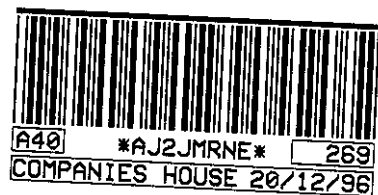


CBS Broadcast Services Limited

Directors' report and financial statements

31 December 1995

Registered number 2149581



CBS Broadcast Services Limited

Directors' report and financial statements

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CBS Broadcast Services Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1995.

Principal activities

The company's principal activities are the provision of import, export and administrative services.

Business review

The profit for the year before dividends was £20,049 (1994: £56,501). The directors declared and paid a dividend for the year of £50,000 (1994: £60,000).

Fixed assets

The movements in fixed assets during the year are set out in note 10 to the financial statements.

Directors

The directors of the company who served during the year are listed below:

M Cole	
LJ Rauchenberger	(resigned 12 July 1995)
GAW Valvona	
RW Oswald	(appointed 12 July 1995; resigned 24 November 1995)
CE Morf	(appointed 24 November 1995)

Directors' interests

No directors had any beneficial interests at any time during the year in the shares, debentures or rights to subscribe for shares or debentures in the company or any group company.

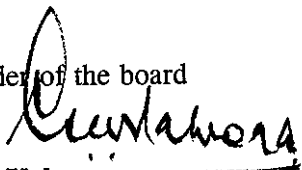
Auditors

On 19 August 1996, Coopers & Lybrand resigned as auditors of the company. On 5 September 1996, KPMG were appointed auditors of the company.

Special resolution

A resolution under section 250 of the Companies Act 1985 dispensing with the requirement to appoint auditors is currently in effect.

By order of the board


GAW Valvona
Director

Mitre House
160 Aldersgate Street
London

CBS Broadcast Services Limited

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;
- 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 maintaining 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.

16 October 1996



PO Box 695
8 Salisbury Square
London
EC4Y 8BB

Auditors' report to the members of CBS Broadcast Services Limited

We have audited the financial statements on pages 4 to 14.

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 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 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants
Registered Auditors

16 October 1996

CBS Broadcast Services Limited

Profit and loss account for the year ended 31 December 1995

	Note	1995 £	1994 £
Turnover	2	1,580,895	1,820,735
Cost of sales		(880,270)	(1,068,777)
Gross profit		700,625	751,958
Administrative expenses		(671,535)	(679,444)
Operating profit		29,090	72,514
Other income		1,654	18,038
Interest receivable and similar income	3	5,886	8,994
Profit on ordinary activities before taxation	4-7	36,630	99,546
Tax on profit on ordinary activities	8	(16,581)	(43,045)
Profit on ordinary activities after taxation		20,049	56,501
Dividends paid and proposed	9	(50,000)	(60,000)
Retained loss for the year		(29,951)	(3,499)
Retained profit at beginning of year		157,291	160,790
Retained profit at end of year		127,340	157,291

There were no discontinued activities during either year.

The company has no recognised gains and losses other than shown above and therefore no separate statement of total recognised gains and losses has been presented.

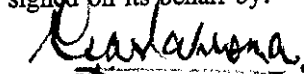
There is no difference between the profit on ordinary activities before taxation and the retained loss for the year as stated above and their historical cost equivalents.

CBS Broadcast Services Limited

Balance sheet at 31 December 1995

	Note	1995	1994
		£	£
Fixed assets			
Tangible assets	10	97,045	66,591
Current assets			
Debtors	11	219,929	91,281
Cash at bank and in hand		124,747	149,484
		<u>344,676</u>	<u>240,765</u>
Creditors: amounts falling due within one year	12	<u>(314,379)</u>	<u>(150,063)</u>
Net current assets		<u>30,297</u>	<u>90,702</u>
Total assets less current liabilities and net assets		<u>127,342</u>	<u>157,293</u>
Capital and reserves			
Called up share capital	14	2	2
Profit and loss account		127,340	157,291
Shareholders' funds - equity	15	<u>127,342</u>	<u>157,293</u>

The financial statements on pages 4 to 14 were approved by the board of the directors on 16 October 1996 and were signed on its behalf by:



GAW Valvona
Director

CBS Broadcast Services Limited

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 are prepared under the historical cost accounting rules.

Cash flow statement

The company qualifies as a small company under the terms of Section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cash flow statement.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight line basis over the expected useful economic lives of the assets concerned. These expected useful economic lives were revised during the year. The principal useful economic lives used during the year are:

Leasehold improvements	3 to 10 years
Computer equipment	3 to 5 years
Motor vehicles	3 years
Fixtures and fittings	5 to 8 years

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are taken to the profit and loss account.

Turnover

Turnover, represents the invoiced value of services supplied, excluding value added tax.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

CBS Broadcast Services Limited

Notes (continued)

1 Accounting policies (continued)

Pension costs

A pension scheme with two sections providing a defined contribution plan and a defined benefits plan based on final pensionable pay, is operated by CBS Broadcast Services Limited Pension Fund on behalf of this company.

Defined contribution plan

Contributions to the defined contribution plan are charged to the profit and loss account as they became payable by the company.

Defined benefit plan

Contributions to the defined benefit plan are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term in arriving at operating profit.

2 Turnover

The geographical analysis of turnover and the split between internal and external sales is as follows:

	1995 £	1994 £
United Kingdom	617,355	762,317
Rest of Europe	275,054	249,887
North America	688,486	808,531
	<u>1,580,895</u>	<u>1,820,735</u>
Intra group sales	1,104,970	920,201
External sales	475,925	900,534
	<u>1,580,895</u>	<u>1,820,735</u>

CBS Broadcast Services Limited

Notes (continued)

3 Interest receivable

	1995 £	1994 £
Bank interest receivable	<u>5,886</u>	<u>8,994</u>

4 Profit before taxation

	1995 £	1994 £
<i>Profit before taxation is stated after charging</i>		
Auditors' fees	18,000	18,000
Hire of other assets - operating leases	71,262	24,270
Depreciation of tangible fixed assets	<u>37,198</u>	<u>25,439</u>

Remuneration of the company's auditors for provision of non audit services (solely taxation) to the company was £4,799 (1994: £1,680).

5 Remuneration of directors

The directors received no remuneration in respect of their duties as directors of the company in either the current or prior year.

CBS Broadcast Services Limited

Notes (continued)

6 Staff numbers and costs

The average number of persons employed by the company during the year was:

	1995 Number	1994 Number
Operations	4	4
Administration	6	6
	<hr/> 10	<hr/> 10

The aggregate payroll costs of these persons were:

	1995 £	1994 £
Wages and salaries	283,266	267,287
Social security costs	26,994	23,317
Other pension costs	17,427	16,802
	<hr/> 327,687	<hr/> 307,306

7 Pension costs

A pension scheme, with two sections providing a defined contribution plan and a defined benefits plan based on final pensionable pay, is operated by CBS Broadcast Services Limited Pension Fund on behalf of the company and certain employees of related companies. The assets of the scheme are held separately from those of any group company. The pension costs of the scheme paid by the company were £17,427 (1994: £16,802). An amount of £13,140 (1994: £12,639) is included in prepayments, which represents prepaid contributions at the balance sheet date.

Defined benefit plan

The contributions to this plan are determined by an independent qualified actuary on the basis of a valuation of the plan at 1 November 1994 using the Projected Unit method. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increases in salaries and pensions. It was assumed that the investment returns would be 8.5% per annum, that salary increases would average 7.0% per annum and that present and future pensions would increase at the rate of 3.0% per annum.

The actuarial valuation showed that the market value of the plan's assets was £1,370,000 at 1 November 1994 and that the actuarial value of those assets represented 95% of the benefits that had accrued to members after allowing for expected future increases in earnings (the funding level). The company contributions were set at 6.8% of pensionable salaries as from 1 November 1994 to ensure the shortfall in the value of the assets is eliminated over the remaining service lives of the existing employees.

CBS Broadcast Services Limited

Notes *(continued)*

8 Taxation

	1995 £	1994 £
UK corporation tax at 33% (1994: 33%) on the profit for the year on ordinary activities	21,596	42,532
(Over)/underprovision in respect of prior years	(5,015)	513
	<u>16,581</u>	<u>43,045</u>

9 Dividends

	1995 £	1994 £
Dividends on equity shares	<u>50,000</u>	<u>60,000</u>

CBS Broadcast Services Limited

Notes (continued)

10 Tangible fixed assets

	Machinery and equipment £	Leasehold improvements £	Fixtures and fittings £	Total £
<i>Cost</i>				
At beginning of year	143,344	69,186	43,682	256,212
Reclassification	14,964	-	(14,964)	-
Additions	-	48,960	18,692	67,652
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	158,308	118,146	47,410	323,864
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At beginning of year	92,354	60,014	37,253	189,621
Reclassification	10,905	-	(10,905)	-
Charge for year	23,915	10,105	3,178	37,198
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	127,174	70,119	29,526	226,819
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 1995	31,134	48,027	17,884	97,045
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1994	50,990	9,172	6,429	66,591
	<hr/>	<hr/>	<hr/>	<hr/>

The estimated useful economic lives of the assets were revised during the year. This review resulted in an increase in the year's depreciation of £5,144.

CBS Broadcast Services Limited

Notes (continued)

11 Debtors

	1995 £	1994 £
Trade debtors	24,428	33,342
Amounts owed by group companies:		
Parent company and fellow subsidiary undertakings	119,888	13,664
Other debtors	17,072	6,843
Prepayments and accrued income	49,935	28,237
ACT recoverable	8,606	9,195
	<u>219,929</u>	<u>91,281</u>

12 Creditors: amounts falling due within one year

	1995 £	1994 £
Trade creditors	19,588	23,795
Amounts due to group companies:		
Parent company and fellow subsidiary undertakings	176,228	-
United Kingdom corporation tax payable	7,752	27,532
Accruals and deferred income	98,311	87,861
Advance corporation tax payable	12,500	10,875
	<u>314,379</u>	<u>150,063</u>

CBS Broadcast Services Limited

Notes (continued)

13 Deferred taxation

No provision for deferred taxation has been made in the financial statements. The total potential liability for deferred taxation is as follows:

	Total potential (asset)/liability	
	1995	1994
	£	£
<i>Tax effect of timing differences because of:</i>		
Excess of depreciation over tax allowances	(2,437)	(3,235)
Other short term timing differences	4,330	2,236
	<hr/>	<hr/>
	1,893	(999)
	<hr/>	<hr/>

14 Called up share capital

	1995	1994
	£	£
Authorised		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Issued, allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2
	<hr/>	<hr/>

CBS Broadcast Services Limited

Notes (continued)

15 Reconciliation of movements in shareholders' funds

	1995 £	1994 £
Opening shareholders' funds	157,293	160,792
Profit for the financial year	20,049	56,501
	<hr/>	<hr/>
Dividend	177,342 (50,000)	217,293 (60,000)
	<hr/>	<hr/>
Closing shareholders' funds	127,342	157,293
	<hr/>	<hr/>

16 Lease commitments

The company leases buildings on short term leases. The rent payable under these leases is subject to renegotiation at intervals specified in each lease. The company pays all insurance, maintenance and repairs of these properties. The total rental payable under operating leases in the next year is as follows:

	1995 Land and buildings £	Other £	1994 Land and buildings £
<i>Date of lease termination:</i>			
Within one year	-	-	27,388
Expiring between two and five years inclusive	65,637	6,555	25,658
	<hr/>	<hr/>	<hr/>
	65,637	6,555	53,046
	<hr/>	<hr/>	<hr/>

17 Ultimate parent company

On 24 November 1995, CBS Inc., the company's ultimate parent company as at 31 December 1994, was acquired by Westinghouse Electric Corporation, a company incorporated in the United States of America. Copies of Westinghouse Electric Corporation's financial statements for the year ended 31 December 1995 may be obtained from 11 Stanwix Street, Pittsburgh, Pennsylvania, USA, Pa 15222-1384.

CBS Inc., which is incorporated in the United States of America, was the company's ultimate parent company as at 31 December 1994. Copies of CBS Inc.'s consolidated financial statements for the year ended 31 December 1994 may be obtained from The Secretary, 51 West 52 Street, New York, USA, NY 10019-6188. The results and assets of the company as at 31 December 1995 and 31 December 1994 are not consolidated in the accounts of any group undertaking other than Westinghouse Electric Corporation and CBS Inc. respectively.