



RCA AUDIO-VISUALS LIMITED

REPORT AND FINANCIAL STATEMENTS

30 November 1991



Touche Ross & Co.  
Hill House  
1 Little New Street  
London  
EC4A 3TR



REPORT AND FINANCIAL STATEMENTS 1991

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C.S. Matthews  
A.A. Rasmussen  
G. Morrow  
J.N. Sharood

SECRETARY

G. Morrow

REGISTERED OFFICE

Shortlands  
Hammersmith  
London W6 8BX

AUDITORS

Touche Ross & Co.  
Chartered Accountants



DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the company for the year ended 30 November 1991.

1. ACTIVITIES

The company was engaged in the electronic audio-visual business by way of a partnership. On 23 August 1991 the share in the partnership was disposed of at a profit.

2. REVIEW OF THE BUSINESS DIVIDENDS AND TRANSFERS TO RESERVES

RCA Audio-Visuals Limited had a successful year obtaining a profit after tax of £1,760,909 (1990: £723,103). The directors have paid a dividend in the year of £4,300,000 (1990 : £Nil). The retained loss of £2,539,091 (1990 : profit - £723,103) has been transferred from reserves.

3. DIRECTORS

The present directors are shown on page 1.

The directors who have served during the year are as follows:

J.R. Bates (resigned 13 June 1991)  
A.A. Rasmussen  
C.S. Matthews  
G. Morrow  
J.N. Sharood (appointed 13 June 1991)

There are no directors' interests requiring disclosure under the Companies Act 1985.

4. FIXED ASSETS

Details of movements in fixed assets are explained in note 6 to the accounts.

5. AUDITORS

A resolution proposing the reappointment of Touche Ross & Co. as auditors will be presented at the forthcoming Annual General Meeting.

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

Secretary  
22 September,  
~~31 August~~ 1992

Touche  
Ross



Chartered Accountants

Touche Ross & Co.  
Hill House  
1 Little New Street  
London EC4A 3TR

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RCA AUDIO-VISUALS LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 4 to 9 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 November 1991 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Touche Ross*

Chartered Accountants and  
Registered Auditor

London

22 September 1992

**Deloitte Touche  
Tohmatsu  
International**

Aberdeen, Belfast, Birmingham, Bournemouth, Bracknell, Bristol, Cambridge, Cardiff, Coleaño, Crawley, Danford, Edinburgh, Glasgow, Leeds, Leicester, Liverpool, London, Manchester, Milton Keynes, Newcastle upon Tyne, Nottingham and Southampton

Principal place of business at which a list of partners' names is available:  
Peterborough Court, 133 Fleet Street, London EC4A 2TR.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.



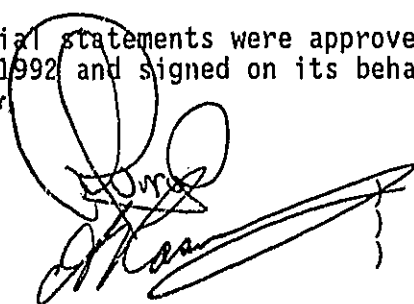
PROFIT AND LOSS ACCOUNT  
Year ended 30 November 1991

	Note	1991 £	1990 £
Share of partnership (losses)/profits	1(c)	(488,000)	1,149,000
Administrative expenses		<u>(94,065)</u>	<u>(6,900)</u>
Operating (loss)/profit		(582,065)	1,142,100
Other interest receivable and similar income		63,763	-
Exceptional item	2	<u>3,184,931</u>	<u>-</u>
Profit on ordinary activities before taxation	3	2,666,629	1,142,100
Tax on profit on ordinary activities	4	<u>(905,720)</u>	<u>(418,997)</u>
Profit on ordinary activities after taxation		1,760,909	723,103
Dividends paid	5	<u>(4,300,000)</u>	<u>-</u>
Retained (loss)/profit for the year		(2,539,091)	723,103
Profit and loss account brought forward		<u>3,336,180</u>	<u>2,613,077</u>
Profit and loss account carried forward		£ 797,089 =====	£3,336,180 =====

BALANCE SHEET 30 November 1991

	Note	1991 £	1990 £
FIXED ASSET			
Investment in partnership	1(b),6	-	<u>771,969</u>
CURRENT ASSETS			
Debtors	7	736,135	3,131,813
Cash at bank and in hand		<u>5,763,025</u>	-
		<u>6,499,160</u>	<u>3,131,813</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Amounts owed to parent company		4,027,832	-
Taxation		1,667,237	567,600
Accruals and deferred income		<u>7,000</u>	-
		<u>5,702,069</u>	<u>567,600</u>
NET CURRENT ASSETS		<u>797,091</u>	<u>2,564,213</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 797,091</u> =====	<u>£3,336,182</u> =====
CAPITAL AND RESERVES			
Called up share capital	8	2	2
Profit and loss account		<u>797,089</u>	<u>3,336,180</u>
		<u>£ 797,091</u> =====	<u>£3,336,182</u> =====

The financial statements were approved by the Board of Directors on  
~~31 August 1992~~ and signed on its behalf by:  
 22 September



Directors



STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
For the year ended 30 November 1991

	1991 £	1990 £
SOURCE OF FUNDS		
Distribution received from joint venture	-	1,328,699
Proceeds from sale of partnership share	<u>3,468,900</u>	<u>-</u>
	<u>3,468,900</u>	<u>1,328,699</u>
APPLICATION OF FUNDS		
Profit on ordinary activities before taxation	2,666,629	1,142,100
Adjustments for items not involving the movement of funds:		
Share of partnership losses/(profits)	488,000	(1,149,000)
Profit on sale of partnership	<u>(3,184,931)</u>	<u>-</u>
Funds absorbed by operations	(30,302)	(6,900)
Other applications:		
Dividend paid	(4,300,000)	-
Taxation paid	<u>(539,416)</u>	<u>(603,309)</u>
	<u>(4,869,718)</u>	<u>(610,209)</u>
(DECREASE)/INCREASE IN WORKING CAPITAL	<u>£(1,400,818)</u>	<u>£ 718,490</u>
Components of (decrease)/increase in working capital:		
Increase in debtors	2,802	-
Increase in amounts owed to other group companies	(4,027,832)	-
(Decrease)/increase in amounts owed by other group companies	(3,131,813)	716,965
(Increase)/decrease in creditors excluding corporation tax	(7,000)	1,525
Increase in net liquid funds	<u>5,763,025</u>	<u>-</u>
	<u>£(1,400,818)</u>	<u>£ 718,490</u>

NOTES TO THE ACCOUNTS  
Year ended 30 November 1991

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below:

(a) Accounting convention

The financial statements are prepared under the historical cost convention.

(b) Investment in Partnership

The investment in the partnership represents the share of profits and losses of the partnership attributable to the company less amounts distributed.

(c) Results of the Partnership

The company's share of results from the partnership is based on the partnership's latest audited annual financial statements drawn up for the year to 30 November 1991 but including only those results up until the date of disposal of the interest in the partnership on 23 August 1991.

2. EXCEPTIONAL ITEM

	1991	1990
Profit on disposal	£3,184,931	£ -
	=====	=====

The exceptional item is the profit realised on the sale of the partnership share in RCA Columbia Pictures Video UK on 23 August 1991.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

No director received any remuneration for services to the company during the year (1990 - £Nil). The company had no employees during the year (1990 - Nil). Auditors' remuneration is charged through another group company.



NOTES TO THE ACCOUNTS  
Year ended 30 November 1991

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1991 £	1990 £
United Kingdom corporation tax at 33.3% (1990 - 34.3%) based on profit for the year	925,000	391,740
Prior year adjustments	<u>(19,820)</u>	<u>27,257</u>
	£ 905,720 =====	£418,997 =====

5. DIVIDENDS

	1991	1990
Dividend paid in the year at £2,150,000 per £1 share	£4,300,000 =====	£ - =====

6. INVESTMENT IN PARTNERSHIP

	£
Balance at 1 December 1990	771,969
Share of partnership losses to date of disposal - 23 August 1991	<u>(488,000)</u>
	283,969
Less: disposal in the year	<u>(283,969)</u>
Balance at 30 November 1991	£ - =====

7. DEBTORS

	1991 £	1990 £
Amounts owed by parent company	-	3,131,813
Prepayments and accrued income	2,802	-
ACT recoverable	<u>733,333</u>	<u>-</u>
	£ 736,135 =====	£3,131,813 =====

NOTES TO THE ACCOUNTS  
Year ended 30 November 1991

8. CALLED UP SHARE CAPITAL

	1991	1990
Authorised:		
Ordinary shares of £1 each	£100	£100
	===	===
Allotted and fully paid:		
Ordinary shares of £1 each	£ 2	£ 2
	===	===

9. ULTIMATE PARENT COMPANY

The company's ultimate parent company is the General Electric Company, which is incorporated in the State of New York, United States of America. Financial statements of the company are available from General Electric Company, 3135 Easton Turnpike, Fairfield, Connecticut 06431.

The company's immediate parent company is RCA International Limited which is incorporated in Great Britain and registered in England and Wales. Financial statements of the company are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.