

Registered No. 3173552

NTL INVESTMENT HOLDINGS LIMITED

Report and Accounts

31 December 2001



NTL Investment Holdings Limited

Registered No. 3173552

DIRECTORS

J B Knapp
R M Mackenzie
S Schubert

SECRETARY

R M Mackenzie

DEPUTY COMPANY SECRETARY

G E James

AUDITORS

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

BANKERS

Bank of Scotland
38 Threadneedle Street
London EC2P 2EH

REGISTERED OFFICE

NTL House
Bartley Wood Business Park
Hook
Hampshire RG27 9UP

NTL Investment Holdings Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 2001.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £15,736,377,000 (2000 – loss of £3,654,000). The directors do not recommend the payment of a dividend (2000 – £nil).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company is the parent undertaking of ntl Group Limited, which principally is engaged in the development, construction, management and operation of broadband communication networks for telephone, cable television and internet services in the United Kingdom and Ireland.

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 were as follows:

| | |
|---------------|---|
| S Carter | (resigned 20 February 2002) |
| B Dew | (resigned 1 February 2002) |
| J Gregg | (appointed 20 February 2002; resigned 10 January 2003) |
| J B Knapp | (appointed 20 February 2002) |
| R M Mackenzie | (resigned 20 February 2002; re-appointed 10 January 2003) |
| S Ross | (resigned 20 February 2002) |
| B Richter | (appointed 10 January 2003; resigned 1 May 2003) |
| S Schubert | (appointed 1 May 2003) |

The directors had no interest in the share capital of the company. The company seeks exemption not to disclose the directors' interests in the common stock of NTL Incorporated, a company incorporated on the USA and the ultimate parent undertaking of the company.

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



R M Mackenzie
Company Secretary

10 July 2003

NTL Investment Holdings Limited

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NTL INVESTMENTS HOLDINGS LIMITED

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 16. 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 Statements of Directors' 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 Directors' 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

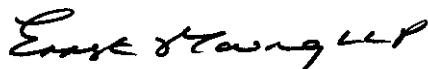
Basis of audit opinion

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 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
Registered Auditor
London

10 July 2003

10/7/03

NTL Investment Holdings Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2001

| | <i>Notes</i> | <i>2001</i> £000 | <i>2000</i> £000 |
|--|--------------|---------------------|---------------------|
| Other operating expenses | | (15,736,377) | - |
| OPERATING LOSS | 2,3 | (15,736,377) | - |
| Interest receivable | 4 | 376,411 | 150,265 |
| Interest payable | 5 | (376,411) | (153,919) |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (15,736,377) | (3,654) |
| Taxation | 6 | - | - |
| LOSS FOR THE FINANCIAL YEAR | 12 | (15,736,377) | (3,654) |

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

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

NTL Investment Holdings Limited

BALANCE SHEET

at 31 December 2001

| | <i>Notes</i> | <i>2001</i> £000 | <i>2000</i> £000 |
|--|--------------|---------------------|---------------------|
| FIXED ASSETS | | | |
| Investment in subsidiary undertakings | 7 | - | 3,077,785 |
| CURRENT ASSETS | | | |
| Debtors | 8 | 199,104 | 2,524,335 |
| Cash at bank and in hand | | 49,495 | 52,662 |
| | | <u>248,599</u> | <u>2,576,997</u> |
| CREDITORS: amounts falling due within one year | 9 | (239,990) | (152,812) |
| NET CURRENT ASSETS | | <u>8,609</u> | <u>2,424,185</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>8,609</u> | <u>5,501,970</u> |
| CREDITORS: amounts falling due after more than one year | 10 | (6,471,982) | (2,944,014) |
| NET (LIABILITIES) / ASSETS | | <u>(6,463,373)</u> | <u>2,557,956</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 11 | - | - |
| Share premium account | 12 | 9,294,120 | 2,579,072 |
| Profit and loss account | 12 | (15,757,493) | (21,116) |
| EQUITY SHAREHOLDER'S (DEFICIT) / FUNDS | | <u>(6,463,373)</u> | <u>2,557,956</u> |



R M Mackenzie
Director

10 July 2003

NTL Investment Holdings Limited

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 under the historical cost convention and in accordance with applicable 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 15).

Deferred taxation

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

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.

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% owned by the ultimate parent undertaking.

Fixed asset investments

The company values investments at cost, less any provision for impairment.

Impairment review

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

The directors consider that the underlying assets of the UK Group's core telecommunications operations, ntl:Home and ntl:Business, 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.

2. DIRECTORS' AND AUDITORS' REMUNERATION

The Directors did not receive any remuneration during the year (year ended 31 December 2000 – £nil).

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

NTL Investment Holdings Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

3. IMPAIRMENT CHARGE

| | 2001 £000 | 2000 £000 |
|---|-------------------|--------------|
| Impairment of investments (see note 7) | 9,800,332 | - |
| Impairment of loan notes owed by group undertakings | 5,860,940 | - |
| Impairment of amounts owed by group undertakings | 74,982 | - |
| | <u>15,736,254</u> | <u>-</u> |

4. INTEREST RECEIVABLE

| | 2001 £000 | 2000 £000 |
|--|----------------|----------------|
| Bank interest | - | 3,635 |
| Interest receivable on notes to subsidiary undertaking | 376,411 | 146,630 |
| | <u>376,411</u> | <u>150,265</u> |

5. INTEREST PAYABLE

| | 2001 £000 | 2000 £000 |
|---|----------------|----------------|
| Bank interest | 187,064 | 3,178 |
| Interest payable on notes payable to parent undertaking | 189,347 | 150,741 |
| | <u>376,411</u> | <u>153,919</u> |

6. TAXATION

There is no corporation tax charge as the company incurred losses during the year (2000 - £nil).

7. INVESTMENTS

| | <i>Shares in subsidiary undertakings £000</i> |
|--------------------------------------|---|
| Cost | |
| At 1 January 2001 | 3,077,785 |
| Additions in the year | 13,298,600 |
| Disposals | (6,576,053) |
| | <u>9,800,332</u> |
| Less: impairment charge (see note 3) | (9,800,332) |
| At 31 December 2001 | <u>-</u> |

NTL Investment Holdings Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

7. 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 are as follows:

| <i>Name of company</i> | <i>Holding</i> | <i>Proportion held</i> | | <i>Nature of business</i> |
|---|-----------------|------------------------|--------|---------------------------|
| Subsidiary undertakings | | | | |
| NTL Group Limited | Ordinary shares | 100% | | Holding company |
| NTL Business Limited | Ordinary shares | 100% | | Telecommunications |
| National Transcommunications Limited | Ordinary shares | 100% | # | Transmission services |
| X-Tant Limited | Ordinary shares | 100% | # | Telecommunications |
| NTL (Triangle) LLC | Common Stock | 100% | #(i) | Holding company |
| Cambridge Holding Company Limited | Ordinary shares | 100% | # | Holding company |
| ntl Cambridge Limited | Ordinary shares | 100% | # | Telecommunications |
| ntl Rectangle Limited | Ordinary shares | 100% | # | Holding company |
| ntl (Aylesbury and Chiltern) Limited | Ordinary shares | 100% | # | Telecommunications |
| ntl (B) Limited | Ordinary shares | 100% | # | Holding company |
| ntl (Broadland) Limited | Ordinary shares | 100% | # | Telecommunications |
| ntl (County Durham) Limited | Ordinary shares | 100% | # | Telecommunications |
| ntl (CRUK) Limited | Ordinary shares | 100% | # | Holding company |
| ntl (CWC Holdings) | Ordinary shares | 100% | #(ii) | Holding company |
| ntl (CWC) Limited | Ordinary shares | 100% | # | Holding company |
| ntl (CWC) Programming Limited | Ordinary shares | 100% | # | Telecommunications |
| ntl (Ealing) Limited | Ordinary shares | 100% | # | Telecommunications |
| ntl (Fenland) Limited | Ordinary shares | 100% | # | Telecommunications |
| ntl (Greenwich and Lewisham) Limited | Ordinary shares | 100% | # | Telecommunications |
| ntl (Hampshire) Limited | Ordinary shares | 100% | # | Telecommunications |
| ntl (Harrogate) Limited | Ordinary shares | 100% | # | Telecommunications |
| ntl (Harrow) Limited | Ordinary shares | 100% | # | Telecommunications |
| ntl (Kent) Limited | Ordinary shares | 100% | # | Telecommunications |
| ntl (Lambeth and Southwark) Limited | Ordinary shares | 100% | # | Telecommunications |
| ntl (Leeds) Limited | Ordinary shares | 100% | # | Telecommunications |
| ntl (Norwich) Limited | Ordinary shares | 100% | # | Telecommunications |
| ntl (Peterborough) Limited | Ordinary shares | 100% | # | Telecommunications |
| ntl (South East) Limited | Ordinary shares | 100% | # | Telecommunications |
| ntl (South Hertfordshire) Limited | Ordinary shares | 33.33% | # | Telecommunications |
| ntl (South London) Limited | Ordinary shares | 100% | # | Telecommunications |
| ntl (Southampton and Eastleigh) Limited | Ordinary shares | 100% | # | Telecommunications |
| ntl (Thamesmead) Limited | Ordinary shares | 100% | # | Telecommunications |
| ntl (V) Limited | Ordinary shares | 100% | # | Holding company |
| ntl (Wandsworth) Limited | Ordinary shares | 100% | # | Telecommunications |
| ntl (Wearside) Limited | Ordinary shares | 100% | # | Telecommunications |
| ntl (West London) Limited | Ordinary shares | 100% | # | Telecommunications |
| ntl (YorCan) Limited | Ordinary shares | 100% | # | Holding company |
| ntl (York) Limited | Ordinary shares | 100% | # | Telecommunications |
| ntl Acquisition Company Limited | Ordinary shares | 100% | # | Holding company |
| ntl Bolton Cablevision Holding Company | Ordinary shares | 100% | # (ii) | Holding company |

Held by a subsidiary undertaking

(i) Registered in the USA

(ii) Unlimited company

NTL Investment Holdings Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

7. INVESTMENTS (continued)

| <i>Name of company</i> | <i>Holding</i> | <i>Proportion held</i> | | <i>Nature of business</i> |
|---|-----------------|------------------------|--------|---------------------------|
| Subsidiary undertakings | | | | |
| ntl CableComms Bromley | Ordinary shares | 100% | # (ii) | Telecommunications |
| ntl CableComms Bury and Rochdale | Ordinary shares | 100% | # (ii) | Telecommunications |
| ntl CableComms Cheshire | Ordinary shares | 100% | # (ii) | Telecommunications |
| ntl CableComms East Lancashire | Ordinary shares | 100% | # (ii) | Holding company |
| ntl CableComms Group Limited | Ordinary shares | 100% | # | Holding company |
| ntl CableComms Limited | Ordinary shares | 100% | # | Holding company |
| ntl CableComms Macclesfield | Ordinary shares | 100% | # (ii) | Telecommunications |
| ntl CableComms Oldham and Tameside | Ordinary shares | 100% | # (ii) | Telecommunications |
| ntl CableComms Solent | Ordinary shares | 100% | # (ii) | Telecommunications |
| ntl CableComms Staffordshire | Ordinary shares | 100% | # (ii) | Telecommunications |
| ntl CableComms Stockport | Ordinary shares | 100% | # (ii) | Telecommunications |
| ntl CableComms Surrey | Ordinary shares | 100% | # (ii) | Telecommunications |
| ntl CableComms Sussex | Ordinary shares | 100% | # (ii) | Telecommunications |
| ntl CableComms Wessex | Ordinary shares | 100% | # (ii) | Telecommunications |
| ntl CableComms Wirral | Ordinary shares | 100% | # (ii) | Telecommunications |
| ntl Communications Services Limited | Ordinary shares | 100% | # | Service company |
| ntl Derby Cablevision Holding Company | Ordinary shares | 100% | # (ii) | Holding company |
| ntl Holdings (Broadland) Limited | Ordinary shares | 100% | # | Holding company |
| ntl Holdings (East London) Limited | Ordinary shares | 100% | # | Holding company |
| ntl Holdings (Fenland) Limited | Ordinary shares | 100% | # | Holding company |
| ntl Holdings (Leeds) Limited | Ordinary shares | 100% | # | Holding company |
| ntl Holdings (Norwich) Limited | Ordinary shares | 100% | # | Holding company |
| ntl Holdings (Peterborough) Limited | Ordinary shares | 100% | # | Holding company |
| ntl Manchester Cablevision Holding Company | Ordinary shares | 100% | # (ii) | Holding company |
| ntl Solent Telephone and Cable TV Company Limited | Ordinary shares | 100% | # | Holding company |
| ntl UK Telephone and Cable TV Holding Company Limited | Ordinary shares | 100% | # | Holding company |
| ntl CableComms Bolton | Ordinary shares | 100% | # | Holding company |
| ntl CableComms Derby | Ordinary shares | 100% | # | Holding company |
| ntl CableComms Greater Manchester | Ordinary shares | 100% | # | Holding company |
| ntl CableComms Holdings No 1 Limited | Ordinary shares | 100% | # | Holding company |
| ntl CableComms Holdings No 2 Limited | Ordinary shares | 100% | # | Holding company |
| ntl Wirral Telephone and Cable TV Company | Ordinary shares | 100% | # | Telecommunications |

Held by a subsidiary undertaking

(i) Registered in the USA

(ii) Unlimited Company

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 its results or assets.

On 21 February 2001 the company acquired ntl (CWC Holdings) from NTL Communications Limited for a consideration of £6,576,053,521 satisfied by the issue of one ordinary share. The investment has been included in the company's balance sheet at its fair value at the date of acquisition.

NTL Investment Holdings Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

7. INVESTMENTS (continued)

Analysis of this acquisition is as follows:

| | <i>Book value and fair value to company £000</i> |
|-------------------------------|--|
| Tangible fixed assets | 3,102,000 |
| Investments | 15,000 |
| Debtors | 278,000 |
| Bank and cash | 26,000 |
| Creditors due within one year | (2,935,000) |
| Provisions | (250,000) |
| Net assets | 236,000 |
| Goodwill | 6,340,054 |
| | <u>6,576,054</u> |
| Discharged by: | |
| Shares | <u>6,576,054</u> |

On 21 February 2001 the company sold ntl (CWC Holdings) to NTL Group Limited for a consideration of £6,576,053,521

On 21 February 2001, the company acquired NTL Business Limited from NTL Communications Limited for a consideration of £138,993,889, satisfied by the issue of £1 ordinary share. The investment has been included in the company's balance sheet at its fair value at the date of acquisition.

Analysis of this acquisition is as follows:

| | <i>Book value and fair value to company £000</i> |
|--|--|
| Tangible fixed assets | 10,000 |
| Stock | 4,000 |
| Debtors | 18,000 |
| Cash | 27,000 |
| Creditors: amounts falling due within one year | (33,000) |
| Net assets | 26,000 |
| Goodwill | 112,994 |
| | <u>138,994</u> |
| Discharged by: | |
| Shares | <u>138,994</u> |

On 21 February 2001, the company made a further investment in the Comtel Group of £7,500,000, which was to pay off loan notes issued previously.

NTL Investment Holdings Limited

NOTES TO THE ACCOUNTS at 31 December 2001

8. DEBTORS

| | 2001 | 2000 |
|---|----------------|------------------|
| | £000 | £000 |
| Loan notes due from group undertakings | - | 2,181,871 |
| Amount owed by group undertakings | - | 195,834 |
| Interest receivable from group undertakings | 185,825 | 146,630 |
| Prepayments and accrued income | 13,279 | - |
| | <u>199,104</u> | <u>2,524,335</u> |

9. CREDITORS: amounts falling due within one year

| | 2001 | 2000 |
|--|----------------|----------------|
| | £000 | £000 |
| Interest payable to parent undertaking | 185,825 | 150,741 |
| Other creditors | 87 | - |
| Accrued interest | 54,078 | 2,071 |
| | <u>239,990</u> | <u>152,812</u> |

10. CREDITORS: amounts falling due after more than one year

| | 2001 | 2000 |
|--|------------------|------------------|
| | £000 | £000 |
| Bank loans | 2,784,800 | 250,948 |
| Notes payable to parent undertaking | 3,021,975 | 2,027,859 |
| Long term advances from parent undertaking | 665,207 | 665,207 |
| | <u>6,471,982</u> | <u>2,944,014</u> |

11. SHARE CAPITAL

| | 2001 | 2000 | 2001 | 2000 |
|--|-------------------|-------------------|-------------------|-------------------|
| | No. | No. | £000 | £000 |
| <i>Authorised:</i> | | | | |
| Ordinary shares of £1 each | 1,000 | 1,000 | 1 | 1 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| <i>Allotted, called up and fully paid:</i> | | | | |
| Ordinary shares of £1 each | 120 | 118 | - | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

On 21 February 2001 two ordinary shares were issued, fully paid for £6,715,048,000.

NTL Investment Holdings Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

12. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

| | <i>Share capital £000</i> | <i>Share premium account £000</i> | <i>Profit and loss account £000</i> | <i>Total share- holders' funds £000</i> |
|----------------------------|-----------------------------------|---|---|---|
| At 1 January 2000 | - | 1,150,391 | (17,462) | 1,132,929 |
| Retained loss for the year | - | - | (3,654) | (3,654) |
| Arising on share issue | - | 1,428,681 | - | 1,428,681 |
| At 31 December 2000 | - | 2,579,072 | (21,116) | 2,557,956 |
| Retained loss for the year | - | - | (15,736,377) | (15,777,836) |
| Arising on share issue | - | 6,715,048 | - | 6,715,048 |
| At 31 December 2001 | - | 9,294,120 | (15,757,493) | 6,504,832 |

13. RELATED PARTY TRANSACTIONS

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.

14. 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.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is ntl Communications Limited.

The company's results are included in the group accounts of ntl Communications Limited, copies of which may be obtained from 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.

16. POST BALANCE SHEET EVENT

The directors are performing an impairment review for the purposes of the company's accounts for the year ended 31 December 2002 in accordance with the requirements of Financial Reporting Standard No. 11 "Impairment of Fixed Assets and Goodwill". At the date of approval of the accounts for the year ended 31 December 2001 this review had not been completed, and so the directors are unable to determine the likelihood or possible magnitude of any losses, which may result from this review.