



SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED
(Formerly SATELLITE INFORMATION SERVICES LIMITED)

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1994

Company Registration No. 1939932

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED

REPORT OF THE DIRECTORS

The directors present their report for the year ended 31 March 1994.

Principal activity

The group's principal activity is the provision of an integrated television and information service delivered via satellite.

Business review and future developments

The results for the year are set out in the profit and loss account on page 4.

During the year the company's name was changed from Satellite Information Services Limited to Satellite Information Services (Holdings) Limited.

On 30 September 1993 the company sold its business to a dormant subsidiary company.

On 1 July 1993 the company paid an interim dividend of £6.84p per share, and on 1 November 1993 paid a second interim dividend of £248.18p per share.

No final dividend is proposed.

During the year the group was the sole provider of live racing information and televised coverage for the United Kingdom and Eire betting markets and continued to expand its services overseas in response to opportunities and demand.

The group continues to monitor opportunities, both for its existing services and in related areas, as they develop and intends to exploit these fully wherever they may benefit its customers and shareholders.

Directors

The following held office during the year:

G J Lomer	-	Chairman
P J Scott	-	Managing Director
J J Bridge	-	Finance Director
B Daver	-	Appointed 19 October 1993
J M Brown		
Sir Paul Fox		
P M George	-	Resigned 19 October 1993
Lord Hollick		
J M Kaye		
J H Morgan		
H S Perlin		
Lord Wyatt of Weeford		

On 17 May 1994 Lord Hollick resigned and was replaced by D McCall and on 26 May 1994 Sir Paul Fox resigned and was replaced by S Jackson.

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED

REPORT OF THE DIRECTORS - continued

Directors' interests

The interests of the directors holding office at 31 March 1994 and their families, as required to be notified under the Companies Act 1985, are set out in note 15 on page 15.

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 group and of the profit or loss of the group 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 group will continue in business.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Fixed assets

The changes in the fixed assets during the year are set out in note 7 on pages 11 and 12.

Auditors

In accordance with the provisions of the Companies Act 1985, a resolution to reappoint Price Waterhouse as auditors will be placed before the Annual General Meeting of the company.

By order of the board

17 Corsham Street
London N1 6DR

19 July 1994.



Director and Secretary

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED**

We have audited the financial statements on pages 4 to 17 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 2 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 judgments 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 affairs of the company and the group as at 31 March 1994 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

Price Waterhouse
London
Chartered Accountants
and Registered Auditors

2 August 1994

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1994

	Notes	1994 £'000	1993 £'000
Turnover	1	67,434	64,053
Operating expenses	2	(49,633)	(47,082)
Operating profit		17,801	16,971
Interest receivable		363	415
Interest payable	4	(1,239)	(112)
Profit on ordinary activities before taxation		16,925	17,274
Taxation	5	(5,977)	(6,123)
Profit on ordinary activities after taxation		10,948	11,151
Dividends paid	6	(56,498)	(11,000)
Retained (loss)/profit for the year	16	(45,550)	151

As permitted under Section 230 of the Companies Act 1985, the profit and loss account of the company is not published as part of these accounts.

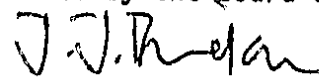
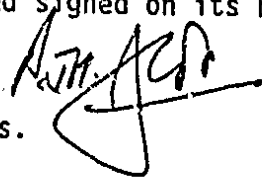
The group has no recognised gains or losses other than its profit for the year.

The notes on pages 8 to 17 form part of these accounts.
Auditors' report page 3.

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED

CONSOLIDATED BALANCE SHEET AT 31 MARCH 1994

	Notes	1994 £'000	1993 £'000
Fixed assets			
Tangible assets	7	17,482	24,081
Current assets			
Stock		607	995
Debtors	9	3,827	4,126
Cash at bank and in hand		1,947	6,825
		6,381	11,946
Creditors (amounts falling due within one year)			
Bank loan	10	(12,500)	-
Creditors	11	(20,554)	(25,314)
		(33,054)	(25,314)
Net current liabilities		(26,673)	(13,368)
Total assets less current liabilities		(9,191)	10,713
Creditors (amounts falling due after more than one year)	12	(25,000)	-
Provisions for liabilities and charges			
Deferred tax	13	-	(550)
		(34,191)	10,163
Capital and reserves			
Called up share capital	14	22	22
Share premium account	16	9,836	8,640
Profit and loss account	16	(44,049)	1,501
		(34,191)	10,163

Approved by the board of directors on 19 July 1994 and signed on its behalf
by  

The notes on pages 8 to 17 form part of these accounts.
Auditors' report page 3.

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED
COMPANY BALANCE SHEET AT 31 MARCH 1994

	Notes	1994 £'000	1993 £'000
Fixed assets			
Tangible assets	7	-	24,081
Investments in subsidiaries	8	-	-
Current assets			
Stock		-	995
Debtors	9	21,657	4,126
Cash at bank and in hand		49	6,825
		21,706	11,946
Creditors (amounts falling due within one year)			
Creditors	11	-	(25,314)
Net current liabilities		21,706	(13,368)
Total assets less current liabilities		21,706	10,713
Provisions for liabilities and charges			
Deferred taxation	13	-	(550)
		21,706	10,163
Capital and reserves			
Called up share capital	14	22	22
Share premium account	16	9,836	8,640
Profit and loss account	17	11,848	1,501
		21,706	10,163

Approved by the board of directors on 19 July 1994 and signed on its behalf by

J. J. Brown

A. M. [Signature]

The notes on pages 8 to 17 form part of these accounts.
Auditors' report page 3.

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 1994

	Notes	1994 £'000	1993 £'000
Net cash inflow from operating activities	19	22,324	30,546
Returns on investment and servicing of finance			
Interest received		425	353
Interest paid		(69)	(135)
Dividends paid		(56,498)	(11,000)
Net cash outflow from returns on investment and servicing of finance		(56,142)	(10,782)
Taxation			
Corporation tax paid		(6,299)	(2,367)
Investing activities			
Purchase of tangible fixed assets	7	(5,003)	(6,247)
Receipts from sale of tangible fixed assets		1,546	1,959
Net cash outflow from investing activities		(3,457)	(4,288)
Net cash (outflow)/inflow before financing		(43,574)	13,109
Financing			
Bank loan		37,500	-
Issue of shares		1,196	123
Net cash inflow from financing	20	38,696	123
(Decrease)/increase in cash and cash equivalents	21	(4,878)	13,232

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Accounting convention

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

The financial statements have been prepared on a going concern basis as the directors are confident that the group will be able to meet its liabilities as and when they fall due.

Basis of consolidation

The group financial statements are the result of the consolidation of the accounts of the company and its subsidiaries.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of services supplied less any amounts deferred into the following year plus any deferred from previous year.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at their purchase price, together with any incidental expenses of acquisition and installation.

Tangible fixed assets are written off by equal annual instalments over the following estimated useful asset lives:

Installed equipment	- reception	:	7 years
	- display	:	5 years
Studio equipment		:	5 years
Fixtures, fittings and other equipment		:	4-7 years

Stock

Stock comprises equipment for installation and is stated at cost less provisions for obsolete, slow moving and defective items.

Finance and operating leases

Costs in respect of operating leases are charged in arriving at the operating profit. There are no assets held under finance leases.

Pension scheme arrangements

The group operates a contributory money-purchase pension scheme. Payments made to the fund are charged in the financial statements as part of employment costs.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates ruling at the balance sheet date. Exchange differences are dealt with through the profit and loss account.

Deferred taxation

Provision is made for deferred taxation, to the extent that the asset or liability is expected to crystallise within the foreseeable future.

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

2 Operating expenses

Operating expenses include:

	1994 £'000	1993 £'000
Employment costs (Note 3)	5,585	5,415
Operating lease rentals:		
Land and buildings	482	424
Motor vehicles	327	339
Exchange losses/(gains)	4	(125)
Auditors' remuneration	24	23
Depreciation (Note 7)	10,236	10,333

Payments to Price Waterhouse for non-audit services amounted to £137,500

3 Employees and directors

The average number of persons employed by the group including executive directors, during the year was 197 (1993 - 205).

Employment costs were:

	1994 £'000	1993 £'000
Wages and salaries	4,840	4,702
Social security costs	497	485
Pension contributions	248	228
	<hr/> 5,585	<hr/> 5,415

Directors' emoluments were:

	1994	1993
	<hr/> 356	<hr/> 255
Emoluments, excluding pension fund contributions, of:		
Chairman	55	9
Highest paid director	180	117

The number of directors whose emoluments, excluding pension fund contributions, fell within the following ranges was:

	1994	1993
£0 to £5,000	9	10
£5,001 to £10,000	-	1
£15,001 to £20,000	-	1
£50,001 to £55,000	1	-
£90,001 to £95,000	-	1
£105,001 to £110,000	1	-
£115,001 to £120,000	-	1
£180,001 to £190,000	1	-

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

4 Interest payable

	1994 £'000	1993 £'000
On borrowings wholly repayable within five years		
- by instalments	1,224	-
- not by instalments	15	112
	<u>1,239</u>	<u>112</u>

5 Taxation

	1994 £'000	1993 £'000
Corporation tax at 33% (1993 33%)	7,138	6,981
Less relief for overseas taxation	(18)	(17)
	<u>7,120</u>	<u>6,964</u>
Deferred taxation	(974)	(970)
Overseas taxation	21	20
	<u>6,167</u>	<u>6,014</u>
Adjustment of current taxation in respect of prior years	(190)	109
	<u>5,977</u>	<u>6,123</u>

6 Dividends

	1994 £'000	1993 £'000
Interim paid £6.84p per share (£31.92)	1,500	7,000
Second interim £248.18p per share (£18.24)	54,998	4,000
	<u>56,498</u>	<u>11,000</u>

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

7 Fixed Assets - group

	Installed equipment £'000	Studio equipment £'000	Motor vehicles £'000	Other equipment £'000	Total £'000
Cost					
At 1 April 1993	52,720	2,633	2,163	7,153	64,669
Additions	3,467	336	88	1,112	5,003
Disposals	(2,970)	-	(72)	(1,290)	(4,332)
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At 31 March 1994	53,217	2,969	2,179	6,975	65,340
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 April 1993	33,546	1,705	1,503	3,834	40,588
Disposals	(1,960)	-	(30)	(976)	(2,966)
Charge for the year	8,274	324	397	1,241	10,236
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1994	39,860	2,029	1,870	4,099	47,858
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 March 1994	13,357	940	309	2,876	17,482
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1993	19,174	928	660	3,319	24,081
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SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

7 Fixed Assets - company

	Installed equipment £'000	Studio equipment £'000	Motor vehicles £'000	Other equipment £'000	Total £'000
Cost					
At 1 April 1993	52,720	2,633	2,163	7,153	64,669
Additions	1,617	187	-	731	2,535
Disposals	(1,539)	-	(42)	(477)	(2,058)
Sale of business	(52,798)	(2,820)	(2,121)	(7,407)	(65,146)
At 31 March 1994	-	-	-	-	-
Depreciation					
At 1 April 1993	33,546	1,705	1,503	3,834	40,588
Disposals	(836)	-	-	(137)	(973)
Charge for the year	4,359	157	234	691	5,441
Sale of business	(37,069)	(1,862)	(1,737)	(4,388)	(45,056)
At 31 March 1994	-	-	-	-	-
Net book value					
At 31 March 1994	-	-	-	-	-
At 31 March 1993	19,174	928	660	3,319	24,081

8 Investments in subsidiaries

Name	Ownership %	Cost of investment £'000
Satellite Information Services Limited	100%	-
Intercontinental Racing Limited	50%	-

Both of the above companies are incorporated in the United Kingdom and trading activities are the same as the principal activity of the group.

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

9 Debtors

	1994 group £'000	1994 company £'000	1993 £'000
Trade debtors	645	-	568
Amounts owed by subsidiaries	-	21,657	-
Other debtors & VAT recoverable	127	-	249
Interest receivable	-	-	62
Prepayments	2,631	-	1,545
Amount receivable from consortium members in respect of corporation tax	-	-	1,702
Deferred taxation	424	-	-
	<u>3,827</u>	<u>21,657</u>	<u>4,126</u>

10 Bank loan

	1994 £'000	1993 £'000
Bank loan	12,500	-
	<u>12,500</u>	<u>-</u>

The bank loan is secured by a fixed and floating charge over the assets of the group. Interest is payable on the bank loan at a rate varying with market rates.

11 Creditors

	1994 group £'000	1994 company £'000	1993 £'000
Trade creditors	1,595	-	2,569
Other creditors	1,908	-	167
UK corporation and overseas tax	5,300	-	5,017
Other taxation and social security	1,191	-	918
Deferred income	2,448	-	5,391
Interest payable	1,170	-	-
Accruals	6,942	-	9,919
ACT payable	-	-	1,333
	<u>20,554</u>	<u>-</u>	<u>25,314</u>

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

12 Creditors (amounts falling due after more than one year)

	1994 £'000	1993 £'000
Bank loan	25,000	-

The bank loans are secured by a fixed and floating charge over the assets of the group. Interest is payable on the bank loan at a rate varying with market rates.

Repayment of the above loan falls due as follows:

	1994 £'000	1993 £'000
Between one and two years	12,500	-
Between two and five years	12,500	-
	25,000	-

13 Deferred Taxation

	Amount recognised		Full potential (asset)/liability	
	1994 £'000	1993 £'000	1994 £'000	1993 £'000
Excess of tax allowances over book depreciation of fixed assets	(38)	619	(38)	619
Other short-term differences	(386)	(69)	(386)	(69)
	(424)	550	(424)	550

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

14 Called up share capital

	Authorised		Allotted and fully paid	
	Number of Shares	£	Number of Shares	£
Ordinary shares of 10p				
At 1 April 1993	295,000	29,500	219,287	21,928
Shares issued in respect of the company's profit sharing scheme	-	-	305	30
Shares issued in respect of the company's executive share scheme	-	-	2,014	201
At 31 March 1994	295,000	29,500	221,606	22,159

Under the employee profit sharing scheme 305 shares were issued during the year for an aggregate consideration of £183,000.

15 Directors' interests

Interests of the directors and their families in the share capital of the company are set out below:

Ordinary shares of 10p	1994		1993	
	Beneficial	Shares under option	Beneficial	Shares under option
P J Scott	-	-	-	826
J J Bridge	12	-	9	382

No other director had any beneficial interest in the shares of the company during the year.

During the year J J Bridge exercised options over 382 shares at a price of £503.16p. Options over 826 shares for the benefit of P J Scott were cancelled.

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued

16 Shareholders' funds

	Share capital £'000	Share premium account £'000	Profit and loss account group £'000	Total £'000
At 1 April 1993	22	8,640	1,501	10,163
Issue of shares	-	1,196	-	1,196
Retained (loss) for the year	-	-	(45,550)	(45,550)
At 31 March 1994	22	9,836	(44,049)	(34,191)

17 Company reserves

	Profit and loss account £'000
At 1 April 1993	1,501
Profit after taxation	66,845
Dividends	(56,498)
Retained profit at 31 March 1994	11,848

18 Commitments

Payments which are committed to be made during the next year, in respect of operating leases are analysed as follows:

	1994		1993	
	Land and buildings £'000	Motor vehicles £'000	Land and buildings £'000	Motor vehicles £'000
Expiring within one year	28	42	4	71
Expiring between 1 & 5 years	13	251	33	157
Expiring in five years or more	441	-	420	-

SATELLITE INFORMATION SERVICES (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued

19 Reconciliation of operating profit to net cash inflow from operating activities.

	1994 £'000	1993 £'000
Operating profit	17,801	16,971
Depreciation charges	10,236	10,333
(Profit) on sale of fixed assets	(180)	(226)
Decrease in stocks	388	71
(Increase) in debtors	(1,041)	(1,079)
(Decrease) \ Increase in creditors	(4,880)	4,476
Net cash inflow from operating activities	<u>22,324</u>	<u>30,546</u>

20 Analysis of movements in financing

	Share capital (including premium) £'000	Bank loan £'000
At 1 April 1993	8,662	-
Cash inflows from financing	1,196	37,500
At 31 March 1994	<u>9,858</u>	<u>37,500</u>

21 Analysis of movement in cash and cash equivalents

	1994 £'000	1993 £'000	Movement 1994 £'000	Movement 1993 £'000
Cash at bank	1,947	6,825	(4,878)	6,724
Bank overdrafts	-	-	-	6,508
	<u>1,947</u>	<u>6,825</u>	<u>(4,878)</u>	<u>13,232</u>