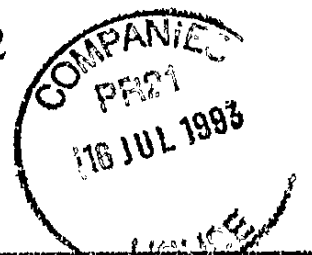


Coopers
& Lybrand

Windsor Television Limited
Annual report
for the year ended 31 December 1992

Registered no: 1745542



Windsor Television Limited

Annual report for the year ended 31 December 1992

	Pages
Directors and advisers	1
Directors' report	2-3
Report of the auditor	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7-17

Directors and advisers

Executive directors

R W Whitney
P Galteau
S Penrose
A Hindley

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

Auditor

Coopers & Lybrand

Solicitors

Ashurst Morris Crisp

Bankers

Midland Bank Plc

**Directors' report
for the year ended 31 December 1992**

The directors present their report and the audited financial statements for the year ended 31 December 1992.

Principal activities

The principal activity of the company continues to be the construction and operation of a cable television 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 telephone network as well as filling in those areas where CATV Service had not previously been available. The number of residential and business customers increased during the year.

Results

The loss on ordinary activities for the year was £7,291,000 on turnover of £9,680,000 compared with a loss on ordinary activities of £5,298,000 on turnover of £6,350,000 for 1991. Detailed results for the year are shown in the profit and loss account on page 5.

Dividends

The directors do not recommend the payment of a dividend.

Changes in fixed assets

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

Basis of account's preparation

The accounts have been prepared on a going concern basis. The ability of the company to continue as a going concern is dependant 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)
T R Halfhead	(resigned 29 April 1992)
J J Delahunty	
S Penrose	
E F Potter	
M M Noblet	
A Hindley	
T R Schaeffer	(appointed 29 April 1992; resigned 31 March 1993)

P Galteau was appointed a director of the company on 28 April 1993.

Directors' interests in shares of the company

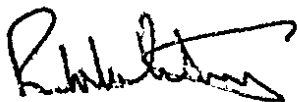
All the directors share interests in the company were exchanged for shares in TCC under an offer dated 6 March 1987 when the company became a wholly owned subsidiary.

With the exception of S Penrose and A Hindley all the directors who held office at 31 December 1992 were also directors of TCC and their interests in TCC are disclosed in the financial statements of that company.

Auditor

A resolution to reappoint Coopers & Lybrand will be proposed at the annual general meeting. Until 1 June 1992 the Firm practised in the name of Coopers & Lybrand Deloitte.

By order of the board

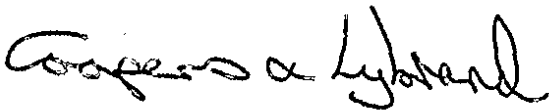


R W Whitney
Director
14 May 1993

**Report of the auditor to the members of
Windsor Television Limited**

We have audited the financial statements on pages 5 to 17 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 31 December 1992 and the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Coopers & Lybrand
Chartered Accountant and Registered Auditor
London**

14 May 1993

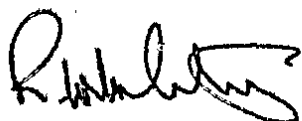
**Profit and loss account
for the year ended 31 December 1992**

	Notes	1992 £000	1991 £000
Turnover	2	9,680	6,350
Cost of sales		(8,788)	(5,469)
Gross profit		892	881
Other operating expenses	3	(6,322)	(4,651)
Operating loss		(5,430)	(3,770)
Interest receivable		-	192
Interest payable and similar charges	6	(1,861)	(1,720)
Loss on ordinary activities before taxation	7	(7,291)	(5,298)
Taxation	8	285	-
Deficit for the year	19	(7,006)	(5,298)

Balance sheet at 31 December 1992

	Notes	1992 £'000	1991 £'000
Fixed assets			
Tangible assets	9	43,745	35,405
Investments	10	25	20
		<u>43,770</u>	<u>35,425</u>
Current assets			
Stocks	11	-	1
Debtors	12	2,570	2,342
Cash at bank and in hand		65	814
		<u>2,635</u>	<u>3,157</u>
Creditors: amounts falling due within one year	13	(11,631)	(11,773)
Net current liabilities		<u>(8,996)</u>	<u>(8,616)</u>
Debtors: Amounts falling due after more than one year	14	13,113	1,696
Total assets less current liabilities		<u>47,887</u>	<u>28,505</u>
Creditors: amounts falling due after more than one year	15	(70,416)	(45,266)
Net liabilities		<u>(22,529)</u>	<u>(16,761)</u>
Capital and reserves			
Called-up share capital	18	826	451
Share premium account	19	6,871	6,008
Profit and loss account	19	(30,226)	(23,220)
		<u>(22,529)</u>	<u>(16,761)</u>

The financial statements on pages 5 to 17 were approved by the board of directors on 14 May 1993 and were signed on its behalf by:



R W Whitney
Director

**Notes to the financial statements
for the year ended 31 December 1992****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, ducting and engineering	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.

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 and loss on ordinary activities
before taxation**

	Turnover	
	1992 £'000	1991 £'000
Television	3,453	3,038
Telephony	6,227	3,312
	<u>9,680</u>	<u>6,350</u>

All of the company's turnover arose in the United Kingdom. The principal activity relates to the operation of a cable television and telephone network and provision of value added network services.

3 Other operating expenses

	1992 £'000	1991 £'000
Selling and distribution costs	2,970	1,812
Administrative expenses	5,337	2,839
	<u>8,307</u>	<u>4,651</u>
Less: other operating income	(1,985)	-
	<u>6,322</u>	<u>4,651</u>

4 Directors' emoluments

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

	1992 £'000	1991 £'000
Fees	-	-
Other emoluments (including pension contributions and benefits in kind)	129	199
	<u>129</u>	<u>199</u>

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

	1992	1991
The chairman	£ -	£ -
The highest-paid director	<u>£70,308</u>	<u>£80,000</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:

	1992 Number	1991 Number
£0	6	4
£50,001 to £55,000	1	1
£60,001 to £65,000	-	1
£70,001 to £75,000	1	-
£75,001 to £80,000	-	1

5 Employee information

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

	1992 Number	1991 Number
Sales	48	35
Engineering	35	22
Administration	94	51
	<u>177</u>	<u>108</u>

Staff costs (for the above persons):

	1992 £'000	1991 £'000
Wages and salaries	3,609	1,791
Social security costs	386	186
Other pension costs	44	31
	<u>4,039</u>	<u>2,008</u>

6 Interest payable and similar charges

	1992 £'000	1991 £'000
On bank loans, overdrafts and other loans:		
Repayable within 5 years, not by instalments	447	103
Repayable within 5 years, by instalments	1,400	1,599
	<u>1,847</u>	<u>1,702</u>
On finance leases and hire purchase contracts	14	18
	<u>1,861</u>	<u>1,720</u>

7 Loss on ordinary activities before taxation

	1992 £'000	1991 £'000
Loss on ordinary activities before taxation is stated after charging:		
Depreciation charge for the year:		
Tangible owned fixed assets	3,012	2,121
Tangible fixed assets held under finance leases	77	40
Auditor's remuneration	21	20
Hire of plant and machinery - operating leases	149	45
Hire of other assets - operating leases	324	173
(Gain)/loss on disposal of fixed assets	(1)	(2)

8 Taxation

	1992 £'000	1991 £'000
Amount receivable for losses surrendered as consortium relief	<u>285</u>	<u>-</u>

9 Tangible fixed assets

	Cables, Ducting and Engineering £'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 1992	29,027	11,307	103	897	321	-	41,655
Additions	5,966	2,943	89	275	163	1,993	11,429
Disposals	-	(6)	-	-	-	-	(6)
Transfers	<u>1,025</u>	<u>(1,214)</u>	<u>-</u>	<u>189</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 1992	<u>36,018</u>	<u>13,030</u>	<u>192</u>	<u>1,361</u>	<u>484</u>	<u>1,993</u>	<u>53,078</u>
Depreciation							
At 1 January 1992	2,036	3,580	24	489	121	-	6,250
Charge for year	1,087	1,549	53	260	140	-	3,089
Eliminated in respect of disposals	-	(6)	-	-	-	-	(6)
Transfers	<u>96</u>	<u>(207)</u>	<u>-</u>	<u>111</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 1992	<u>3,219</u>	<u>4,916</u>	<u>77</u>	<u>860</u>	<u>261</u>	<u>-</u>	<u>9,333</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>
Net book value							
At 31 December 1991	<u>26,991</u>	<u>7,727</u>	<u>79</u>	<u>408</u>	<u>200</u>	<u>-</u>	<u>35,405</u>

The net book value of tangible fixed assets includes an amount of £139,000 (1991: £108,000) 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.

10 Fixed asset investments

	Subsidiary companies £'000	Other investments £'000	Total £'000
Cost or valuation			
At 1 January 1992	-	20	20
Additions	-	5	5
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
Net book value at 31 December 1992	-	25	25
	<hr/>	<hr/>	<hr/>
Net book value At 31 December 1991	-	20	20
	<hr/>	<hr/>	<hr/>

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%
--	---------	----------	------

The principal business activity of this subsidiary is the sale and rental of the telecommunications hardware.

Trade investments:			
The Business Television Corporation Ltd	England	Ordinary	27%
Cable Guide Publications Limited	England	Ordinary	20%
		Preference	15%

11 Stocks

	1992 £'000	1991 £'000
Finished goods and goods for resale	-	1
	<hr/>	<hr/>

12 Debtors

	1992 £'000	1991 £'000
Amounts falling due within one year:		
Trade debtors	1,550	782
VAT recoverable	193	595
Other debtors	616	544
Prepayments and accrued income	211	421
	<u>2,570</u>	<u>2,342</u>

13 Creditors: amounts falling due within one year

	1992 £'000	1991 £'000
Bank loans and overdrafts (refer note 15(i))	6,000	3,500
Other loans	-	4,560
Obligations under finance leases	75	54
Amounts owed to parent company	240	-
Trade creditors	3,745	2,584
Other taxation and social security payable	139	106
Other creditors	289	351
Accruals and deferred income	1,143	618
	<u>11,631</u>	<u>11,773</u>

14 Debtors: Amounts falling due after one year

	1992 £'000	1991 £'000
Amounts owed by fellow subsidiary undertakings	<u>13,113</u>	<u>1,696</u>

15 Creditors: amounts falling due after one year

	1992 £'000	1991 £'000
Bank loans (refer (i) below)	2,000	8,000
Obligations under finance leases (refer (ii) below)	50	65
Amounts owed to group undertakings (refer (iii) below)	68,366	37,261
	<u>70,416</u>	<u>45,266</u>

(i) Bank loans

Bank loans comprise two separate facilities :-

(a) £6,000,000 drawn down by Windsor Television Limited at 31 December 1992 on a £10,000,000 revolving credit facility made available to finance the expansion of the cable television system in the Windsor franchise area. Interest is charged at 1.5% above LIBOR.

The amounts available under the credit facility have been increased periodically to a maximum of £10,000,000 as from 1 July 1989, subject to the achievement of agreed levels of profitability, rate of construction of the cable television system and minimum numbers of subscribers.

The revolving credit facility may be repaid periodically and is required to be fully repaid at 31 December 1993.

The immediate parent company has guaranteed all Windsor Television Limited's obligations under the loan agreement. 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.

(b) £2,000,000 drawn down under a separate facility to be fully repaid by 30 June 1994. The immediate parent company has guaranteed all of Windsor Television Limited's obligations under this loan agreement, which is secured by a second fixed and floating charge over all its property, assets and its undertaking. Interest on this loan is at 1.0% above LIBOR.

(ii) Finance leases

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

	1992 £'000	1991 £'000
In one year or less	75	54
Between one and two years	40	49
Between two and five years	10	16
	<u>125</u>	<u>119</u>

(iii) Amounts owed to group undertakings

The amount due to the parent company is an interest free loan which has no fixed repayment date.

16 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		Total potential liability	
	£'000	£'000	£'000	£'000
Tax effect of timing differences because of:				
Excess of tax allowances over depreciation	-	5,494	-	5,494
Short term timing differences	-	(79)	-	(79)
Tax effect of losses carried forward	-	(5,415)	-	(5,415)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The company has available for carry forward tax losses of approximately £30,000,000 (1991: £35,000,000) 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 £1,200,000 as consortium relief. The amount receivable for this surrender is disclosed in note 8.

17 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 £44,702 (1991: £43,293). There were no contributions payable to the fund at year end.

18 Called-up share capital

	1992 £'000	1991 £'000
Authorised 5,800,000 (1991: 5,800,000) ordinary shares of 25p each	<u>1,450</u>	<u>1,450</u>
Allotted, called up and fully paid 3,305,716 (1991: 1,805,716) ordinary shares of 25p each	<u>826</u>	<u>451</u>

19 Share premium account and reserves

	Share premium account £'000	Profit and loss account £'000
At 1 January 1992	6,008	(23,220)
Retained profit for the year	<u>863</u>	<u>(7,006)</u>
At 31 December 1992	<u>6,871</u>	<u>(30,226)</u>

20 Capital commitments

	1992 £'000	1991 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<u>250</u>	<u>36</u>

21 Financial commitments

31 December 1992 the company had annual commitments under non-cancellable operating leases as follows:

	1992		1991	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Expiring within one year	-	50	-	60
Expiring between two and five years inclusive	-	301	-	393
Expiring in over five years	507	-	352	-
	<u>507</u>	<u>351</u>	<u>352</u>	<u>453</u>
	<u><u>507</u></u>	<u><u>351</u></u>	<u><u>352</u></u>	<u><u>453</u></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.