

**Eurobell (Sussex) Limited
(formerly Eurobell Limited)**

Directors' report and financial statements

31 December 1994

Registered number 2272340



Eurobell (Sussex) Limited

Directors' report and financial statements

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Eurobell (Sussex) Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1994.

Principal activity

The company is engaged in the construction, operation and running of a broadband telecommunications network. The company commenced the provision of telephone and audiovisual services in the Crawley, Horley and Gatwick area in April 1993.

Business review

On 1 July 1994 the company passed a special resolution changing its name to Eurobell (Sussex) Limited.

The loss for the year is set out in the profit and loss account on page 5.

Research and development

The company is committed to a research and development project co-ordinated by the Commission of the European Communities. The project involves advanced communications experiments in specific areas with the objectives of matching user requirements with emerging technology. The costs of the project have been capitalised and are amortised over the periods expected to benefit from these costs. Grants received pursuant to the project are deferred and taken to the income statement in accordance with amortisation of the capitalised costs.

Significant changes in fixed assets

Movements in fixed assets are shown in notes 8 and 9 to the financial statements.

Dividends

The directors do not propose a dividend for the year ended 31 December 1994 (*1993: £Nil*).

Proposed transfer to reserves

The loss for the year of £2,504,740 has been transferred to reserves (*1993: £1,038,182*).

Eurobell (Sussex) Limited

Directors' report *(continued)*

Directors and directors' interests

The following were directors of the company during the year and up to the date of this report:

ASM Robinson

PD Hoole

MJ Ridley

D Elias

H Ventzki

G Markham (appointed 8 March 1994)

R Kingston (appointed 11 April 1994, resigned 11 October 1994)

During the year Mr M Getty acted as an alternate director to Mr MJ Ridley.

Mr ASM Robinson is a beneficiary under a trust which owned 400,002 "A" ordinary shares of £1 until 1 July 1994, when the group structure was reorganised. He also has a beneficial interest through European Broadband Systems PLC which owned 36,364 "B" ordinary shares of £1 each and 515,000 preference shares of £1 each, until the group restructuring on 1 July 1994. The other directors had no interest in any shares of the company during the year.

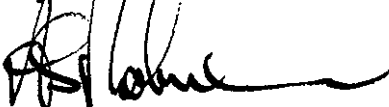
Under the terms of the convertible loans outstanding during the year, the beneficial trust and European Broadband Systems PLC were entitled to convert their loans into unspecified classes of shares if they remained outstanding at 31 August 1994. The loans, and their conversion rights were transferred to the new holding company at the time of the group restructuring.

The interests of the directors in the parent undertaking, which was Eurobell (Holdings) PLC at 31 December 1994, are disclosed in the financial statements of that company.

Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their audit report in their new name. In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By order of the board



ASM Robinson
Director

MultiMedia House
Lloyds Court
Manor Royal
CRAWLEY
West Sussex
RH10 2PT

27 December 1995

Eurobell (Sussex) 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 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Peat House
2 Cornwall Street
Birmingham B3 2DL

Auditors' report to the members of Eurobell (Sussex) Limited

We have audited the financial statements on pages 5 to 19.

Respective responsibilities of directors and auditors

As described on page 3 the Company's directors are responsible for the preparation of the 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.

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements in view of the substantial doubt about the ability of the parent company to provide such financial support as necessary to enable the Company to continue as a going concern. The financial statements do not include any adjustments that would be necessary should the Company be unable to continue trading. Details of the circumstances relating to this fundamental uncertainty and the parent company's plans for securing the necessary finance are described in note 1 to the financial statements. Our opinion is not qualified in this respect.

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 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

27 December 1995

Eurobell (Sussex) Limited

Profit and loss account

for the year ended 31 December 1994

	<i>Note</i>	1994 £	1993 £
Turnover	2	1,064,258	126,816
Cost of sales		(607,028)	(65,980)
		<u>457,230</u>	<u>60,836</u>
Gross profit		444,709	207,113
Other operating income		(3,273,927)	(1,382,447)
Administrative expenses		<u>(2,371,988)</u>	<u>(1,114,498)</u>
Operating loss		36,356	102,612
Other interest receivable and similar income		(158,604)	(26,296)
Interest payable and similar charges	3	<u>(2,494,236)</u>	<u>(1,038,182)</u>
Loss on ordinary activities before taxation	4	(10,504)	-
Tax on loss on ordinary activities	7	<u>(2,504,740)</u>	<u>(1,038,182)</u>
Loss for the financial year	17	<u>(2,504,740)</u>	<u>(1,038,182)</u>

Turnover and operating loss are derived from continuing activities.

There are no other recognised gains or losses in the current and preceding year other than the above losses.

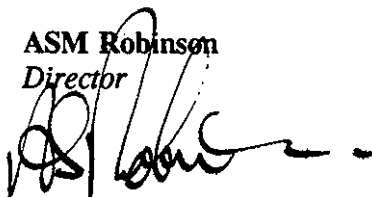
Eurobell (Sussex) Limited

Balance sheet at 31 December 1994

	Note	1994 £	£	1993 £	£
Fixed assets					
Intangible assets	8	712,456		544,116	
Tangible assets	9	9,869,602		3,185,900	
Investments	10	-		1,662,932	
			10,582,058		5,392,948
Current assets					
Debtors	11	1,535,867		409,668	
Cash at bank and in hand		801,802		698,108	
			2,337,669		1,107,776
Creditors: amounts falling due within one year					
convertible	12	-		(2,500,000)	
other creditors	12	(12,310,885)		(1,079,240)	
Net current liabilities			(9,973,216)		(2,471,464)
Total assets less current liabilities			608,842		2,921,484
Creditors: amounts falling due after more than one year	13		(967,510)		(775,412)
Net (liabilities)/assets			(358,668)		2,146,072
Capital and reserves					
Called up share capital	16	4,363,085		4,363,085	
Share premium	17	96,917		96,917	
Profit and loss account	17	(4,818,670)		(2,313,930)	
			(358,668)		2,146,072
Shareholders' funds					
Equity	18	(358,668)		(1,408,928)	
Non-equity	18	-		3,555,000	
			(358,668)		2,146,072

These financial statements were approved by the board of directors on 27 December 1995 and were signed on its behalf by:

ASM Robinson
Director



Eurobell (Sussex) Limited

Notes

(forming part of the financial statements)

1 Principal 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 have been prepared under the historical cost convention, in accordance with applicable accounting standards and on a going concern basis as the parent company has undertaken to provide such support as necessary to enable the Company to continue to trade. The ability of the parent company to provide financial support is conditional upon the Group obtaining further finance in the immediate future for which purpose the parent company's directors are considering the following:

- (i) increasing an existing loan facility to the parent company from MeesPierson. The terms of such increase are currently being discussed with MeesPierson and the parent company has taken all necessary steps to put in place full security over certain assets of the Group to secure any increased facility;
- (ii) some or all of the parent company's shareholders making further loans to the parent company to meet funding requirements for working capital. The parent company is in negotiation with shareholders over the terms under which such loans should be made;
- (iii) the Group is considering the commencement of preparations for a high yield debt placement in the United States of America to raise sufficient funding for working capital and capital expenditure.

The Directors do not consider it unreasonable to expect that the parent company's efforts to raise further finance will be successful, though the position remains uncertain, and accordingly consider it appropriate to prepare the financial statements on a going concern basis. If the Group does not raise the finance referred to above or implement other similar proposals, the Directors consider that the Company is unlikely to be able to continue to trade.

Should the company be unable to continue trading significant adjustments would have to be made to reduce the value of the company's assets to their immediate realisable amounts and to provide for further liabilities. In these circumstances, it would also be necessary to reclassify fixed assets and long term liabilities, as current assets and liabilities. It is not practicable to quantify the adjustments that would be required.

The company is exempt from the requirement to prepare group accounts under Section 228 of the Companies Act 1985 as it is a wholly owned subsidiary of a UK parent. These financial statements therefore present information about the undertaking as an individual undertaking and not about its group.

Intangible fixed assets and amortisation

Telecommunications licences

Costs incurred in obtaining telecommunications licences are capitalised and are amortised on a straight line basis over the life of the licences.

Eurobell (Sussex) Limited

Notes (continued)

1 Principal accounting policies (continued)

Development costs

Development costs on clearly defined projects, the outcome of which have been assessed with reasonable certainty, are capitalised to the extent that their recovery can reasonably be regarded as assured and are amortised over the periods expected to benefit from such costs.

Tangible fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold improvements	- over the life of the lease
Civil works and installation	- 5%-15% per annum straight line
Computer and office equipment	- 10%-20% per annum straight line
Motor vehicles	- 25% per annum straight line

Grants

Grants received or receivable from Government bodies on qualifying development expenditure are credited to the profit and loss account over the periods expected to benefit from the related development expenditure. Grants recorded in the balance sheet as accruals and deferred income comprise the grants received and receivable less amounts credited to profit and loss account.

Deferred taxation

Deferred taxation is provided on all material timing differences to the extent that a liability is likely to crystallise in the foreseeable future.

Pensions costs

The company does not operate a pension scheme. It contributes to certain employees' personal pension schemes on a monthly basis. Contributions are written off to the profit and loss account as incurred.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of services to customers during the year.

Leases

Assets acquired under finance leases are capitalised and the capital element of future repayments is included within creditors. Finance charges in respect of such assets are allocated to the profit and loss account so as to produce a constant periodic rate of charge on the remaining balance of the obligation.

Operating lease rentals are charged to the profit and loss account in the period to which they relate.

Eurobell (Sussex) Limited

Notes (continued)

1 Principal accounting policies (continued)

Foreign currency translation

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 into sterling using the rate of exchange ruling at the balance sheet date. All exchange gains and losses are included in the profit and loss account.

Cash flow statement

In accordance with FRS 1 the financial statements do not include a cash flow statement on the grounds that the company is a wholly owned subsidiary of a UK parent. A cash flow statement is incorporated in the financial statements of the parent undertaking.

2 Turnover

The turnover and loss before taxation of the company during the year related solely to the provision of telecommunications services within the United Kingdom.

3 Interest payable and similar charges

	1994 £	1993 £
Interest payable on bank overdraft	52,724	2,025
Interest payable on loans due within 5 years	87,652	24,271
Finance charges payable in respect of finance leases	9,149	-
Interest payable on overdue accounts	9,079	-
	<hr/>	<hr/>
	158,604	26,296
	<hr/>	<hr/>

Eurobell (Sussex) Limited

Notes (continued)

4 Loss on ordinary activities before taxation

	1994 £	1993 £
<i>Loss on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration		
Audit	12,940	12,000
Other	11,000	7,760
Directors' emoluments:		
As directors	13,750	-
Remuneration as executives	73,609	35,000
Depreciation and other amounts written off tangible and intangible assets:		
Owned	417,916	137,369
Leased	24,953	-
Development expenditure	25,256	11,439
Telecommunications licences	7,449	4,011
Rentals payable under operating leases		
Land and buildings	120,770	150,000
Hire of equipment	104,821	14,007
<i>after crediting</i>		
Exchange gains	9,954	5,469
Amortisation of European community grant	7,209	5,277

Eurobell (Sussex) Limited

Notes (continued)

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	1994	1993
Management	8	4
Sales	23	5
Administration	10	6
Support and development	21	10
	<u>62</u>	<u>25</u>

The aggregate payroll costs of these persons were as follows:

	1994	1993
	£	£
Wages and salaries	1,065,100	373,451
Social security costs	108,352	37,636
Other pension costs	29,907	10,900
	<u>1,203,359</u>	<u>421,987</u>

6 Directors' emoluments

The emoluments of the directors were as follows:

	1994	1993
	£	£
Remuneration (note 4)	87,359	35,000
Pension contributions	10,925	7,500
	<u>98,284</u>	<u>42,500</u>

The emoluments of the chairman (and highest paid director) excluding pension contributions were £44,147 (1993: £25,000).

The emoluments, excluding pension contributions, of the directors (including the chairman and highest paid director) were within the following ranges:

		1994	1993
£Nil	-	£5,000	4
£10,001	-	£15,000	1
£20,001	-	£25,000	-
£25,001	-	£30,000	1
£40,001	-	£45,000	1

Eurobell (Sussex) Limited

Notes (continued)

7 Tax on loss on ordinary activities

	1994 £	1993 £
Adjustment relating to an earlier year	<u>10,504</u>	<u>-</u>

8 Intangible assets

	Telecommunications licences £	Development costs £	Total £
Cost			
At beginning of year	137,518	422,048	559,566
Expenditure	<u>-</u>	<u>201,045</u>	<u>201,045</u>
At end of year	<u>137,518</u>	<u>623,093</u>	<u>760,611</u>
Amortisation			
At beginning of year	4,011	11,439	15,450
Charged in the year	<u>7,449</u>	<u>25,256</u>	<u>32,705</u>
At end of year	<u>11,460</u>	<u>36,695</u>	<u>48,155</u>
Net book value			
At 31 December 1994	<u>126,058</u>	<u>586,398</u>	<u>712,456</u>
At 31 December 1993	<u>133,507</u>	<u>410,609</u>	<u>544,116</u>

Eurobell (Sussex) Limited

Notes (continued)

9 Tangible assets

	Improvements to leasehold buildings £	Civil works and installation £	Computer and office equipment £	Motor vehicles £	Total £
<i>Cost</i>					
At beginning of year	193,748	2,897,787	237,570	-	3,329,105
Additions	11,558	6,751,108	200,871	163,034	7,126,571
Transfers	-	21,940	(21,940)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At end of year	205,306	9,670,835	416,501	163,034	10,455,676
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Depreciation</i>					
At beginning of year	18,320	95,135	29,750	-	143,205
Charged in the year	2,946	358,351	68,225	13,347	442,869
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At end of year	21,266	453,486	97,975	13,347	586,074
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Net book value</i>					
At 31 December 1994	184,040	9,217,349	318,526	149,687	9,869,602
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 1993	175,428	2,802,652	207,820	-	3,185,900
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The net book value of tangible fixed assets includes £256,453 (1993: £44,767) in respect of assets held under finance leases. Depreciation for the year on those assets was £24,953 (1993: £5,913).

10 Investments

Investments in subsidiary undertakings	1994 £	1993 £
<i>Cost</i>		
At beginning of year	1,662,932	2
Additions	131,199	1,662,930
Disposals	(1,794,131)	-
	<u> </u>	<u> </u>
At end of year	-	1,662,932
	<u> </u>	<u> </u>

On 1 July 1994 as part of a group reorganisation, the company's investments in Eurobell (South West) Limited, Eurobell Communications Limited and Eurobell (West Kent) Limited were transferred to its parent undertaking, Eurobell (Holdings) PLC.

Eurobell (Sussex) Limited

Notes (continued)

11 Debtors

	1994 £	1993 £
Trade debtors	219,475	58,453
Other debtors	1,237,224	291,568
Prepayments and accrued income	79,168	59,647
	<u>1,535,867</u>	<u>409,668</u>

12 Creditors: amounts falling due within one year

	1994 £	1993 £
Convertible		
Other loans	-	2,500,000
	<u>-</u>	<u>2,500,000</u>

	1994 £	1993 £
Other creditors		
Bank loans and overdrafts	382,992	-
Other loans repayable within 5 years (note 13)	427,251	-
Amounts owed to parent undertaking	6,658,447	-
Trade creditors	3,317,475	967,652
Other creditors including taxation and social security	235,084	23,788
Obligations under finance leases (note 13)	78,047	16,893
Accruals and deferred income (note 14)	1,211,589	70,907
	<u>12,310,885</u>	<u>1,079,240</u>

Other convertible loans are convertible at the option of the lender. They are secured by fixed and floating charges on the company's assets and were convertible if not repaid before 31 August 1994.

Eurobell (Sussex) Limited

Notes (continued)

13 Creditors: amounts falling due after more than one year

	1994 £	1993 £
Other loans due within 5 years (secured)	640,877	584,281
Obligations under finance leases	146,504	21,118
Accruals and deferred income (see note 14)	180,129	170,013
	<u>967,510</u>	<u>775,412</u>

The other loan repayable within 5 years is secured by a mortgage debenture over the assets of the company and is repayable by instalments. Interest is charged at 2.5% above the London Inter Bank Offer Rate.

Finance lease obligations fall due as follows:

	1994 £	1993 £
Within one year	95,626	26,042
Between two and five years	186,296	21,118
	<u>281,922</u>	<u>47,160</u>
Less future finance charges	(57,371)	(9,149)
	<u>224,551</u>	<u>38,011</u>
Within one year	78,047	16,893
Between two and five years	146,504	21,118
	<u>224,551</u>	<u>38,011</u>

Eurobell (Sussex) Limited

Notes (continued)

14 Accruals and deferred income

Included within accruals and deferred income are the following government grants:

	1994 £	1993 £
At beginning of year	179,025	115,843
Receivable during year	<u>22,307</u>	<u>68,459</u>
	201,332	184,302
Credited to trading profit	<u>(7,209)</u>	<u>(5,277)</u>
At end of year	<u>194,123</u>	<u>179,025</u>

15 Deferred taxation

The full potential deferred tax asset at 25% (1993: 25%), which has not been provided for in these financial statements, is as follows:

	1994 £	1993 £
Excess of capital allowances over depreciation	(643,000)	266,000
Losses carried forward	<u>1,885,000</u>	<u>600,000</u>
	<u>1,242,000</u>	<u>866,000</u>

16 Called up share capital

	1994 £	1993 £
<i>Authorised</i>		
4,444,083 ordinary shares of £1 each	4,444,083	80,998
400,002 "A" ordinary shares of £1 each	-	400,002
36,364 "B" ordinary shares of £1 each	-	36,364
161,617 "C" ordinary shares of £1 each	-	161,617
161,617 "D" ordinary shares of £1 each	-	161,617
48,485 "E" ordinary shares of £1 each	-	48,485
3,555,000 12% cumulative redeemable preference shares of £1 each	-	3,555,000
	<u>4,444,083</u>	<u>4,444,083</u>

Eurobell (Sussex) Limited

Notes (continued)

16 Called up share capital (continued)

	1994 £	1993 £
<i>Allotted, called up and fully paid:</i>		
4,363,085 ordinary shares of £1 each	4,363,085	-
400,002 "A" ordinary shares of £1 each	-	400,002
36,364 "B" ordinary shares of £1 each	-	36,364
161,617 "C" ordinary shares of £1 each	-	161,617
161,617 "D" ordinary shares of £1 each	-	161,617
48,485 "E" ordinary shares of £1 each	-	48,485
3,555,000 12% cumulative redeemable preference shares of £1 each	-	3,555,000
	<u>4,363,085</u>	<u>4,363,085</u>

The ordinary shares previously classed A,B,C,D and E ranked pari passu in all respects, save the appointment and removal of directors. On 11 October 1994 all shares were redesignated by special resolution as ordinary shares of £1 each ranking pari passu.

Dividends in connection with the preference shares were payable from 1997 onwards.

17 Reserves

	Profit and loss account £	Share premium account £
At beginning of year	(2,313,930)	96,917
Loss for the year	(2,504,740)	-
At end of year	<u>(4,818,670)</u>	<u>96,917</u>

18 Reconciliation of movements in shareholders funds

	1994		1993	
	Equity £	Non-Equity £	Equity £	Non-Equity £
Loss for the financial year	(2,504,740)	-	(1,038,182)	-
Opening shareholders' funds	(1,408,928)	3,555,000	(370,746)	3,555,000
Re-designation of share capital	3,555,000	(3,555,000)	-	-
Closing shareholders' funds	<u>(358,668)</u>	<u>-</u>	<u>(1,408,928)</u>	<u>3,555,000</u>

Eurobell (Sussex) Limited

Notes (continued)

19 Transactions with related parties

During the year, the company entered into the following transactions with European Broadband Systems PLC and Amador Limited, companies of which Mr ASM Robinson has an interest and Mrs Gail Markham is a director.

- (a) European Broadband Systems PLC has charged £1,382,524 (1993: £815,137) in respect of goods and services provided for the company and Amador Limited has charged £265,463 (1993: £63,102) for building and construction works.
- (b) In addition, the company has been charged interest by European Broadband Systems PLC on outstanding loan and trading balances at 3½% over bank base rate. The amount charged in the year was £6,875 (1993: £28,822).

During the year, Detecon Deutsche Telepost Consulting GmbH, which holds an interest in the parent undertaking, charged the company £186,265 (1993: £nil) in respect of services provided to the company.

The above transactions were entered into in the normal course of business and on an arms' length basis.

20 Commitments

- (i) The company has annual commitments under non-cancellable operating leases as follows:

	1994		1993	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire				
Two to five years	-	22,163	-	22,163
Over five years	119,000	-	119,000	-
	<u>119,000</u>	<u>22,163</u>	<u>119,000</u>	<u>22,163</u>

- (ii) Capital commitments at the end of the financial year for which no provision has been made.

	1994 £	1993 £
Contracted	616,402	200,000
Authorised but not contracted	15,950,598	9,594,000
	<u>16,567,000</u>	<u>9,794,000</u>

Eurobell (Sussex) Limited

Notes *(continued)*

20 Commitments *(continued)*

Pension commitments

The company does not operate a pension scheme for its employees, but contributes to certain personal schemes on a monthly basis. Contributions for 1994 totalled £29,907 (1993: £10,900). There were no payments outstanding at 31 December 1994 (1993: £nil).

21 Contingent liabilities

The company has given an unsecured guarantee to a third party of £11 million (1993:£nil), in respect of a loan facility granted to a fellow subsidiary undertaking in November 1994. £2.7 million has been drawn since the loan was granted. There was no liability at the year end. The company has also given a guarantee as to the performance of the fellow subsidiary undertaking in respect of the subscription and shareholders agreement with that third party, who is a shareholder of the fellow subsidiary undertaking.

The company has received a claim from Brent Finance Limited regarding agreements entered into in January 1991. These claims have been outstanding since June 1992 and after taking legal advice, the directors are of the opinion that there is no substance to the claims, and therefore no provision has been made. In the event of the claims being proven, certain shareholders of the parent undertaking have an indemnity from a third party which would limit the extent of the company's liability to £50,000.

22 Ultimate parent undertaking

On 1 July 1994, as part of a group reorganisation, the holding in the company was transferred to Eurobell (Holdings) PLC which is incorporated in England and Wales.

The ultimate parent undertaking of the group of undertakings of which Eurobell (Sussex) Limited is a member, is Eurobell (Holdings) PLC. Copies of group financial statements are available from Multimedia House, Lloyds Court, Manor Royal, Crawley, West Sussex RH10 2PT.

No other group financial statements include the results of the company.