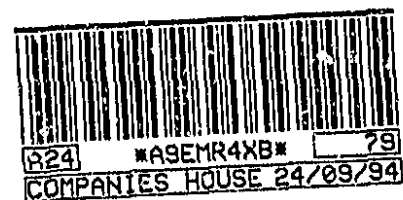


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Windsor Television Limited

Annual report for the year ended 31 December 1993

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Windsor Television Limited

1

Directors and advisers

Executive directors

P Galteau
E N Johnson
R W Whitney

Non executive directors

J J Delahunty
E F Potter
M M Noblet

Secretary and registered office

J M Laver
Cable House
Waterside Drive
Langley
Berkshire
SL3 6EZ

Auditors

Coopers & Lybrand

Solicitors

Ashurst Morris Crisp

Bankers

Midland Bank Plc

**Directors' report
for the year ended 31 December 1993**

The directors present their report and the audited financial statements for the year ended 31 December 1993.

Principal activities

The principal activity of the Company continues to be the construction and operation of a broadband telecommunications services network.

The Company is a wholly-owned subsidiary company of The Cable Corporation Limited ("TCC"), a company incorporated in England, and has therefore not presented consolidated results.

Review of business

The Company continued to expand its network and undertook significant projects to improve the quality, flexibility, communications and security by taking fibre optic cable closer to the homes and installing further battery back up. The number of residential and business customers increased during the year, therefore increasing revenue by 30%.

In October, the Company successfully converted from Mercury to its own telecommunications Switch (Northern Telecom DMS100), improving both the quality of service and the telephony margins.

Future developments

The Company will continue to expand its network and increase the number of residential and business subscribers.

Results

The loss on ordinary activities before taxation for the year was £3,930,000 (1992: loss of £7,291,000) on turnover of £12,560,000 (1992: £9,680,000). Detailed results for the year are shown in the profit and loss account on page 6.

Dividends and transfers to reserves

The directors do not recommend the payment of a dividend. The retained loss for the year of £2,140,000 will be transferred to the Company's reserves.

Changes in fixed assets

The movements in tangible fixed assets during the year are set out in note 9 to the accounts.

Basis of accounts preparation

The accounts have been prepared on a going concern basis. The ability of the Company to continue as a going concern is dependent upon the continued support of the Company's principal shareholders. The ability of the company to recover its investment in fixed assets is dependent upon the successful development of the cable television and telephony business.

Directors

The following have served as directors of the Company during the year:

R W Whitney	(Chairman)
J J Delahunty	
S Penrose	(resigned 21 May 1993)
E F Potter	
M M Noblet	
A Hindley	(resigned 1 November 1993)
T R Schaeffer	(resigned 31 March 1993)
P Galteau	(appointed 28 April 1993)
E N Johnson	(appointed 16 December 1993)

Directors' interests in shares of the Company

All the directors share interests in the Company were exchanged for shares in TCC under an offer dated 6 March 1987 when the company became a wholly owned subsidiary.

All the directors who held office at 31 December 1993 are also directors of TCC and their interests in TCC are disclosed in the financial statements of that company.

Auditors

A resolution to reappoint Coopers & Lybrand will be proposed at the annual general meeting.

By order of the board



R W Whitney
Director
4 February 1994

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 of the Company 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 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
Windsor Television Limited**

We have audited the financial statements on pages 6 to 17.

Respective responsibilities of directors and auditors

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

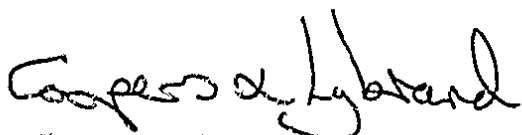
Basis of opinion

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 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 at 31 December 1993 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand
Chartered Accountants and Registered Auditors
London
4 February 1994

**Profit and loss account
for the year ended 31 December 1993**

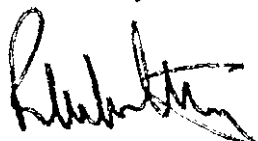
	Notes	1993 £'000	1992 £'000
Turnover	2	12,560	9,680
Cost of sales		(10,559)	(8,788)
Gross profit		<u>2,001</u>	<u>892</u>
Other operating expenses	3	(5,239)	(6,322)
Operating loss		<u>(3,238)</u>	<u>(5,430)</u>
Interest payable and similar charges	6	(692)	(1,861)
Loss on ordinary activities before taxation	7	<u>(3,930)</u>	<u>(7,291)</u>
Taxation	8	1,790	285
Deficit for the year	19	<u><u>(2,140)</u></u>	<u><u>(7,006)</u></u>

There were no recognised gains or losses in the year other than those included in the profit and loss account.

Balance sheet at 31 December 1993

	Notes	1993 £'000	1992 £'000
Fixed assets			
Tangible assets	9	50,409	43,745
Investments	10	25	25
		<u>50,434</u>	<u>43,770</u>
Current assets			
Debtors	11	5,699	2,388
Cash at bank and in hand		4,178	65
		<u>9,877</u>	<u>2,453</u>
Debtors: Amounts falling due after more than one year	12	25,285	13,295
		<u>35,162</u>	<u>15,748</u>
Creditors: amounts falling due within one year	13	(7,242)	(11,631)
Net current assets		<u>27,920</u>	<u>4,117</u>
Total assets less current liabilities		<u>78,354</u>	<u>47,887</u>
Creditors: amounts falling due after more than one year	14	(103,023)	(70,416)
Net liabilities		<u>(24,669)</u>	<u>(22,529)</u>
Capital and reserves			
Called-up share capital	17	826	826
Share premium account	19	6,871	6,871
Profit and loss account	19	(32,366)	(30,226)
		<u>(24,669)</u>	<u>(22,529)</u>

The financial statements on pages 6 to 17 were approved by the board of directors on 4 February 1994 and were signed on its behalf by:



R W Whitney
Director

**Notes to the financial statements
for the year ended 31 December 1993****1 Principal accounting policies**

The financial statements have been prepared in accordance with Accounting Standards in the United Kingdom.

Since the Company is a wholly owned subsidiary and the cash flows of the Company are included in the consolidated cash flow statement of The Cable Corporation Limited, the Company is exempt under the terms of the Financial Reporting Standard No 1 from publishing a cash flow statement.

A summary of the more important accounting policies is set out below.

Basis of accounting

These accounts have been prepared under the historical cost convention.

Basis of presentation

The Company is a wholly owned subsidiary of The Cable Corporation Limited ("TCC") incorporated in England, and has therefore not presented consolidated accounts.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation less estimated residual value, of each asset in equal instalments over their estimated useful lives as follows:

Cables and ducting	40 years
Electronics	2 - 10 years
Motor vehicles	4 years
Office equipment	3 - 10 years
Tools	3 years

Fixed asset investments

Fixed asset investments are stated at the lower of cost and directors' valuation.

Turnover

Turnover comprises the gross value of sales (excluding VAT) of services in the normal course of business.

Taxation

Corporation tax is provided on taxable profits at the current rate.

Credit is taken in the profit and loss account for the amount which is expected to be received in respect of losses which may be surrendered for consortium relief, in the period in which these losses arise.

Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the financial statements and by the tax authorities) has been calculated on the liability method. Deferred tax is provided on timing differences, which will probably reverse at the rates of tax likely to be in force at the time of reversal. Deferred tax is not provided on timing differences where, in the opinion of the directors they will probably not reverse.

Finance and operating leases

Income receivable and rentals payable under operating leases are credited and charged to the profit and loss account as they fall due.

Assets acquired under finance leases and hire purchase agreements are capitalised and the capital element of lease rentals is included in creditors.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account in the year to which they relate in accordance with the rules of the scheme.

2 Turnover

	1993 £'000	1992 £'000
Television	3,639	3,453
Telephony	8,848	6,227
Other	73	-
	<u>12,560</u>	<u>9,680</u>

All of the Company's turnover arose in the United Kingdom.

3 Other operating expenses

	1993 £'000	1992 £'000
Selling and distribution costs	2,794	2,970
Administrative expenses	6,227	5,337
	<u>9,021</u>	<u>8,307</u>
	(3,782)	(1,985)
Less: other operating income	<u>5,239</u>	<u>6,322</u>

4 Directors' emoluments

The remuneration paid to the directors of Windsor Television Limited was:

	1993 £'000	1992 £'000
Fees	-	-
Other emoluments (including pension contributions and benefits in kind)	109	129
	<u>109</u>	<u>129</u>

Fees and other emoluments (excluding pension contributions) include amounts paid to:

	1993	1992
	£ -	£ -
The chairman	<u>£63,331</u>	<u>£70,308</u>
The highest-paid director	<u></u>	<u></u>

The number of directors (including the chairman and the highest-paid director) who received fees and other emoluments (excluding pension contributions) in the following ranges was:

	1993 Number	1992 Number
£0 to £5,000	7	6
£40,001 to £45,000	1	-
£50,001 to £55,000	-	1
£60,001 to £65,000	1	-
£70,001 to £75,000	-	1
	<u></u>	<u></u>

5 Employee information

The average weekly number of persons (including executive directors) employed during the year was:

	1993 Number	1992 Number
Sales	41	48
Engineering	87	35
Administration	78	94
	<u>206</u>	<u>177</u>

	1993 £'000	1992 £'000
Staff costs (for the above persons):		
Wages and salaries	4,469	3,609
Social security costs	445	386
Other pension costs	70	44
	<u>4,984</u>	<u>4,039</u>

6 Interest payable and similar charges

	1993 £'000	1992 £'000
On bank loans, overdrafts and other loans:		
Repayable within 5 years, not by instalments	611	447
Repayable within 5 years, by instalments	-	1,400
	<u>611</u>	<u>1,847</u>
On finance leases and hire purchase contracts	81	14
	<u>692</u>	<u>1,861</u>

7 Loss on ordinary activities before taxation

	1993 £'000	1992 £'000
Loss on ordinary activities before taxation is stated after charging:		
Depreciation charge for the year:		
Tangible owned fixed assets	3,369	3,012
Tangible fixed assets held under finance leases	153	77
Auditor's remuneration	25	21
Hire of plant and machinery - operating leases	159	149
Hire of other assets - operating leases	401	324
Gain on disposal of fixed assets	(20)	(1)

8 Taxation

	1993 £'000	1992 £'000
Amount receivable for losses surrendered as consortium relief	<u>1,790</u>	<u>285</u>

9 Tangible fixed assets

	Cables and Ducting £'000	Electronic equipment £'000	Motor vehicles £'000	Office equipment £'000	Tools £'000	Available for use in construction £'000	Total £'000
Cost or valuation							
At 1 January							
1993	36,018	13,030	192	1,361	484	1,993	53,078
Additions	3,115	4,018	82	939	200	1,883	10,237
Disposals	-	-	(73)	-	-	-	(73)
Transfers	818	1,827	-	-	-	(2,645)	-
At 31 December							
1993	<u>39,951</u>	<u>18,875</u>	<u>201</u>	<u>2,300</u>	<u>684</u>	<u>1,231</u>	<u>63,242</u>
Depreciation							
At 1 January							
1993	3,219	4,916	77	860	261	-	9,333
Charge for year	1,263	1,816	38	264	151	-	3,532
Eliminated in respect of disposals	-	-	(32)	-	-	-	(32)
At 31 December							
1993	<u>4,482</u>	<u>6,732</u>	<u>83</u>	<u>1,124</u>	<u>412</u>	<u>-</u>	<u>12,833</u>
Net book value							
At 31 December							
1993	<u>35,469</u>	<u>12,143</u>	<u>118</u>	<u>1,176</u>	<u>272</u>	<u>1,231</u>	<u>50,409</u>
Net book value							
At 31 December							
1992	<u>32,799</u>	<u>8,114</u>	<u>115</u>	<u>501</u>	<u>223</u>	<u>1,993</u>	<u>43,745</u>

The net book value of tangible fixed assets includes an amount of £2,232,000 (1992: £139,000) in respect of assets held under finance leases and hire purchase contracts.

The ability of the Company to recover its investment in fixed assets is dependent upon the successful development of the cable television and telephony business.

Windsor Television Limited

10 Fixed asset investments

Other
investments
£'000

25

Net book value at 31 December 1993 and 31 December 1992

Company investments

Name of undertaking	Country of incorporation or registration	Description of shares held	Proportion of nominal value of issued shares held
---------------------	--	-------------------------------	--

Subsidiary undertaking: Cable Telecom Ltd	England	Ordinary	100%
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The principal business activity of this subsidiary is the sale and rental of the telecommunications hardware.

Trade investments: Cable Guide Publications Limited	England	Ordinary Preference	15% 20%
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11 Debtors

Amounts falling due within one year:
Trade debtors
Amounts owed by group undertaking
VAT recoverable
Taxation recoverable
Other debtors
Prepayments and accrued income

1993 £'000	1992 £'000
2,255	1,550
26	-
679	193
1,790	-
427	434
522	211
<u>5,699</u>	<u>2,388</u>

12 Debtors: Amounts falling due after one year

	1993 £'000	1992 £'000
Amounts owed by fellow subsidiary undertakings	25,103	13,113
Other debtors	182	182
	<u>25,285</u>	<u>13,295</u>

13 Creditors: amounts falling due within one year

	1993 £'000	1992 £'000
Bank loans and overdrafts	-	6,000
Obligations under finance leases	43	75
Amounts owed to parent undertaking	-	240
Trade creditors	5,219	3,745
Other taxation and social security payable	195	139
Other creditors	372	289
Accruals and deferred income	1,413	1,143
	<u>7,242</u>	<u>11,631</u>

14 Creditors: amounts falling due after one year

	1993 £'000	1992 £'000
Bank loans	12,000	2,000
Obligations under finance leases	2,211	50
Amounts owed to group undertakings	88,812	68,366
	<u>103,023</u>	<u>70,416</u>

(i) Bank loans

Bank loans comprise £12,000,000 drawn down by Windsor Television Limited at 31 December 1993 on a term loan facility made available to finance the expansion of the network in the Windsor franchise area. Interest is charged at 1% above LIBOR.

The term loan facility may be repaid periodically and is required to be fully repaid at 31 December 1996.

The loan is secured by a fixed charge over the shares in Windsor Television Limited and a debenture incorporating a first fixed and floating charge over all the property and assets of Windsor Television Limited, Middlesex Cable Limited and Cable Telecom Limited. The loan is guaranteed by both General Cable Limited and Middlesex Cable Limited.

(ii) Finance leases

The future minimum lease payments to which the Company is committed under finance leases and hire purchase contracts are as follows:

	1993 £'000	1992 £'000
In one year or less	43	75
Between one and two years	25	40
Between two and five years	555	10
Over five years	1,631	-
	<u>2,254</u>	<u>125</u>

(iii) Amounts owed to group undertakings

The amount owed to group undertakings is an interest free loan which has no fixed repayment date.

15 Provisions for liabilities and charges

Deferred taxation

Deferred taxation provided in the financial statements, and the total potential liability including the amounts for which provision has been made, are as follows:

	Amount provided		Full potential liability	
	1993	1992	1993	1992
	£'000	£'000	£'000	£'000
Tax effect of timing differences because of:				
Excess of tax allowances over depreciation	2,991	5,494	2,991	5,494
Short term timing differences	(16)	(79)	(16)	(79)
Tax effect of losses carried forward	(2,975)	(5,415)	(2,975)	(5,415)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Company has available for carry forward tax losses, including those reflected above, of approximately £38,000,000 (1992: £30,000,000) which are available for set off against future taxable profits from the same trade. This is after the surrender during the year of tax losses totalling approximately £6,800,000 (1992: £1,200,000) as consortium relief. The amount receivable for this surrender is disclosed in note 8.

16 . Pension

The company's employees participate in a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge representing contributions payable to the fund amounted to £69,444 (1992: £44,702). There were no contributions payable to the fund at year end.

17 Called-up share capital

	1993 £'000	1992 £'000
Authorized		
5,800,000 (1992: 5,800,000) ordinary shares of 25p each	1,450	1,450
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
3,305,716 (1992: 3,305,716) ordinary shares of 25p each	826	826
	<u> </u>	<u> </u>

18 Movement in shareholders' funds

	1993 £'000	1992 £'000
Shareholders funds at 1 January	(22,529)	(16,761)
Profit and loss account	(2,140)	(7,006)
Shares issued	-	1,238
	<u> </u>	<u> </u>
Shareholders funds at 31 December	(24,669)	(22,529)
	<u> </u>	<u> </u>

19 Share premium account and reserves

	Share premium account £'000	Profit and loss account £'000
At 1 January 1993	6,871	(30,226)
Retained profit for the year	-	(2,140)
At 31 December 1993	<u>6,871</u>	<u>(32,366)</u>

20 Capital commitments

	1993 £'000	1992 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<u>961</u>	<u>250</u>

21 Financial commitments

At 31 December 1993 the Company had annual commitments under non-cancellable operating leases as follows:

	1993		1992	
	Other £'000	Land and Buildings £'000	Other £'000	Land and Buildings £'000
Expiring within one year	137	-	50	-
Expiring between two and five years inclusive	596	-	301	-
Expiring in over five years	-	507	-	507
	<u>733</u>	<u>507</u>	<u>351</u>	<u>507</u>

22 Ultimate and immediate parent companies

The directors regard Compagnie Générale des Eaux, a company registered in France, as the ultimate parent company. The immediate holding company is The Cable Corporation Limited, a company registered in England and Wales.