

**The UK Channel Limited**

**Directors' report and financial  
statements**

Registered number 2301363  
18 month period ended 30 June 1999



## Contents

Directors' report	1
Statement of directors' responsibilities	2
Auditors' report to the members of The UK Channel Limited	3
Balance sheet	4
Notes	5

## Directors' report

The directors present their report and financial statements for the 18 month period ended 30 June 1999.

### Review of business

The company did not trade during the period. The company is not expected to trade in the foreseeable future.

### Directors and their interests

The directors of the company who served during the period were as follows:

SM Till	(resigned 2 July 1999)
J Marrinan	(resigned 2 July 1999)
CJ Ancliff	(resigned 2 December 1998)
R Sanitsky	(resigned 2 July 1999)
LM Williams	(appointed 2 December 1998; resigned 2 July 1999)
RMWJ Dilmott-Cooper	(appointed 2 July 1999)
WJ Medicott	(appointed 2 July 1999)

None of the directors had any interests in the share capital of the company during the year.

### Company secretary

MA Howle	(resigned 2 July 1999)
D Abdoo	(appointed 2 July 1999)

On behalf of the board

Secretary

25 Knightsbridge  
London SW1X 7RZ

## 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 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.



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## Auditors' report to the members of The UK Channel Limited

We have audited the financial statements on pages 4 to 6.

### *Respective responsibilities of directors and auditors*

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical standard.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

### *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 affairs of the company as at 30 June 1999 and of the result of the company for the 18 month period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Kema*

KPMG

Chartered Accountants

Registered Auditors

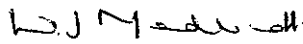
6 December 2000

## Balance sheet

at 30 June 1999

	Notes	30 June 1999 £	31 December 1997 £
<b>Current assets</b>			
Debtors	2	2	2
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	3	2	2
		<hr/>	<hr/>

It is hereby certified that the company was dormant within the terms of Section 252 of the Companies Act 1985 throughout the period 30 June 1999.



Director

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

#### *Accounting convention*

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

#### *Investments*

Investments are stated at cost less amounts written off.

#### *Trading result*

The company did not trade in the period, nor the previous year, and made neither profit nor loss. Accordingly no profit and loss account has been prepared.

### 2 Debtors

	30 June 1999 £	31 December 1997 £
Amounts due from parent undertaking	2	2

### 3 Share capital

	1999 £	1997 £
<i>Authorised</i>		
100 ordinary shares of £1 each	100	100
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	2	2

### 4 Ultimate parent undertaking

Following the sale of Phillips Electronics N.V.'s holding in PolyGram N.V. (effective date 10 December 1998) the company's ultimate parent undertaking became Seagram, a company incorporated in Canada.

The smallest group to consolidate these financial statements is headed by Centenary Holdings N.V., incorporated in The Netherlands. The consolidated accounts of Centenary Holdings N.V. are available to the public and may be obtained from the Company Secretary at Drentestraat 24, 1083 HV. Amsterdam, The Netherlands.

The largest group to consolidate these financial statements is headed by Seagram. The consolidated accounts of Seagram are available to the public and may be obtained from the Company Secretary at 1430 Peel Street, Montreal, Quebec, H3A 1S9, Canada.

**Notes** *(continued)*

**5 Post balance sheet events**

On 1 July 1999 the company, as part of the ITC group within Seagram, was purchased by Carlton Communications Plc.