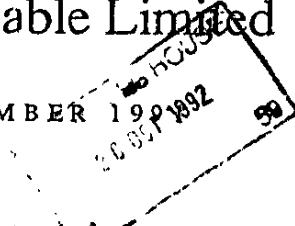


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REPORT AND ACCOUNTS

Cheshire Cable Limited

31 DECEMBER 1992



Cheshire Cable Limited

Registered No 2379804

DIRECTORS

Sir R D Wilson (Chairman)
Sir P A R Blaker
W G McDougall
R S Colbran
J B Gage
E F Madden
G Ebbs
Hon P G Greenall

SECRETARY

G T Melia

AUDITORS

Ernst & Young
Commercial Union House
Albert Square
Manchester
M2 6LP

BANKERS

National Westminster Bank plc
P O Box No 33
35 King William Street
Blackburn
BB1 7DL

SOLICITORS

Fieldings
Royal Chambers
Richmond Terrace
Blackburn
BB1 7AR

Ashurst Morris Crisp
Broad Walk House
No 5 Appold Street
London
EC2A 2HA

REGISTERED OFFICE

Glenfield Park
Site "2"
Blakewater Avenue
Blackburn
BB1 5QH

Cheshire Cable Limited

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31 December 1991.

RESULTS AND DIVIDEND

The loss on ordinary activities after taxation for the year amounted to £54,111 (Nine months to 31 December 1990: £116,194). The directors do not recommend the payment of a dividend.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the company is the provision of cable television and telecommunications services in the Cheshire area.

Following the suspension of Maclean Hunter Limited's capital investment programme, development of the system in Cheshire has been halted. Negotiations have taken place with OfTel during 1991 and the company is optimistic that an acceptable agreement will be reached in 1992 to delay construction milestones.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and the beneficial and family interests of those serving at the end of the year in the shares of the company were as follows:

	At 31 December 1991		31 December 1990	
	Ordinary shares		Ordinary shares	
	£1 ordinary shares	£1 special shares	£1 ordinary shares	£1 special shares
Sir P A R Blaker	-	-	-	-
Sir R D Wilson	2	-	2	-
W G McDougall	1	-	1	-
R S Colbran	-	-	-	-
J B Gage	-	-	-	-
A W Turner (resigned 1 November 1991)	-	-	-	-
G Ebbs	2	2	2	-
Hon P G Greenall	2	-	1	-
E F Madden (appointed 1 November 1991)	-	-	-	-

Sir P A R Blaker, W G McDougall, R S Colbran, J B Gage and E F Madden were directors of the holding company or ultimate holding company at 31 December 1991 and their interests are shown in the Directors' reports as appropriate of those companies.

During the year £22,500 was paid for services rendered by Cable Systems Development Limited, a company in which W G McDougall has an interest as a director and shareholder. £15,000 was also paid to Ashley Business Consultants, a business in which Sir P A R Blaker has a significant interest.

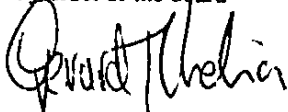
Cheshire Cable Limited

DIRECTORS' REPORT

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board



G T MELIA

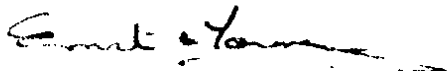
Secretary

23 September 1992

REPORT OF THE AUDITORS
to the members of Cheshire Cable Limited

We have audited the accounts on pages 6 to 9 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 December 1991 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young

Chartered Accountants

Registered Auditor

Manchester

23 September 1992

Cheshire Cable Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1991

	Notes	Year to 31 December 1991 £	Nine months to 31 December 1990 £
Selling costs		-	126
Administration expenses		16,611	15,763
		<u>16,611</u>	<u>15,889</u>
		(16,611)	(15,889)
Other operating costs	2	(37,500)	(100,305)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(54,111)	(116,194)
Tax on loss on ordinary activities	3	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(54,111)	(116,194)
Retained loss brought forward		(116,194)	-
RETAINED LOSS CARRIED FORWARD		<u>£(170,305)</u>	<u>£(116,194)</u>

Cheshire Cable Limited

BALANCE SHEET

at 31 December 1991

	Notes	31 December 1991 £	31 December 1990 £
CURRENT ASSETS:			
Debtors	4	<u>5,000</u>	<u>-</u>
CREDITORS: amounts falling due within one year	5	<u>2,250</u>	<u>10,503</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,750</u>	<u>(10,503)</u>
CREDITORS: amounts falling due after more than one year	5	<u>(172,755)</u>	<u>(105,393)</u>
		<u>£(170,005)</u>	<u>£(115,896)</u>
CAPITAL AND RESERVES:			
Called up share capital	6	300	298
Profit and loss account		<u>(170,305)</u>	<u>(116,194)</u>
		<u>£(170,005)</u>	<u>(115,896)</u>

Approved by the board on 23 September 1992

E F Madden

Director



NOTES TO THE ACCOUNTS

at 31 December 1991

1. ACCOUNTING POLICIES

Accounting convention

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

2. OPERATING LOSS

a) This is stated after charging:

	<i>Year to 31 December 1991 £</i>	<i>Nine months to 31 December 1990 £</i>
Directors' remuneration	1,000	-
Auditors remuneration	500	500
Expenditure relating to obtaining the Cheshire Cable television franchise	37,500	100,305
	<u> </u>	<u> </u>
b) Directors remuneration		
Fees	£ 1,000	£ -
	<u> </u>	<u> </u>

The emoluments of the Chairman, excluding pension contributions, were £nil (1990: £nil) and of the highest paid director, excluding pension contribution, £1,000 (1990: £nil). No other directors received any remuneration.

3. TAX ON LOSS ON ORDINARY ACTIVITIES

No liability to corporation tax arises due to losses in the year (Nine months to 31 December 1990: £Nil).

The company has gross losses available for carry forward amounting to £132,669 (1990: £116,159).

4. DEBTORS

	<i>31 December 1991 £</i>	<i>31 December 1990 £</i>
Prepayments and accrual income	5,000	-
	<u> </u>	<u> </u>

5. CREDITORS: amounts falling due within one year

	<i>31 December 1990 £</i>	<i>31 December 1990 £</i>
Accruals and deferred income	2,250	10,503
	<u> </u>	<u> </u>

Cheshire Cable Limited

NOTES TO THE ACCOUNTS

at 31 December 1991

6. CREDITORS: amounts falling due after more than one year

	31 December 1991	31 December 1990
	£	£
Amounts owing to group undertakings	172,755	105,393

7. SHARE CAPITAL

	31 December 1991	Authorised 31 December 1990	31 December 1991	Allotted, called up and fully paid 31 December 1990
	No.	No.	£	£
Authorised:-				
£1 Ordinary 'A' shares	200	200	200	200
£1 Ordinary 'B' shares	51	-	51	-
£1 Deferred shares	21,339,760	21,339,760	-	-
£1 Special shares	49	49	49	47
£1 Trustee shares	-	51	-	51
	21,340,060	21,340,060	£ 300	£ 298

On 1 November 1991 the 51 voting Trustee shares were redeemed in accordance with the Articles of Association. To comply with the capital maintenance provisions of the Companies Acts, 51 Ordinary shares were issued in their place. These shares are subject to reclassification in a new set of Articles of Association which will be presented to a general meeting in 1992.

During the year two additional voting Special shares were issued to comply with the various shareholder agreements relating to the franchise.

8. CAPITAL COMMITMENTS

The company is committed to the construction of a cable television network for the Cheshire franchise area. The total cost of the system will be in excess of £61 million.

9. ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking is Maclean Hunter Limited, a company incorporated in Canada.

The parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the company is a member is Maclean Hunter Limited, incorporated in Canada, and the parent undertaking of the smallest such group is Maclean Hunter Holdings UK Limited, registered in England and Wales.

Copies of Maclean Hunter Limited's accounts can be obtained from 777 Bay Street, Toronto, Ontario, Canada, M5W 1A7.