

**Flextech Distribution Limited**

**Directors' report and financial  
statements**

**Registered number 2678883**

**31 December 2000**



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2000.

### Principal activities

The company has not traded in the current or previous year and therefore no profit and loss account is presented.

### Dividends

The directors do not recommend the payment of a dividend (1999: £nil).

### Directors and directors' interests

The directors who held office during the year and to the date of this report were as follows:

C Burdick (appointed 14 July 2000)  
SS Cook  
PB Harman (resigned 14 July 2000)  
MW Luiz

None of the directors had any beneficial interest in the shares of the company during the year.

MW Luiz, SS Cook and C Burdick were also directors of Telewest Communications plc at the year end. The interests of the directors who held office at the end of the year in the share capital of that company are disclosed in the Telewest Communications plc group accounts.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

### Auditor

Pursuant to a shareholders resolution, the company is not obliged to re-appoint its auditor annually and KPMG Audit Plc will therefore continue in office.

By order of the board



C Burns  
Secretary

31 August 2001

95 The Promenade  
Cheltenham  
Gloucestershire  
GL50 1WG

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements 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 for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements 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 financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

PO Box 695  
8 Salisbury Square  
London  
EC4Y 8BB

## Report of the auditors to the members of Flextech Distribution Limited

We have audited the financial statements on pages 4 to 7.

### *Respective responsibilities of directors and auditor*

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, 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.

### *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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

### *Opinion*

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

17 September 2001

## Balance sheet

at 31 December 2000

	Note	£	2000	£	1999	£
<b>Current assets</b>						
Debtors	3	7,959,430		7,959,430		
<b>Creditors: amounts falling due within one year</b>	4	(10,400)		(10,400)		
<b>Net current assets</b>			<b>7,949,030</b>		<b>7,949,030</b>	
<b>Net assets</b>			<b>7,949,030</b>		<b>7,949,030</b>	
<b>Capital and reserves</b>						
Called up share capital	5		1,000		1,000	
Share premium account			1,113,752		1,113,752	
Profit and loss account			6,834,278		6,834,278	
<b>Shareholders' funds - equity</b>	6		<b>7,949,030</b>		<b>7,949,030</b>	

These financial statements were approved by the board of directors on 31 August 2001 and were signed on its behalf by:

MW Luiz  
Director



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

#### *Cash flow statement*

Under Financial Reporting Standard No.1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that its parent undertaking, Telewest Communications plc, includes the company in its own published consolidated financial statements.

#### *Profit and loss account*

During the current and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss.

#### *Administrative expenses*

Auditor's remuneration is borne by the company's parent undertaking.

### 2 Remuneration of directors

None of the directors received any remuneration during the year (1999: £nil).

### 3 Debtors

	2000	1999
	£	£
Due within one year		
Amounts owed by group undertakings	7,959,430	7,959,430

**Notes (continued)**

**4 Creditors: amounts falling due within one year**

	2000	1999
	£	£
Taxation and social security	8,000	8,000
Other	2,400	2,400
	<u>10,400</u>	<u>10,400</u>

**5 Called up share capital**

	2000	1999
	£	£
<i>Authorised, allotted and fully paid:</i>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

**6 Reconciliation of movement in equity shareholders' funds**

	2000	1999
	£	£
Opening and closing equity shareholders' funds	<u>7,949,030</u>	<u>7,949,030</u>

**7 Contingent liabilities**

The company, together with other group companies, has given a guarantee and a fixed and a floating charge over certain of its assets to secure borrowings of other group companies. The guaranteed borrowings of those companies at the year end was £200 million (1999: £100 million), of which £115 million (1999: £76 million) was drawn down at the year end.



**Notes** *(continued)*

**8 Related party transactions**

As the company is a wholly owned subsidiary of Telewest Communications plc, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated statements of Telewest Communications plc, within which the company is included, can be obtained from the address given in note 9. There were no other related party transactions.

**9 Ultimate parent company**

At the year end the company was a subsidiary undertaking of Telewest Communications plc, incorporated in England and Wales.

The largest and smallest group in which the results of the company were consolidated is that headed by Telewest Communications plc. The consolidated accounts of Telewest Communications plc may be obtained from 160 Great Portland Street, London W1N 5TB.