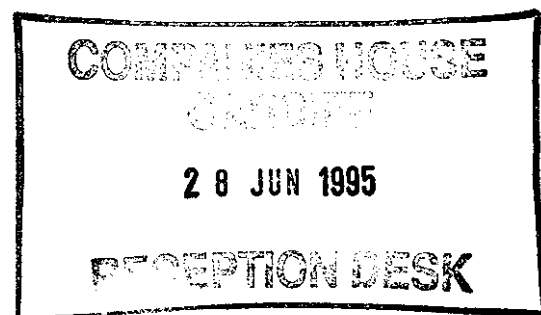


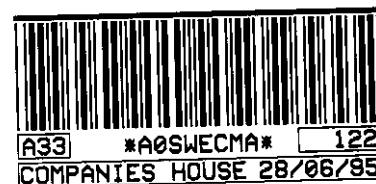
GROUP REPORT AND ACCOUNTS

**CUC Cablevision (UK) Limited**

31 AUGUST 1994



Registered in England: Number 2387692



# CUC Cablevision (UK) Limited

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## **DIRECTORS**

C G Allen  
J S Grafstein  
J D McDonald (Chairman)  
F J Parrotta  
M N Kimball  
H Neldner  
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 1994.

## **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 £153,000 (1993 profit £1,508,000). The profit of £153,000 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:-

Telecential Communications Limited Partnership  
Telecential Communications (Bracknell) Limited Partnership  
Telecential Communications (Herts) Limited Partnership  
Telecential Communications (Northants) Limited Partnership

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

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

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. In the year, the recipients of management services, directly or indirectly were:-

Telecential Communications Limited Partnership  
Telecential Communications (Bracknell) Limited Partnership  
Telecential Communications (Herts) Limited Partnership  
Telecential Communications (Northants) Limited Partnership

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.

## **POST BALANCE SHEET EVENTS**

The partnership trading names changed in November 1994 as a consequence of ceasing to be limited partnerships following a rearrangement of partnership structure in the Telecential Communications (Canada) Limited (TC(C)L) Group as follows:

TCLP became Telecential Communications Partnership (TCP)

TC(B)LP became Telecential Communications (Bracknell) Partnership (TCBP)

TC(H)LP became Telecential Communications (Herts) Partnership (TCHP)

TC(N)LP became Telecential Communications (Northants) Partnership (TCNP)

Also, in November 1994 the TC(C)L group reached agreement with a group of Banks led by Chase Investment Bank Limited to create a debt facility of £140 million. This is capable of being drawn in tranches until February 1998 and will be used to develop the groups' franchises. Interest will be payable at LIBOR plus an agreed margin and the loan is repayable in a 6 year period ending February 2004.

## **DIRECTORS AND THEIR INTERESTS**

The directors who served during the year ended 31 August 1994 are as set out on page 2.

During the year the following directors resigned:

V Achber	(Resigned 1 September 1994)
M Koerner	(Resigned 2 May 1994)

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 the group's and company's fixed assets is given in notes 8 and 9 to the accounts.

## CUC Cablevision (UK) Limited

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### AUDITORS

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 black ink, appearing to read 'C G Allen', written in a cursive style.

C G Allen  
Director

## **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;
- state whether applicable accounting standards have been followed;
- 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 27 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 1994 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

9 June 1995

## CUC CABLEVISION (UK) LTD

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 1994

	NOTES	CONTINUING OPERATIONS		DISCONTINUED OPERATIONS		TOTAL	
		1994 £'000	1993 £'000	1994 £'000	1993 £'000	1994 £'000	1993 £'000
TURNOVER	2	7,483	2,557	0	4,216	7,483	6,773
COST OF SALES		(445)	(219)	0	(1,603)	(445)	(1,822)
GROSS PROFIT		7,039	2,338	0	2,613	7,038	4,951
NET OPERATING EXPENSES		(9,230)	(3,271)	0	(4,951)	(9,230)	(8,222)
OPERATING LOSS		(2,192)	(933)	-	(2,338)	(2,192)	(3,271)
PROFIT ON DISPOSAL OF DISCONTINUED OPERATIONS	14	0	0	0	1,463	0	1,463
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(2,192)	(993)	0	(675)	(2,192)	(1,808)
INTEREST PAYABLE	5					(10)	(439)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION						(2,202)	(2,247)
TAX ON LOSS ON ORDINARY ACTIVITIES	6					8	(42)
MINORITY INTERESTS	9					(2,194)	(2,289)
PROFIT FOR THE YEAR ATTRIBUTABLE TO THE MEMBERS OF CUC CABLEVISION (UK) LTD						2,347	3,797
						153	1,508



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

	1994 £'000	1993 £'000
At 1 September	185	(1,323)
Profit for the year	153	1,508
	<hr/>	<hr/>
At 31 August	338	185
	<hr/>	<hr/>

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.

**CONSOLIDATED BALANCE SHEET**

at 31 August 1994

	Notes	1994 £'000	1993 £'000
<b>FIXED ASSETS</b>			
Tangible assets	8	20,483	8,145
		<u>20,483</u>	<u>8,145</u>
<b>CURRENT ASSETS</b>			
Stocks (materials and consumables)		573	153
Debtors	10	5,243	773
Cash at bank and in hand		<u>-</u>	<u>2,973</u>
		5,816	3,899
<b>CREDITORS: amounts falling due within one year 11(a)</b>		<u>(4,884)</u>	<u>(4,955)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>932</u>	<u>(1,056)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		21,415	7,089
<b>CREDITORS: amounts falling due after more than one year</b>	11(b)	<u>(1,197)</u>	<u>-</u>
		20,218	7,089
<b>PROVISION FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	12	<u>(10)</u>	<u>(34)</u>
		<u>20,208</u>	<u>7,055</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	-	-
Profit and loss account		<u>338</u>	<u>185</u>
Equity Shareholders' funds		338	185
Equity Minority interests	9(b)	<u>19,870</u>	<u>6,870</u>
		<u>20,208</u>	<u>7,055</u>

Approved by the Board on *June 9, 1995*



Charles Allen  
Director

# CUC Cablevision (UK) Limited

## BALANCE SHEET

at 31 August 1994

	Notes	1994 £'000	1993 £'000
<b>FIXED ASSETS</b>			
Tangible assets	8	441	728
Investments	9	-	-
		<u>441</u>	<u>728</u>
<b>CURRENT ASSETS</b>			
Debtors	10	2,472	674
Cash at bank and in hand		<u>-</u>	<u>2,975</u>
		2,472	3,649
CREDITORS: amounts falling due within one year	11(a)	<u>(2,458)</u>	<u>(4,158)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>14</u>	<u>(509)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		455	219
CREDITORS: amounts falling due after more than one year	11(b)	<u>(107)</u> 348	<u>-</u> 219
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	12	<u>(10)</u>	<u>(34)</u>
		<u>338</u>	<u>185</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	-	-
Profit and loss account		<u>338</u>	<u>185</u>
Equity Shareholders Funds		<u>338</u>	<u>185</u>

Approved by the Board on *June 9, 1995*

*Charles Allen*

Charles Allen  
Director

# CUC Cablevision (UK) Limited

## CONSOLIDATED STATEMENT OF CASHFLOWS

for the year ended 31 August 1994

	Notes	1994 £'000	1993 £'000
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	17(a)	(7,587)	1,859
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Finance lease interest paid		(53)	(101)
Bank interest paid		(1)	(3)
Bank interest received		44	78
NET CASHFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(10)	(26)
TAXATION			
UK Corporation tax paid		(11)	-
Tax paid		(11)	-
INVESTING ACTIVITIES			
Purchase of tangible fixed assets:			
Owned		(11,092)	(6,004)
Set-up and prematurity costs		(936)	(719)
Disposal of subsidiary undertakings	14	-	(34)
Receipts from sale of fixed assets		6	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(12,022)	(6,757)
NET CASH OUTFLOW BEFORE FINANCING		(19,630)	(4,924)
FINANCING ACTIVITIES			
Capital contributions attributable to:			
Minority interests	9(b)	15,347	7,514
Capital element of finance lease rentals	18	(46)	-
NET CASH INFLOW FROM FINANCING		15,301	7,514
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	17(b)	(4,329)	2,590

NOTES TO THE ACCOUNTS  
at 31 August 1994

**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 1994.

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 9.

*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

*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.

NOTES TO THE ACCOUNTS

at 31 August 1994

*(b) 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 1994

### *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 £149,000 (1993 £107,000).

## 2. TURNOVER

Turnover, which is stated net of value added tax, represents subscriber rentals receivable for cable and telephony 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>	
	1994	1993	1994	1993	1994	1993
	£'000	£'000	£'000	£'000	£'000	£'000
Provision of cable and telecommunications services	897	486	-	4,216	897	4,702
Management fees	6,586	2,071	-	-	6,586	2,071
	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
	7,483	2,557	-	4,216	7,483	6,773
	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>

# CUC Cablevision (UK) Limited

## NOTES TO THE ACCOUNTS as at August 1994

### 3. STAFF COSTS

	1994 £'000	1993 £'000
Wages and salaries	4,800	3,407
Social security costs	417	328
Pension	149	107
Life assurance	16	14
Other benefits	<u>22</u>	<u>21</u>
	<u>5,404</u>	<u>3,877</u>
The average number of employees was		
Sales/Marketing/Customer Services	74	62
Technical	77	63
Administration	46	37
	<u>197</u>	<u>162</u>

### 4. OPERATING LOSS

(a) This is stated after charging:	1994 £'000	1993 £'000
Auditors' remuneration:		
Audit services	65	50
Other services	82	77
Depreciation:		
Owned assets	905	1,456
Leased assets	128	193
Amortisation of intangible assets	-	122
Foreign exchange losses	<u>-</u>	<u>95</u>
(b) Director's remuneration		
Fees	-	-
Other emoluments (including pension contributions)	<u>-</u>	<u>267</u>
	<u>-</u>	<u>267</u>

The emoluments of the highest paid director were nil (1993: £196,947).

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

	1994 No	1993 No
Nil - £5,000	9	11
70,000 - 75,000	<u>-</u>	<u>1</u>



# CUC Cablevision (UK) Limited

## NOTES TO THE ACCOUNTS at 31 August 1994

### 5. INTEREST

a) Payable	1994 £'000	1993 £'000
Finance lease interest	53	506
Other interest payable	1	6
	<u>54</u>	<u>512</u>

### b) Receivable

	1994 £'000	1993 £'000
Bank interest receivable	<u>44</u>	<u>73</u>

### 6. TAXATION ON LOSS ON ORDINARY ACTIVITIES

	1994 £'000	1993 £'000
Based on the loss for the year:		
Corporation tax at 25% (1993 - 33%)	21	16
(Decrease)/Increase in provision for deferred taxation	(24)	26
Adjustment in respect of prior years	(5)	-
	<u>(8)</u>	<u>42</u>

The current corporation tax charge for this year is disproportionately high due to the incidence of losses made by the partnerships which cannot be set 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 £153,000 has been dealt with in the accounts of CUC Cablevision (UK) Limited. The company has taken advantage of the exemption conferred by S230 of the Companies Act 1985, and has not presented its own profit and loss account.

NOTES TO THE ACCOUNTS  
as at August 1994

**8. TANGIBLE FIXED ASSETS**

Group	<i>Land, buildings and short leaseholds</i> £'000	<i>Plant &amp; machinery, fittings and equipment</i> £'000	<i>Set-up and prematurity costs</i> £'000	<i>Total</i> £'000
Cost				
At 1 September 1993	52	6,587	2,516	9,155
Additions	392	12,044	936	13,372
Disposals	-	(20)	-	(20)
At 31 August 1994	<u>444</u>	<u>18,611</u>	<u>3,452</u>	<u>22,507</u>
Depreciation				
At 1 September 1993	19	795	196	1,010
Provided during the year	19	855	159	1,033
Disposals	-	(19)	-	(19)
At 31 August 1994	<u>38</u>	<u>1,631</u>	<u>355</u>	<u>2,024</u>
Net book amount				
At 31 August 1994	<u>406</u>	<u>16,980</u>	<u>3,097</u>	<u>20,483</u>
At 31 August 1993	<u>33</u>	<u>5,792</u>	<u>2,320</u>	<u>8,145</u>

Included in additions to plant and machinery are capitalised costs of £820,000 (1993 - £466,000).

Included in plant and machinery are assets acquired under finance leases at a net book amount of £1,223,000 (1993 £198,000).

NOTES TO THE ACCOUNTS

as at August 1994

The net book value of land and buildings comprises:

	1994 £'000	1993 £'000
Freehold property	-	-
Short leasehold property and improvements	<u>406</u>	<u>33</u>
	<u>406</u>	<u>33</u>
Company	<i>Plant and machinery, fixtures and fittings £000</i>	
Cost		
At 1 September 1993		1,062
Additions		13
Disposals		(20)
At 31 August 1994		<u>1,055</u>
Depreciation		
At 1 September 1993		334
Provided during the year		299
Disposals		(19)
At 31 August 1994		<u>614</u>
Net book value		
At 31 August 1994		<u>441</u>
At 31 August 1993		<u>728</u>

Included in plant and machinery are assets acquired under finance leases at a net book amount of £131,000 (1993 £198,000).

# CUC Cablevision (UK) Limited

## NOTES TO THE ACCOUNTS as at August 1994

### 9. INVESTMENTS

<i>Company</i>	£
<b>Cost</b>	
At 1 September 1993	328
Additions	-
31 August 1994	<u>328</u>

Represented by: Shares in Maza Limited:  
324 £1 Ordinary shares 324

Shares in Bracknell Cable Television Limited:  
2 £1 Ordinary shares 2  
1 £1 Special share 1  
1 £1 Ordinary "C" share 1

#### (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>
			<i>1994</i>	<i>1993</i>	
Maza Limited	England	Ordinary Shares	100%	100%	Cable Television <sup>(1)</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>
Bracknell Cable Television Limited	England	Ordinary Shares	100 %	100%	Cable Television

#### Notes:

1. Acquired 21 April 1993.
2. Interest held indirectly through Maza Ltd.

#### (b) Partnership interests

At 31 August, Herts Cable Limited (HCL) and Northampton Cable Television Limited (NCTL) were general partners and held 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.

Since 31 August, TC(H)LP and TC(N)LP have become general partnerships (see note 19), and HCL and NCTL have continued to maintain their 10% interest in the partnerships.

# CUC Cablevision (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 August 1994

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

### *Current accounts*

The results of the group's partnerships have been allocated to current accounts according to the partnership agreements.

### *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 two partnership arrangements are as follows:

#### *Group*

	<i>TCLP</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 1993	8,123	902	9,025
Funding introduced during the year	15,347	-	15,347
Reallocation	902	(902)	-
	<u>24,372</u>	<u>-</u>	<u>24,372</u>
(ii) Current accounts			
At 1 September 1993	(1,937)	(218)	(2,155)
Attribution of current year loss	(2,113)	(234)	(2,347)
	<u>(4,050)</u>	<u>(452)</u>	<u>(4,502)</u>
Total as at 31 August 1994	<u>20,322</u>	<u>(452)</u>	<u>19,870</u>
Total as at 31 August 1993	<u>6,186</u>	<u>684</u>	<u>6,870</u>

# CUC Cablevision (UK) Limited

## NOTES TO THE ACCOUNTS at 31 August 1994

### 10. DEBTORS

	<i>Group</i>		<i>Company</i>	
	<i>1994</i>	<i>1993</i>	<i>1994</i>	<i>1993</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Trade debtors	22	13	-	-
Prepayments and other debtors	2,484	760	1,962	674
Due from related undertakings	2,737	-	510	-
	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
	5,243	773	2,472	674
	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>

All debtors are due within one year.

### 11. CREDITORS

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

	<i>Group</i>		<i>Company</i>	
	<i>1994</i>	<i>1993</i>	<i>1994</i>	<i>1993</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Bank overdraft	1,356	-	891	-
Obligations under finance lease agreements (note 12(c))	108	-	51	-
Trade creditors	1,824	1,029	217	582
Amounts owed to related undertakings	-	2,536	-	2,297
Other creditors including taxation and social security	422	476	387	458
Accruals and deferred income	1,174	914	912	821
	<u>4,884</u>	<u>4,955</u>	<u>2,458</u>	<u>4,158</u>

Other creditors including taxation and social security includes:  
Taxation and Social Security £345,000.

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

	<i>Group</i>		<i>Company</i>	
	<i>1994</i>	<i>1993</i>	<i>1994</i>	<i>1993</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Obligations under finance lease agreements (note 11(c))	<u>1,197</u>	=	<u>107</u>	=

NOTES TO THE ACCOUNTS  
at 31 August 1994

(c) Obligations under finance lease

	<i>Group</i>		<i>Company</i>	
	<i>1994</i>	<i>1993</i>	<i>1994</i>	<i>1993</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Amounts due within one year	108	-	51	-
Amounts due after more than one year	1,197	-	107	-
	<u>1,305</u>	<u>-</u>	<u>158</u>	<u>-</u>

12. DEFERRED TAXATION

Deferred taxation provided in the accounts comprises:

	<i>Group and Company</i>	
	<i>1994</i>	<i>1993</i>
	<i>£'000</i>	<i>£'000</i>
Balance at 1 September	34	8
Current period charge	10	26
Adjustment in respect of prior years	(34)	-
Balance at 31 August	<u>10</u>	<u>34</u>

There is no unprovided deferred taxation due to an excess of taxable losses available for relief against future trading profits in the subsidiary undertakings.

# CUC Cablevision (UK) Limited

## NOTES TO THE ACCOUNTS at 31 August 1994

### 13. CALLED UP SHARE CAPITAL

	<i>Group and Company 1994 and 1993</i>
Authorised:	
Ordinary shares of £1 each	<u>1,000,000</u>
Issued:	
Ordinary shares of £1 each	<u>2</u>

### 14. DISPOSALS

During 1993 the group disposed of subsidiaries' total assets and liabilities at balance sheet values to TC(C)L 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	<hr/> NIL <hr/>
Cash outflow in respect of disposals	
Proceeds	-
Cash balances disposed of	(34)
	<hr/> (34) <hr/>



NOTES TO THE ACCOUNTS  
at 31 August 1994

**15. CAPITAL COMMITMENTS**

Future capital expenditure authorised by the board

	<i>1994</i> <i>£'000</i>	<i>1993</i> <i>£'000</i>
Future capital expenditure authorised by the directors:		
Contracted	2,343	150
Not contracted	<u>20,377</u>	<u>4,450</u>

**16. OTHER FINANCIAL COMMITMENTS**

At 31 August 1994 the group had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>		<i>Other</i>	
	<i>1994</i> <i>£'000</i>	<i>1993</i> <i>£'000</i>	<i>1994</i> <i>£'000</i>	<i>1993</i> <i>£'000</i>
Operating leases which expire:				
within one year	43	42	54	45
within two to five years	200	227	1,043	391
in over five years	108	12	-	-
	<u>351</u>	<u>281</u>	<u>1,097</u>	<u>436</u>

NOTES TO THE ACCOUNTS  
at 31 August 1994

**17. 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:

	<i>1994</i> <i>£'000</i>	<i>1993</i> <i>£'000</i>
Operating loss	(2,191)	(3,271)
Depreciation	1,033	1,649
Amortisation	-	122
Profit on sales of fixed assets	(5)	-
Increase in debtors	(4,470)	(234)
Increase in stocks	(420)	(334)
(Decrease)/Increase in creditors	(1,534)	3,927
	<u>(7,587)</u>	<u>1,859</u>

(b) Analysis of cash and cash equivalents

	<i>1994</i> <i>£'000</i>	<i>Movement</i> <i>in year</i> <i>£'000</i>	<i>1993</i> <i>£'000</i>	<i>Movement</i> <i>in year</i> <i>£'000</i>	<i>1992</i> <i>£'000</i>
Cash at bank and in hand	-	(2,975)	2,975	2,592	383
Bank overdraft	(1,356)	(1,354)	(2)	(2)	-
	<u>(1,356)</u>	<u>(4,329)</u>	<u>2,973</u>	<u>2,590</u>	<u>383</u>

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

	<i>£'000</i>
Balance at 1 September 1993	2,973
Net cash inflow	(4,329)
	<u>          </u>
Balance at 31 August 1994	(1,356)

# CUC Cablevision (UK) Limited

## NOTES TO THE ACCOUNTS at 31 August 1994

### 18. ANALYSIS OF CHANGES IN FINANCING

	1994 £'000	1993 £'000
Balance at 1 September	-	-
Inception of new finance leases	1,351	-
Interest accrued	53	-
Interest paid	(53)	-
Capital element of finance leases paid	(46)	-
Balance at 31 August	<u>1,305</u>	<u>-</u>

### 19. POST BALANCE SHEET EVENT

The partnership trading names changed in November 1994 as a consequence of ceasing to be a limited partnership following a rearrangement of partnership structure in the TC(C)L Group as follows:

TCLP became Telecential Communications Partnership (TCP)  
TC(B)LP became Telecential Communications (Bracknell) Partnership (TCBP)  
TC(H)LP became Telecential Communications (Herts) Partnership (TCHP)  
TC(N)LP became Telecential Communications (Northants) Partnership (TCNP)

Also, in November 1994 the TC(C)L group reached agreement with a group of Banks led by Chase Investment Bank Limited to create a debt facility of £140 million. This is capable of being drawn in tranches until February 1998 and will be used to develop the groups' franchises. Interest will be payable at LIBOR plus an agreed margin and the loan is repayable in a 6 year period ending February 2004.

### 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