037
	<u>19,188</u>
Discharged by:	
Deferred consideration (maximum)	14,000
Cash	5,145
Costs associated with the acquisition	43
	<u>19,188</u>

On 11 November 1999 the company acquired NTL (Triangle) LLC from NTL Investment Holdings Limited for a consideration of £ 980,000,000 satisfied by the issue of one US\$0.01 ordinary share. The consideration was based on an independent third party valuation. The investment has been included in the company's balance sheet at cost.

Analysis of the acquisition of this business is as follows:

	<i>Book value and fair value to company £000</i>
Intangible fixed assets	37,878
Investment	23,268
Tangible fixed assets	108,580
Debtors	23,229
Bank and cash	3,488
Creditors due within one year	(10,934)
Creditors due after more than one year	(76,593)
Net assets	<u>108,916</u>
Goodwill arising on acquisition	871,084
	<u>980,000</u>
Discharged by:	
Shares	<u>980,000</u>

# NTL Group Limited

## NOTES TO THE ACCOUNTS

at 31 December 1999

### 13. INVESTMENTS (continued)

As part of a group restructuring programme the company acquired at market value the trades of the following group companies on 31 December 1999 for a consideration of £213,200,000: Andover Cablevision Limited, ComTel Coventry Limited, ntl South Central Limited, Oxford Cable Limited, Stafford Communications Limited, ComTel Cable Services Limited, Wessex Cable Limited, Telecentral Communications (Warwickshire) Limited Partnership, Berkhamsted Properties and Building Contractors Limited, Heartland Cablevision (UK) Limited, Heartland Cablevision II (UK) Limited, Bracknell Cable TV Limited, Swindon Cable Limited, Cable Television Limited, NTL Milton Keynes Limited and NTL Westminster Limited.

Analysis of the acquisition of these businesses is as follows:

	<i>Book value and fair value to company £000</i>
Tangible fixed assets	301,017
Investments	564
Debtors	75,382
Cash	4,737
Creditors due within one year	(212,886)
Creditors due after more than one year	(322)
Net assets	168,492
Goodwill arising on acquisition	44,708
	<u>213,200</u>
Discharged by:	
Loan notes	<u>213,200</u>

### 14. DEBTORS

	<i>1999 £000</i>	<i>1998 £000</i>
Trade debtors	26,596	16,005
Loan notes due from fellow subsidiaries	392,651	147,894
Loan notes due from parent undertaking	42,800	42,800
Long-term advances to group companies	20,334	48,928
Interest receivable on loan notes	28,470	12,557
Amounts due from group undertakings	22,004	2,186
Other debtors	4,487	2,564
Prepayments and accrued income	17,593	6,548
	<u>554,935</u>	<u>279,482</u>

# NTL Group Limited

## NOTES TO THE ACCOUNTS

at 31 December 1999

### 15. CREDITORS: amounts falling due within one year

	1999 £000	1998 £000
Bank overdraft	2,438	1,750
Obligations under finance leases and hire purchase contracts (note 17)	694	1,285
Trade creditors	7,111	7,679
Loan notes to parent undertakings	1,532,926	831,408
Loan notes to fellow subsidiaries	-	187,948
Long-term advances from group companies	213,200	296,960
Interest payable on loan notes	98,204	72,229
Amounts due to group undertakings	515,294	415,530
Other creditors	17,633	3,685
Other taxes and social security costs	4,346	20,587
Accruals and deferred income	95,078	74,367
	<u>2,486,924</u>	<u>1,913,428</u>

Included in accruals and deferred income is £560,000 (1998 – £560,000) of regional development grants which remain unamortised at the balance sheet date.

### 16. CREDITORS: amounts falling due after more than one year

	1999 £000	1998 £000
Obligations under finance leases and hire purchase contracts (note 17)	37,581	705
Accruals and deferred income	322	-
	<u>37,903</u>	<u>705</u>

### 17. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The maturity of these amounts is as follows:

	1999 £000	1998 £000
Amounts payable:		
within one year	41,912	1,331
within two to five years	92,443	715
	<u>134,355</u>	<u>2,046</u>
Less: finance charges allocated to future periods	(96,080)	(56)
	<u>38,275</u>	<u>1,990</u>
Finance leases and hire purchase contracts are analysed as follows:		
Current obligations	694	1,285
Non-current obligations	37,581	705
	<u>38,275</u>	<u>1,990</u>

# NTL Group Limited

## NOTES TO THE ACCOUNTS

at 31 December 1999

### 18. PROVISIONS FOR LIABILITIES AND CHARGES

	<i>Reorganisation</i> £000
Cost:	
At 1 January 1999	871
Utilised	(457)
	<hr/>
At 31 December 1999	414
	<hr/> <hr/>

#### *Deferred tax*

The deferred tax assets in respect of accelerated capital allowances and unutilised losses have not been recognised in the accounts on the grounds of prudence.

### 19. SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
	<i>No.</i>	<i>No.</i>	<i>£000</i>	<i>£000</i>
Ordinary shares of £0.01 each	5,378,375	5,378,375	52	52
Ordinary shares of US\$0.20	5,243,153	5,243,153	674	674
	<hr/>	<hr/>	<hr/>	<hr/>
	10,621,528	10,621,528	726	726
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

On 21 December 1999 one £0.01 ordinary share was issued for £309,062,000. On 30 June 1999 one £0.01 ordinary share was issued for £90,800,000. On 11 November 1999 one £0.01 ordinary share was issued for £980,000,000.

### 20. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Share capital</i>	<i>Share premium</i>	<i>Capital redemption reserve</i>	<i>Profit and loss account</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 1 January 1998	726	48,484	11	9,776	58,997
Loss for the year	-	-	-	(122,257)	(122,257)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1998	726	48,484	11	(112,481)	(63,260)
Loss for the year	-	-	-	(172,683)	(172,683)
On share issues	-	1,379,862	-	-	1,379,862
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1999	726	1,428,346	11	(285,164)	1,143,919
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

### 21. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the accounts amounted to £71,085,000 (1998 – £8,911,000).

# NTL Group Limited

## NOTES TO THE ACCOUNTS

at 31 December 1999

### 22. PENSION COMMITMENTS

The company operates a defined contribution pension scheme, the NTL Group Pension Scheme, for its directors and senior employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The unpaid contributions outstanding at the year end, included in 'Creditors: amounts falling due within one year' (note 15), are £438,000 (1998 - £289,000).

### 23. OTHER FINANCIAL COMMITMENTS

At 31 December 1999, the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>		<i>Other</i>	
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Operating leases which expire:				
Within one year	35	116	-	-
Within two to five years	300	-	3,956	341
In over five years	6,718	3,232	3,545	87
	<u>7,053</u>	<u>3,348</u>	<u>7,501</u>	<u>428</u>

### 24. PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is NTL Investment Holdings Limited. The company's results are included in the group accounts of NTL Communications Limited, copies of which are available from its registered office: ntl House, Bartley Wood Business Park, Hook, Hampshire RG27 9XA.

In the directors' opinion, the ultimate parent undertaking and controlling party is NTL Incorporated, a company incorporated in the State of Delaware, United States of America. Copies of its group accounts, which include the company, are available from the Secretary, NTL Incorporated, 110 East 59th Street, 26th Floor, New York, NY 10022, USA.

### 25. RELATED PARTIES

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.