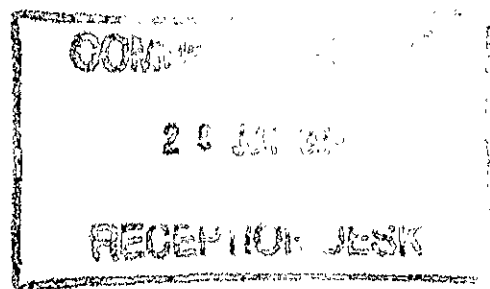


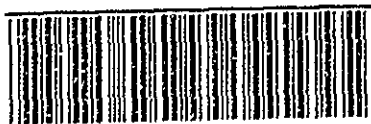
GROUP REPORT AND ACCOUNTS

CUC Cablevision (UK) Limited

31 AUGUST 1993



Registered in England: Number 2387692



\*AE02821!\*

A13 RECEIPT DATE: 29/06/94

# **CUC Cablevision (UK) Limited**

## **DIRECTORS**

C G Allen  
J S Grafstein (Chairman)  
J D McDonald  
F J Parrotta  
V Achber  
J Fleck  
M N Kimball  
M Koerner  
H Nelder  
J Royer  
P N Webber

## **SECRETARY**

J F Clifford

## **AUDITORS**

Touche Ross & Co  
Columbia Centre  
Market Street  
Bracknell  
Berkshire  
RG12 1PA

## **BANKERS**

Midland Bank plc  
27-32 Poultry  
London  
EC2P 2BX

## **SOLICITORS**

Keene Marsland  
Dragoon House  
37 Artillery Lane  
Bishopsgate  
London  
E1 7LT

## **REGISTERED OFFICE**

Dragoon House  
37 Artillery Lane  
Bishopsgate  
London E1 7LT

**DIRECTORS' REPORT**

The Directors present their report and audited accounts for the year ended 31 August 1993.

**DIVIDEND AND TRANSFERS TO RESERVE**

The profit for the year attributable to the group, after taxation and after deducting other partners' share of partnership losses, amounted to £1,508,000 (1992 loss £138,000). The profit of £1,508,000 has been transferred to reserves. The directors do not recommend payment of a dividend.

**ACTIVITIES AND REVIEW OF THE BUSINESS**

In April 1993 the company withdrew as managing general partner of:-

County Cable Telecommunications Limited Partnership  
County Cable Telecommunications (Bracknell) Limited Partnership  
County Cable Telecommunications (Herts) Limited Partnership  
County Cable Telecommunications (Northampton) Limited Partnership

At that time it acquired the equity of Maza Limited which was admitted as Managing General Partner to:-

County Cable Telecommunications (Herts) Limited Partnership  
County Cable Telecommunications (Northampton) Limited Partnership

which named partnerships changed their names in September respectively to:-

Telecential Communications (Herts) Limited Partnership (TC(H)LP)  
Telecential Communications (Northampton) Limited Partnership (TC(N)LP)

Also in September 1993:-

County Cable Telecommunications Limited Partnership and  
County Cable Telecommunications (Bracknell) Limited Partnership

changed their names respectively to:

Telecential Communications Limited Partnership (TCLP) and  
Telecential Communications (Bracknell) Limited Partnership (TC(B)LP)

Details of these transactions are set out in note 10 to the accounts on page 20.

The group's principal activities are the provision of cable and telecommunications services through its partnerships, the provision of management services to cable and telecommunications partnerships and the making of ancillary investments which may be conducive to these activities.

## **CUC Cablevision (UK) Limited**

The results of TCLP and TC(B)LP have been consolidated into the results of the group up to the date at which the company withdrew as Managing General Partner. TCLP and TC(B)LP are now controlled by Telecential Communications (Canada) Limited, a company registered in Canada which is also the parent company of CUC Cablevision (UK) Ltd.

Under the terms of Developer and Operator agreements, subsidiaries delegate their obligations under licences granted to them by the Independent Television Commission and the Department of Trade and Industry, to the partnerships.

### **DIRECTORS AND THEIR INTERESTS**

The directors who served during the year ended 31 August 1993 were as follows:

V Achber	
C G Allen	
R Faibish	(Resigned 30 April 1993)
J Fleck	(Appointed 30 April 1993)
J S Grafstein	
M N Kimball	(Appointed 30 April 1993)
M Koerner	(Appointed 30 April 1993)
J D McDonald	(Appointed 30 April 1993)
H Nelder	(Appointed 30 April 1993)
F J Parrotta	(Appointed 30 April 1993)
J Royer	(Appointed 30 April 1993)
P N Webber	(Appointed 30 April 1993)

No director held any shares in the company during the year.

No director held any beneficial interest in the share capital of any related undertaking during the year.

### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

During the year liability insurance was maintained for the Company's directors and officers.

### **FIXED ASSETS**


Information relating to changes in fixed assets is given in note 8, 9 and 10 to the accounts.

**AUDITORS**

Touche Ross & Co were appointed by the Directors at a Board Meeting on 8 June 1993, following the resignation of Ernst & Young.

A resolution to re-appoint Touche Ross & Co as auditors will be put to the members at the Annual General Meeting.

By order of the Board

A handwritten signature in dark ink, appearing to read 'M. W. Jones', is written over a horizontal line.

Director

23 June 1994

**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 the company and the group as at the end of the financial year and the profit or loss of the group for that period. In preparing these 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 group 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 group and to enable them to comply with the Companies Act. They are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 8 to 29 which have been prepared under the accounting policies set out on pages 13 to 15.

### Respective responsibilities of directors and auditors

As described on page 6 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.

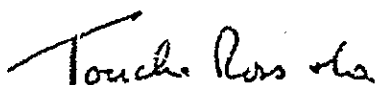
### Basis of opinion

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 and to the group'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 August 1993 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Touche Ross & Co  
Chartered Accountants and  
Registered Auditors  
Columbia Centre  
Market Street  
Bracknell

23 June 1994

# CUC CABLEVISION (UK) LTD

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 1993

	NOTES	CONTINUING OPERATIONS			DISCONTINUED OPERATIONS			TOTAL		
		1993	1992		1993	1992		1993	1992	
		£000	£000		£000	£000		£000	£000	
TURNOVER	2	2,557	289		4,216	5,176		6,773	5,465	
COST OF SALES		(219)	(92)		(1,603)	(1,693)		(1,883)	(1,785)	
GROSS PROFIT		2,338	197		2,613	3,483		4,890	3,680	
ADMINISTRATIVE EXPENSES		(3,271)	(1,005)		(4,951)	(7,740)		(8,222)	(8,745)	
OF FRATING LOSS		(933)	(808)		(2,338)	(4,257)		(3,271)	(5,065)	
PROFIT ON DISPOSAL OF DISCONTINUED OPERATIONS	15	0	0		1,463	0		1,463	0	
LOSS ON ORDINARY ACTIVITIES		(933)	(808)		(875)	(4,257)		(1,808)	(5,065)	
INTEREST PAYABLE	5							(439)	(648)	
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION								(2,247)	(5,713)	
TAX ON LOSS ON ORDINARY ACTIVITIES								(22)	(27)	
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION								(2,269)	(5,740)	
MINORITY INTEREST	10							3,797	5,602	
PROFIT LOSS FOR THE YEAR ATTRIBUTABLE TO THE MEMBERS OF CUC CABLEVISION (UK) LTD								1,528	(138)	

# CUC Cablevision (UK) Limited

## STATEMENT OF MOVEMENT ON RESERVES AND OF MOVEMENT ON SHAREHOLDERS FUNDS:

AT 1ST SEPTEMBER

PROFIT/(LOSS) FOR THE YEAR

AT 31 AUGUST

1993	1992
£000	£000
(1,323)	(1,185)
1,508	(138)
185	(1,323)


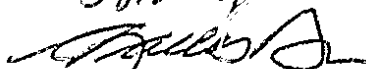
There are no recognised gains and losses other than the profit for the financial year. Accordingly, no statement of total recognised gains and losses is given.

# CUC Cablevision (UK) Limited

## CONSOLIDATED BALANCE SHEET at 31 August 1993

	Notes	1993 £'000	1992 £'000
<b>FIXED ASSETS</b>			
Intangible assets	8	-	6,975
Tangible assets	9	8,145	19,238
Investments	10	<u>-</u>	<u>865</u>
		<u>8,145</u>	<u>27,078</u>
<b>CURRENT ASSETS</b>			
Stocks (materials and consumables)		153	392
Debtors	11	773	868
Cash at bank and in hand		<u>2,973</u>	<u>383</u>
		3,899	1,643
CREDITORS: amounts falling due within one year	12(a)	<u>(4,955)</u>	<u>(3,249)</u>
NET CURRENT LIABILITIES		<u>(1,056)</u>	<u>(1,606)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,089	25,472
CREDITORS: amounts falling due after more than one year	12(b)	-	(4,651)
		7,089	20,821
<b>PROVISION FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	13	<u>(34)</u>	<u>(8)</u>
		<u>7,055</u>	<u>20,813</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	-	-
Profit and loss account		<u>185</u>	<u>(1,323)</u>
Shareholders' funds		185	(1,323)
Minority interests	10(b)	<u>6,870</u>	<u>22,136</u>
		<u>7,055</u>	<u>20,813</u>

Approved by the Board on 23 June 1994.

 )  
 ) Directors


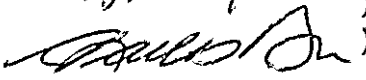
# CUC Cablevision (UK) Limited

## BALANCE SHEET

at 31 August 1993

	Notes	1993 £'000	1992 £'000
<b>FIXED ASSETS</b>			
Tangible assets	9	728	281
Investments	10	-	865
		<u>728</u>	<u>1,146</u>
<b>CURRENT ASSETS</b>			
Debtors	11	674	277
Cash at bank and in hand		<u>2,975</u>	<u>372</u>
		3,649	649
CREDITORS: amounts falling due within one year	12(a)	<u>(4,158)</u>	<u>(1,647)</u>
NET CURRENT LIABILITIES		<u>(509)</u>	<u>(998)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		219	148
CREDITORS: amounts falling due after more than one year	12(b)	-	-
<b>PROVISION FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	13	<u>(34)</u>	<u>(8)</u>
		<u>185</u>	<u>140</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	-	-
Profit and loss account		<u>185</u>	<u>140</u>
		<u>185</u>	<u>140</u>

Approved by the Board on 23 June 1994.

 )  
 ) Directors

# CUC Cablevision (UK) Limited

## CONSOLIDATED STATEMENT OF CASHFLOWS for the year ended 31 August 1993

	Notes	1993 £'000	1992 £'000
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	18(a)	1,859	(2,691)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Finance lease interest paid		(101)	(50)
Bank interest paid		(3)	-
Bank interest received		78	42
NET CASHFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(26)	(8)
INVESTING ACTIVITIES			
Purchase of subsidiary undertakings	18(d)	-	(274)
Purchase of tangible fixed assets:			
Owned		(6,004)	(5,178)
Capitalised set-up and prematurity costs		(719)	(1,165)
Disposal of subsidiary undertakings	15	(34)	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(6,757)	(6,617)
NET CASH OUTFLOW BEFORE FINANCING		(4,924)	(9,316)
FINANCING ACTIVITIES			
Capital contributions attributable to:			
Minority interests	19	7,514	8,842
NET CASH INFLOW FROM FINANCING	10(b)	7,514	8,842
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	18(b)	2,590	(474)

# CUC Cablevision (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 August 1993

### 1. ACCOUNTING POLICIES

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

#### *Accounting convention*

The accounts are prepared under the historical cost convention.

#### *Basis of consolidation*

The group accounts consolidate the results of the company and all its subsidiary undertakings for the twelve month period ending 31 August 1993.

The interests of shareholders outside the group in the results and net assets of each partnership are accounted for as minority interests

A full list of investments in subsidiary undertakings, including partnerships, is provided in Note 10, with notes as to the changes in April 1993.

#### *Depreciation*

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold land and buildings	- over the lease term
Plant, machinery, fittings and equipment	- 5 to 20 years
Set-up and prematurity	- 20 years

#### *Amortisation of intangible fixed assets*

The cost of acquiring the rights under the cable television operating licences has been capitalised in the balance sheet and is being amortised over 40 years

#### *Deferred costs*

##### *(a) Set-up costs*

Costs and expenses incurred in each franchise during the set-up period of the cable system building have been capitalised in full.

# CUC Cablevision (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 August 1993

### *(h) Prematurity costs*

Certain expenses incurred during the prematurity period are apportioned between capital and revenue on the basis of the average number of subscribers as a fraction of the number of subscribers estimated at the end of the prematurity period. The prematurity period is deemed to run from when the first subscriber has been connected to the system to the earlier of three years or when the number of subscribers represents a 30% penetration of the number of homes passed.

### *Stocks*

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition or net realisable value

### *Deferred taxation*

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is estimated that taxation will be payable.

### *Foreign currencies*

Transactions denominated in foreign currencies are recorded at the rate ruling at the time of the transaction or at the forward rate if the transaction has been hedged. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

### *Leasing and hire purchase commitments*

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to profit on a straight line basis over the lease term.

### *Investments*

Investments are stated at original cost less any appropriate provisions for permanent diminution in value.

# CUC Cablevision (UK) Limited

## NOTES TO THE ACCOUNTS at 31 August 1993

### *Pension costs*

The group operates a defined contribution pension scheme for group employees and makes payments in accordance with the scheme rules. The assets of the scheme are held separately from those of the group in independently administered funds. Contributions are charged to the profit and loss account as they become payable. The pension cost to the group for the year was £107,000.

## 2. TURNOVER

Turnover, which is stated net of value added tax, represents subscriber rentals receivable for cable services provided to the general public, management charges for services provided to the groups partnerships as well as the invoiced value of other goods and services provided and arises solely in the UK.

The analysis of turnover is as follows:

	<u>Continuing</u>		<u>Discontinued</u>		<u>Total</u>	
	1993	1992	1993	1992	1993	1992
	£'000	£'000	£'000	£'000	£'000	£'000
Provision of cable and telecommunications services	486	289	4216	5176	4702	5465
Management fees	2071	-	-	-	2071	-
	<u>2557</u>	<u>289</u>	<u>4216</u>	<u>5176</u>	<u>6773</u>	<u>5465</u>

## 3. STAFF COSTS

	1993	1992
	£'000	£'000
Wages and salaries	3,407	3,236
Social security costs	328	372
Pension	107	140
Life assurance	14	18
Other benefits	<u>21</u>	<u>27</u>
	<u>3,877</u>	<u>3,793</u>
The average number of employees was	162	154

# CUC Cablevision (UK) Limited

## NOTES TO THE ACCOUNTS as at August 1993

### 4. OPERATING LOSS

(a) This is stated after charging:

	1993 £'000	1992 £'000
Auditors' remuneration	50	57
Depreciation:		
Owned assets	1,456	1,844
Leased assets	193	288
Amortisation of intangible assets	122	186
Foreign exchange losses	<u>95</u>	<u>-</u>

(b) Director's remuneration

Fees	-	-
Other emoluments (including pension contributions)	<u>267</u>	<u>303</u>
	<u>267</u>	<u>303</u>

The emoluments of the highest paid director were £196,947 (1992: £206,976).

Other directors' emoluments, including pension contributions, fell within the following ranges.

	1993 No	1992 No
Nil - £5,000	11	2
70,000 - 75,000	1	-
£95,001 - £100,000	-	1

### 5. INTEREST

a) Payable

	1993 £'000	1992 £'000
Finance lease interest	506	690
Other interest payable	6	4
	<u>512</u>	<u>694</u>

b) Receivable

	1993 £000	1992 £000
Bank interest earned	<u>73</u>	<u>46</u>

# CUC Cablevision (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 August 1993

### 6. TAXATION ON LOSS ON ORDINARY ACTIVITIES

	1993 £'000	1992 £'000
Based on the loss for the year:		
Corporation tax at 33% (1992 - 33%)	16	27
Increase in provision for deferred taxation	26	-
	<u>42</u>	<u>27</u>

The charge to tax for the year is disproportionately high due to the presence of losses in the limited partnerships which cannot be relieved against the profits chargeable to corporation tax in CUC Cablevision (UK) Limited.

### 7. PROFIT ATTRIBUTABLE TO THE MEMBERS OF CUC CABLEVISION (UK) LIMITED

A profit of £45,000 has been dealt with in the accounts of CUC Cablevision (UK) Limited.

### 8. INTANGIBLE ASSETS

Intangible assets relate to the costs of acquiring rights to operate under licences held by subsidiary undertakings as follows:

Group	Cost £'000	Accumulated amortisation £'000	Net book value £'000
As 1 September 1992	7,296	(321)	6,975
Current year amortisation	-	(122)	(122)
Subsidiaries disposed	(7,296)	443	(6,853)
At 31 August 1993	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO THE ACCOUNTS  
as at August 1993

## 9. TANGIBLE FIXED ASSETS

Group	<i>Land, buildings and short leasehold costs</i> £'000	<i>Plant and machinery, fittings and equipment</i> £'000	<i>Set-up and prematurity costs</i> £'000	<i>Total</i> £'000
Cost				
At 1 September 1992	604	18,489	3,455	22,548
Prior year adjustment	-	38	-	38
Additions	34	5,763	941	6,738
Disposals	-	(13)	-	(13)
Subsidiaries disposed	(586)	(17,690)	(1,880)	(20,156)
At 31 August 1993	<u>52</u>	<u>6,587</u>	<u>2,516</u>	<u>9,155</u>
Depreciation				
At 1 September 1992	29	3,140	141	3,310
Prior year adjustment	-	42	-	42
Provided during the year	2	1,478	169	1,649
Disposals	-	(11)	-	(11)
Subsidiaries disposed	(12)	(3,854)	(114)	(3,980)
At 31 August 1993	<u>19</u>	<u>795</u>	<u>196</u>	<u>1,010</u>
Net book amount				
At 31 August 1993	<u>33</u>	<u>5,792</u>	<u>2,320</u>	<u>8,145</u>
At 31 August 1992	<u>575</u>	<u>15,349</u>	<u>3,314</u>	<u>19,238</u>

Included in additions to plant and machinery are capitalised costs of £986,000 (1992 - £504,000).

The net book value of plant and equipment above includes £198,000 (1992 - £11,133) in respect of assets held under lease purchase agreements.

# CUC Cablevision (UK) Limited

## NOTES TO THE ACCOUNTS

as at August 1993

The net book value of land and buildings comprises:

	1993 £'000	1992 £'000
Freehold property	-	320
Short leasehold property and improvements	<u>33</u>	<u>255</u>
	<u>33</u>	<u>575</u>
Company		
		<i>Plant and machinery, fixtures and fittings £000</i>
Cost		
At 1 September 1992		492
Additions		583
Disposals		(13)
At 31 August 1993		<u>1062</u>
Depreciation		
At 1 September 1992		211
Provided during the year		134
Disposals		(11)
At 31 August 1993		<u>33</u>
Net book value		
At 31 August 1992		<u>728</u>
At 31 August 1993		<u>281</u>

The net book value of plant, machinery, fixtures and fittings above includes £198,000 (1992 - 11,133) in respect of assets held under lease purchase agreements.

# CUC Cablevision (UK) Limited

## NOTES TO THE ACCOUNTS as at August 1993

### 10. INVESTMENTS

On 21 April, 1993:

Telecential Communications (Canada) Limited (TC(C)L) acquired all the issued shares of CUC Cablevision (UK) Limited (CUC) from CUC Investments Limited.

TC(C)L was admitted as managing general partner of Telecential Communications Limited Partnership (TCLP) and CUC ceased to be a partner of TCLP.

TCLP was admitted as a limited partner of:

Telecential Communications (Bracknell) Limited Partnership (TC(B)LP)

Telecential Communications (Herts) Limited Partnership (TC(H)LP)

Telecential Communications (Northampton) Limited Partnership (TC(N)LP)

Trillium Cable Communications Limited (Trillium) ceased to be a partner of each of these three partnerships.

Maza Limited (Maza) issued 322 ordinary shares to CUC in exchange for CUC's holdings in Herts Cable Limited and Northampton Cable Television Limited.

Maza was admitted as managing general partner of TC(H)LP and TC(N)LP.

#### Other Investments

<i>Group</i>	<i>Other Investments £'000</i>
<b>Cost</b>	
At 1 September 1992	865
Disposal	(865)
 31 August 1993	 -
 <i>Company</i>	 <i>£</i>
<b>Cost</b>	
At 1 September 1992	865
Disposal	(865)
 31 August 1993	 -

# CUC Cablevision (UK) Limited

## NOTES TO THE ACCOUNTS at 31 August 1993

### (a) Subsidiary undertakings

The company's subsidiary undertakings were as follows:

	<i>Country of registration</i>	<i>Holding</i>	<i>Proportion of equity held</i>		<i>Nature of business</i>
			1993	1992	
Maza Limited	England	Ordinary Shares	100%	0%	Cable Television <sup>(1)</sup>
South Yorkshire Cablevision (UK) Ltd.	England	Ordinary Shares	0%	50%	Dormant <sup>(3)</sup>
Herts Cable Limited	England	Ordinary Shares	80%	80%	Cable Television <sup>(2)</sup>
Northampton Cable Television Limited	England	Ordinary Shares	80%	80%	Cable Television <sup>(2)</sup>
Chiltern Cable Limited	England	Ordinary Shares	0%	80%	Dormant <sup>(3)</sup>
Bracknell Cable Television Limited	England	Ordinary Shares	100%	100%	Cable Television

### Notes:

1. Acquired 21 April 1993.
2. Interest held indirectly through Maza Ltd.
3. Shares transferred to CUC Investments Limited.

### (b) Partnership interests

Herts Cable Limited (HCL) and Northampton Cable Television Limited (NCTL) are general partners and hold 10% interests in TC(H)LP and TC(N)LP respectively. Under separate agreements all profits, losses and distributions attributed to these companies are to the account of the minority shareholders in HCL and NCTL.

# CUC Cablevision (UK) Limited

## NOTES TO THE ACCOUNTS at 31 August 1993

The principal place of business of the partnerships is in the UK.

### *Current accounts*

The group is eligible to participate in profits and losses of the partnerships to the extent of amounts in excess of the 10% share due to the account of HCL and NCTL in the case of TC(H)LP and TC(N)LP respectively.

### *Capital accounts*

Under the terms of the partnership agreements the limited partners have made capital contributions.

### *Minority interests*

Details of minority interests as defined under the four partnership arrangements are as follows:

### *Group*

	<i>TCLP</i> <i>£'000</i>	<i>Trillium</i> <i>£'000</i>	<i>Other</i> <i>parties</i> <i>£'000</i>	<i>Total</i> <i>£'000</i>
(i) Capital accounts				
At 1 September 1992	-	31,648	560	32,208
Funding introduced during the year				
- received and retained	1,723	1,354	342	3,419
- received and transferred	-	4,095	-	4,095
- transferred to related undertakings	-	(30,697)	-	(30,697)
- reallocation	6,400	(6,400)	-	-
	<u>8,123</u>	<u>-</u>	<u>902</u>	<u>9,025</u>
(ii) Current accounts				
At 1 September 1992	-	(9,949)	(123)	(10,072)
Attribution of current year loss				
- transferred	-	(2,850)	-	(2,850)
- retained	(352)	(500)	(95)	(947)
- transferred to related undertakings	-	11,714	-	11,714
- reallocation	(1,585)	1,585	-	-
	<u>(1,937)</u>	<u>-</u>	<u>(218)</u>	<u>(2,155)</u>
Total as at 31 August 1993	<u>6,186</u>	<u>-</u>	<u>684</u>	<u>6,870</u>
Total as at 31 August 1992	<u>-</u>	<u>21,699</u>	<u>437</u>	<u>22,136</u>

## CUC Cablevision (UK) Limited

Under the terms of the variations to the partnership agreements on 21 April 1993, TCLP has assumed the value of Trillium's capital and current accounts in TC(H)LP and TC(N)LP respectively.

### (c) Other investments

The group's other investments relate to:	1993 £'000	1992 £'000
Coventry Cable Limited		
Ordinary shares (12.25%; 1992 - 12.25%)	865	865
Disposal	(865)	-
	<u>-</u>	<u>865</u>

The beneficial holding in Coventry Cable Limited by CUC Cablevision (UK) Limited was transferred at cost to TCLP on 21 April 1993. The registered shareholding was changed to reflect the actual ownership by a share transfer from CUC Investments Limited, a company registered in Canada.

## 11. DEBTORS

	Group		Company	
	1993 £'000	1992 £'000	1993 £'000	1992 £'000
Trade debtors	13	267	-	-
Prepayments and other debtors	760	601	674	277
	<u>773</u>	<u>868</u>	<u>674</u>	<u>277</u>

All debtors are due within one year.

# CUC Cablevision (UK) Limited

## NOTES TO THE ACCOUNTS at 31 August 1993

### 12. CREDITORS

#### (a) Amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	<i>1993</i>	<i>1992</i>	<i>1993</i>	<i>1992</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Trade creditors	1,029	1,211	582	127
Other creditors including taxation and social security	476	384	458	158
Accruals and deferred income	914	1,306	821	329
Obligations under finance lease agreements (note 12(c))	-	348	-	-
Amounts owed to related undertakings	2,536	-	2,297	1,033
	<u>4,955</u>	<u>3,249</u>	<u>4,158</u>	<u>1,647</u>

Other creditors including taxation and social security includes:  
Taxation and Social Security £251,000.

#### (b) Amounts falling due after more than one year

	<i>Group</i>		<i>Company</i>	
	<i>1993</i>	<i>1992</i>	<i>1993</i>	<i>1992</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Obligations under finance lease agreements (note 12(c))	-	4,651	-	-

# CUC Cablevision (UK) Limited

## NOTES TO THE ACCOUNTS at 31 August 1993

### (c) Obligations under finance lease

	<i>Group</i>		<i>Company</i>	
	<i>1993</i>	<i>1992</i>	<i>1993</i>	<i>1992</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Amounts due within one year	-	348	-	-
Amounts due after more than one year	-	4,651	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	4,999	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

During April 1993 the finance lease for the Swindon cable network was transferred to TCLP at its balance sheet value.

### 13. DEFERRED TAXATION

Deferred taxation provided in the accounts comprises:

	<i>Group and Company</i>	
	<i>1993</i>	<i>1992</i>
	<i>£'000</i>	<i>£'000</i>
Balance at 1 September 1992	8	-
Capital allowances in advance of depreciation	26	8
	<hr/>	<hr/>
Balance at 31 August 1993	34	8
	<hr/>	<hr/>

There is no additional unprovided deferred taxation as timing differences are fully offset by tax losses in the subsidiary undertakings.

# CUC Cablevision (UK) Limited

## NOTES TO THE ACCOUNTS at 31 August 1993

### 14. CALLED UP SHARE CAPITAL

	<i>Group and Company 1993 and 1992</i>
Authorised:	
Ordinary share of £1 each	<u>1,000,000</u>
Issued:	
Ordinary shares of £1 each	<u>2</u>

### 15. DISPOSALS

During the year the group disposed of subsidiaries to Telecential Communications (Canada) Limited total assets and liabilities at balance sheet values as follows:

	<i>£'000</i>
Fixed Assets (net of depreciation)	16,176
Investments	865
Goodwill	6,853
Stock	573
Debtors	329
Creditors - less than 1 year	(1,903)
Creditors - more than 1 year	(5,407)
Cash	34
	<hr/>
Net Assets	17,520
Partnership contributions	(30,697)
Accumulated partnership losses to 30.4.93	11,714
Profit on disposal	<u>1,463</u>
Proceeds	<u>NIL</u>
	<hr/>
Cash outflow in respect of disposals	
Proceeds	-
Cash balances disposed of	(34)
	<hr/>
	<u>(34)</u>
	<hr/>

# CUC Cablevision (UK) Limited

## NOTES TO THE ACCOUNTS at 31 August 1993

### 16. CAPITAL COMMITMENTS

	1993 £'000	1992 £'000
Future capital expenditure authorised by the directors:		
Contracted	150	-
Not contracted	<u>4,450</u>	<u>-</u>

### 17. OTHER FINANCIAL COMMITMENTS

At 31 August 1992 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>		<i>Other</i>	
	1993 £'000	1992 £'000	1993 £'000	1992 £'000
Operating leases which expire:				
within one year	42	45	45	77
within two to five years	227	-	391	232
in over five years	12	147	-	-
	<u>281</u>	<u>192</u>	<u>436</u>	<u>309</u>

# CUC Cablevision (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 August 1993

### 18. NET CASH OUTFLOW FROM OPERATING ACTIVITIES AND ANALYSIS OF CASH AND CASH EQUIVALENTS

(a) Reconciliation of group operating loss to net cash outflow from group operating activities:

	1993 £'000	1992 £'000
Operating loss	(3,271)	(5,065)
Depreciation	1,649	2,152
Amortisation	122	186
Increase in debtors	(234)	(369)
Increase/(decrease) in stocks	(334)	268
Increase in creditors	3,927	154
Other non-cash movements	-	3
	<u>1,859</u>	<u>(2,691)</u>

(b) Analysis of cash and cash equivalents

	1993 £'000	1992 £'000	Increase in year £'000
Cash at bank and in hand	2,973	383	2,590

(c) Analysis of changes in cash and cash equivalents during the year:

	£'000
Balance at 1 September 1992	383
Net cash inflow	2,590
	<u>2,973</u>
Balance at 31 August 1993	

# CUC Cablevision (UK) Limited

## NOTES TO THE ACCOUNTS at 31 August 1993

### (d) Analysis of cashflow effect from acquisition of subsidiaries.

The effect of prior year acquisitions on the group statement of cashflows comprises:

	1993 £'000	1992 £'000
Payment of deferred consideration on previous acquisitions	<u>-</u>	<u>274</u>

## 19. CAPITAL CONTRIBUTIONS

Minority interests made the following cash contributions during the year:

Trillium	5,449
TCLP	1,723
	<u>      </u>
Total limited partners	7,172
Other parties	342
	<u>      </u>
	7,514
	<u>      </u>

## 20. ULTIMATE PARENT COMPANY

The ultimate parent company and the parent company of the largest and smallest group which consolidates the results of the group is Telecential Communications (Canada) Limited which is incorporated in the Province of Ontario, Canada. Copies of the financial statements of Telecential Communications (Canada) Limited are not filed for public records, but a copy can be obtained from:

Link 2, Beacontree Plaza  
Gillette Way  
Basingstoke Road  
Reading  
Berkshire RG2 0BS