

**Bolton Cablevision Holding Company**

**Report and Accounts**

**31 March 1998**



# Bolton Cablevision Holding Company

## Report and Accounts 1998

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# **Bolton Cablevision Holding Company**

## **Officers and Professional Advisers**

### **Directors**

G Wallace  
N Mearing-Smith  
R Drolet

### **Secretary**

R Drolet

### **Registered Office**

Caxton Way  
Watford Business Park  
Watford  
Hertfordshire  
WD1 8XH

### **Auditors**

Arthur Andersen  
1 Surrey Street  
London  
WC2R 2PS

## **Bolton Cablevision Holding Company**

### **Directors' report for the 15 months ended 31 March 1998**

The directors present their report and the audited accounts for the period ended 31 March 1998.

#### **Principal activity and review of the business**

There was no income and expenditure during the period. The principal activity of the company is to carry on the business of a holding company.

#### **Results for the period**

The directors consider the results for the period and the financial position at the period end to be satisfactory. The profit for the period amounted to £Nil (year ended 31 December 1996: £Nil). The preference dividend of £476,531 to the non-equity shareholders for the period ended 31 March 1998 (year ended 31 December 1996: £381,225) has not been declared, but an appropriation equal to the dividend has been made in the profit and loss account in accordance with Financial Reporting Standard No. 4. The retained loss for the period of £476,531 (year ended 31 December 1996: £381,225) has been transferred to reserves.

#### **Future developments**

The company will continue to carry on the business of a holding company.

#### **State of affairs**

The state of the company's affairs at 31 March 1998 is set out on page 7 and is considered satisfactory.

#### **Directors and their interests**

The Directors currently serving or who held office during the period were as follows:

J Killian	(resigned 2 June 1997)
N Mearing-Smith	
P Repp	(resigned 2 June 1997)
G Wallace	(appointed 2 June 1997)
R Drolet	(appointed 2 June 1997)

Where the Directors held any interest in the shares of Cable and Wireless plc or Cable & Wireless Communications plc, such interest is disclosed in the accounts of Cable & Wireless Communications plc, except as stated below:

## Bolton Cablevision Holding Company

Ordinary shares of Cable & Wireless Communications plc:

	At 1 January 1997 (or later date of appointment)	Shares acquired	Shares disposed	At 31 March 1998
N Mearing-Smith	153,949	-	-	153,949

Options to subscribe for ordinary shares in Cable & Wireless Communications plc:

	At 1 January 1997 (or later date of appointment)	Granted Number	Exercised Number	At 31 March 1998	Exercise Price	Date from which exercisable	Expiry Date
R Drolet	57,542	-	-	57,542	\$4.583	1/5/97	2/7/03

### Year 2000

The matters relating to the impact of the Year 2000 issue on the reporting systems and operations of the Company are set out on page 23 of the 1998 Annual Report and Accounts of Cable & Wireless Communications plc.

### Auditors

On 7 July 1998, Coopers & Lybrand resigned and Arthur Andersen were appointed as auditors.

Approved by the Board of Directors and signed on its behalf by



R Drolet

Secretary

22 January 1999

**Statement of Directors' Responsibilities**

The Directors are required by the Companies Act 1985 to prepare accounts for each financial period which give a true and fair view of the state of affairs of the Company at the end of the financial period and of the profit or loss for the financial period:

The Directors are responsible for ensuring that in preparing the accounts, the Company has:

- selected appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards, subject to any explanations and material departures disclosed in the notes to the accounts; and
- prepared 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 the financial position of the Company which 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.

## **Bolton Cablevision Holding Company**

### **Auditors' report to the members of Bolton Cablevision Holding Company**

We have audited the accounts on pages 6 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

#### **Respective responsibilities of Directors and Auditors**

As described on page 4, the Company's Directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

#### **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 circumstances of the Company, 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 at 31 March 1998 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**Arthur Andersen**  
Chartered Accountants and Registered Auditors  
1 Surrey Street  
London  
WC2R 2PS

22 January 1999

## Bolton Cablevision Holding Company

### Profit and loss account 15 months ended 31 March 1998

	Notes	15 months ended 31 March 1998 £'000	Year ended 31 December 1996 £'000
Selling, general and administration costs		-	-
Profit (loss) on ordinary activities before taxation		-	-
Tax on profit on ordinary activities	4	-	-
Profit (loss) on ordinary activities after taxation		-	-
Dividends	7	(477)	(381)
Loss for the period		<u>(477)</u>	<u>(381)</u>

The directors believe that the nature of the company's business is such that the analysis of operating costs required by the Companies Act 1985 is not appropriate. As required by the Act, the directors have therefore adapted the prescribed format so that operating costs are disclosed in a manner appropriate to the company's principal activity.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the profit on ordinary activities before taxation and the retained loss for the period, and their historical cost equivalents.

All of the company's activities are continuing.

# Bolton Cablevision Holding Company

## Balance sheet 31 March 1998

	Notes	31 March 1998 £'000	31 December 1996 £'000
<b>Fixed assets</b>			
Investments	5	<u>86,056</u>	<u>85,940</u>
<b>Current assets</b>			
Cash at bank and in hand		2	2
<b>Creditors</b>			
Amounts falling due within one year	6	<u>(1,804)</u>	<u>(1,804)</u>
<b>Net current liabilities</b>		<u>(1,802)</u>	<u>(1,802)</u>
<b>Total assets less current liabilities</b>		<u>84,254</u>	<u>84,138</u>
<b>Capital and reserves</b>			
Called up share capital (includes non-equity)	7	84,256	36,985
Share premium account		9	9
Capital contribution	8	-	47,155
Profit and loss account (includes non-equity)	9	<u>(11)</u>	<u>(11)</u>
<b>Shareholders' funds</b>	10	<u>84,254</u>	<u>84,138</u>

In the preparation of the company's accounts advantage has been taken of special exemptions applicable to holding companies of medium size groups not to prepare accounts conferred by section 248(3) of the Companies Act 1985 because, in the directors' opinion, as it meets the conditions, the company is entitled to that exemption, as the holding company of a medium size group.

These accounts were approved by the Board of Directors on 22 January 1999 and signed on its behalf by:



R Drolet  
Director

**Notes to the accounts**  
**15 months ended 31 March 1998**

**1 Accounting policies**

The principal accounting policies, which have been applied consistently in the preparation of these accounts, are as follows:

**Accounting convention**

These accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

**Investments**

Investments are held at cost less provision for any permanent diminution in value.

**Deferred taxation**

Provision is made for deferred taxation, using the liability method, on all material timing differences, to the extent that it is probable that a liability or asset will crystallise.

**2 Audit fees**

The auditors' remuneration for the current and preceding financial periods has been borne by a fellow group company.

**3 Directors' emoluments and employees**

The directors received no emoluments for the period (1996:£Nil). The company had no employees during the period (1996:Nil).

**4 Tax on profit on ordinary activities**

No taxation charge arises as the company made neither profit nor loss in the period.

## Bolton Cablevision Holding Company

### 5 Fixed asset investments

<b>Subsidiary undertakings</b>	
At 1 January 1997	£85,940,000
Increase during the period	<u>£116,000</u>
At 31 March 1998	<u><u>£86,056,000</u></u>

In the opinion of the directors, the value of the company's investment in its subsidiary is not less than the amount at which it is stated in the balance sheet.

Name of undertaking	Country of registration	Description of shares held at 31 March 1998	Proportion of nominal value of issued shares held %
NYNEX CableComms Bolton	England & Wales	Ordinary £1	99

The principal business activity of the subsidiary is the provision of cable television and telecommunication services under licences awarded to it for the Bolton area. The aggregate amount of its capital and reserves at 31 March 1998 was £47,414,656 (31 December 1996: £53,422,832) and its loss for the financial period then ended was £6,008,176 (year ended 31 December 1996: £6,920,923).

The company has taken advantage of the exemption, under Section 248 of the Companies Act 1985, from the requirement to prepare consolidated accounts on the basis that it is the holding company of a medium size group as defined by that Act.

### 6 Creditors: amounts falling due within one year

	31 March 1998 £'000	31 December 1996 £'000
Amounts owed to fellow subsidiary undertakings	<u>1,804</u>	<u>1,804</u>

## Bolton Cablevision Holding Company

### 7 Share capital

	Number	£'000
<b>Authorised</b>		
'A' ordinary shares of £1 each		
At 1 January 1997 and 31 March 1998	<u>91,235,455</u>	<u>91,235</u>
Preference shares of £1 each		
At 1 January 1997 and 31 March 1998	<u>1,735,000</u>	<u>1,735</u>
<b>Allotted, called up and fully paid:</b>		
'A' ordinary shares of £1 each		
At 1 January 1997	35,250,464	35,250
Called up during the period	<u>47,271,502</u>	<u>47,271</u>
At 31 March 1998	<u>82,521,966</u>	<u>82,521</u>
Preference shares of £1 each		
At 1 January 1997 and 31 March 1998	<u>1,735,000</u>	<u>1,735</u>
Total at 1 January 1997	<u>36,985,464</u>	<u>36,985</u>
Total at 31 March 1998	<u>84,256,966</u>	<u>84,256</u>
<b>Allotted but not called up:</b>		
'A' ordinary shares of £1 each, nil paid		
At 1 January 1997	55,984,991	55,985
Called up during the period	<u>(47,271,502)</u>	<u>(47,271)</u>
At 31 March 1998	<u>8,713,489</u>	<u>8,714</u>

### Shareholders' voting rights

In the opinion of the Directors, the primary rights attached to the various classes of shares are as follows:

#### £1 preference shares

The right to attend and speak but not vote at all general meetings of the company.

#### £1 'A' ordinary shares

The right to attend, speak and vote at all general meetings of the company.

### Distributable profits

Distributable profits are allocated on the following basis:

#### Preference shareholders

The company's articles of association provide for a fixed cumulative preference dividend at the rate of £381,225 per annum (exclusive of any associated tax credit available to shareholders). This dividend will accrue on a daily basis from 11 October 1994 until 11 October 2014. After payment of the preference dividend, the preference shareholders are entitled to 15% of the remaining distributable profits.

## Bolton Cablevision Holding Company

### Ordinary shareholders

After payment of the preference dividend, ordinary shareholders are entitled 85% of the remaining distributable profits.

### **Dividends**

The preference dividend of £476,531 to the non-equity shareholders for the period ended 31 March 1998 (year ended 31 December 1996: £381,225) has not been declared. An appropriation equal to the dividend has been made in the profit and loss account in accordance with Financial Reporting Standard No. 4 and is shown in the statement of reconciliation of shareholders' funds (note 10).

## **8 Capital contribution**

	31 March 1998 £'000	31 December 1996 £'000
At beginning of period	47,155	47,155
Received in the period	116	-
Converted to shares	(47,271)	-
At end of period	<u>-</u>	<u>47,155</u>

## **9 Profit and loss account**

	31 March 1998 £'000	31 December 1996 £'000
At beginning of period	(11)	(11)
Retained loss for the period	(477)	(381)
	(488)	(392)
Undeclared dividends due to non-equity shareholders	477	381
At end of period	<u>(11)</u>	<u>(11)</u>

### **Cumulative undeclared dividends due to non-equity shareholders**

	31 March 1998 £'000	31 December 1996 £'000
At beginning of period	848	467
Appropriated during the period	477	381
At end of period	<u>1,325</u>	<u>848</u>

## Bolton Cablevision Holding Company

### 10 Reconciliation of movements in shareholders' funds

	31 March 1998 £'000	31 December 1996 £'000
Profit for the financial period	-	-
Dividends	(477)	(381)
Capital contribution	116	-
	<u>(361)</u>	<u>(381)</u>
Reversal of non-equity dividends	477	381
Net movement in shareholders' funds	116	-
Opening shareholders' funds	84,138	84,138
Closing shareholders' funds	<u>84,254</u>	<u>84,138</u>
<b>Total shareholders' funds</b>		
Equity share capital	82,521	35,250
Non-equity share capital	1,735	1,735
Share premium account	9	9
Capital contribution	-	47,155
Profit and loss account	(11)	(11)
	<u>84,254</u>	<u>84,138</u>
<b>Shareholders' funds allocated to non-equity</b>		
Non-equity share capital	1,735	1,735
Cumulative dividends not yet declared	1,325	848
	<u>3,060</u>	<u>2,583</u>
<b>Shareholders' funds allocated to equity</b>		
Difference between shareholders' funds and amounts allocated to non-equity interests	<u>81,194</u>	<u>81,555</u>
Made up as follows:		
Equity shares	82,521	35,250
Share premium account	9	9
Capital contribution	-	47,155
Profit and loss account	(11)	(11)
Cumulative dividends due to non-equity shareholders	(1,325)	(848)
	<u>81,194</u>	<u>81,555</u>

### 11 Cash flow statement

Under the provisions of Financial Reporting Standard No. 1 (Revised), the Company has not prepared a cash flow statement because more than 90% of the voting rights of the company are controlled within the Group and the Group accounts in which the Company is consolidated are publicly available (see Note 14).

## **Bolton Cablevision Holding Company**

### **12 Capital commitments**

As at 31 December 1996 and at 31 March 1998, there was no capital expenditure contracted for and not accrued for in the accounts.

### **13 Contingent liabilities**

There were no contingent liabilities at 31 December 1996 and at 31 March 1998.

### **14 Ultimate parent company and controlling undertaking**

The Directors regard Cable and Wireless plc, a Company registered in England and Wales, as the ultimate parent Company and controlling undertaking.

The largest Group in which the results of the Company are consolidated is that of which Cable and Wireless plc is the parent Company. The consolidated accounts of Cable and Wireless plc may be obtained from 124 Theobalds Road, London, WC1X 8RX.

The smallest Group in which the results of the Company are consolidated is that of which NYNEX UK Telephone & Cable TV Holding Company Limited is the parent Company. The consolidated accounts of NYNEX UK Telephone & Cable TV Holding Company Limited may be obtained from Caxton Way, Watford Business Park, Watford, Hertfordshire, WD1 8XH.