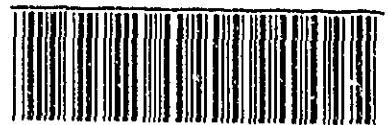


2443484

# NYNEX CableComms Stockport

*(formerly NYNEX CableComms Stockport Limited  
and formerly to that Telecable of Stockport Limited)*

Financial Statements  
for the year ended 31 December 1993



\*A13651J2\*

A081 RECEIPT DATE: 25/05/94

**Financial Statements  
for the year ended 31 December 1993**

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**Directors and advisers**

**Executive Directors**

**E P Connell**

**L B Rabuffo**

**N P Mearing-Smith**

**G J McLean**

**Registered Auditors**

**Coopers & Lybrand**  
1 Embankment Place  
London  
WC2N 6NN

**Secretary and registered office**

**P H Repp**  
Wimbledon Bridge House  
1 Hartfield Road  
Wimbledon  
London  
SW19 3RU

**Bankers**

**Barclays Bank PLC**

**Registered number**

**2443484**

**Directors' report  
for the year ended 31 December 1993**

The directors present their report and the audited financial statements for the year ended 31 December 1993.

**Principal activity**

The principal activity of the company is the provision of cable television and telecommunications services under licences awarded to it for the Stockport area.

**Review and reorganisation of the business**

On 30 April 1993 the whole of the company's issued share capital was acquired by NYNEX UK Telephone & Cable TV Holding Company Limited. On 1 September 1993 the company changed its name from Telecable Stockport Limited to NYNEX CableComms Stockport Limited.

During the fourth quarter of 1993 the company was restructured in anticipation of an exercise to raise additional funds for the development of the cable franchise.

On 5 October 1993 the company re-registered as an unlimited company and changed its name to NYNEX CableComms Stockport.

On 6 October 1993, the authorised share capital of the company was increased from 100 to 80,465,936 by the creation of 80,465,836 'A' ordinary shares.

On the same date the 2 issued ordinary shares of £1 each were reclassified as 2 preference shares of £1 each, the remaining 98 unissued ordinary shares of £1 each were reclassified as 98 'A' ordinary shares of £1 each, and all the 80,465,934 'A' ordinary shares of £1 each were issued nil paid at par to NYNEX WSG 1 Company and NYNEX WSG North LP

As a result the company is no longer a subsidiary undertaking of NYNEX UK Telephone & Cable TV Holding Company Limited.

**Future developments**

The company will continue with the development of the cable television and telecommunications network and services available to it pursuant to the licences issued.

**State of affairs**

The state of the company's affairs at 31 December 1993 is set out on page 8.

**Directors and directors' interests**

The directors who served during the year were:

	Appointed	Resigned
E P Connell	30 April 1993	-
N P Mearing-Smith	28 September 1993	-
L B Rabuffo	28 September 1993	-
G J McLean	30 April 1993	-
R Blackburn	30 April 1993	23 September 1993
J Farina	30 April 1993	23 September 1993
L Ryan	24 September 1990	30 April 1993
G Herring	24 September 1990	30 April 1993
N Worth	24 September 1990	30 April 1993
A Ritter	24 September 1990	30 April 1993
P Lea	24 September 1990	30 April 1993
R Roberts	24 September 1990	30 April 1993

No director who held office at the end of the year had an interest in the issued share capital of the company or any other UK group company at any time in the year. As permitted by Statutory Instrument (SI 1985/No.802), details of shareholdings in overseas companies are not disclosed.

**Changes in fixed assets**

The movement in fixed assets during the year are set out in note 5 to the financial statements.

**Taxation status**

The company is not a close company within the provisions of the Income and Corporation Taxes Act 1988.

**Auditors**

In accordance with section 385 of the Companies Act 1985 a resolution will be proposed at the Annual General Meeting to reappoint Coopers & Lybrand as Auditors of the company.

**Directors' responsibility**

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for that period. In preparing the financial statements, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. Applicable accounting standards have been followed. The directors are responsible for maintaining adequate accounting records for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

By order of the Board

A handwritten signature in black ink, appearing to be 'P H Repp', written over a horizontal line.

P H Repp  
Company Secretary  
9 May 1994

**Report of the auditors  
to the members of NYNEX CableComms Stockport**

We have audited the financial statements on pages 7 to 14.

**Respective responsibilities of directors and auditors**

As described in the directors' report, 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 circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations that 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 the company's affairs at 31 December 1993 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Coopers & Lybrand*

COOPERS & LYBRAND  
Chartered Accountants and Registered Auditors  
London,  
13 May 1994

**Profit and loss account  
for the year ended 31 December 1993**

	Note	1993 £	1992 £
Operating costs		<u>(687,315)</u>	<u>-</u>
Loss on ordinary activities before taxation	2	(687,315)	-
Taxation on loss on ordinary activities	4	<u>-</u>	<u>-</u>
Loss for the financial year		<u><u>(£687,315)</u></u>	<u><u>£-</u></u>

The company has no recognised gains and losses other than those included in the loss above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above, and their historical cost equivalents.

All of the company's activities are continuing.



**Balance sheet  
at 31 December 1993**

	Notes	1993 £	£	1992 £	£
<b>Fixed Assets</b>					
Intangible assets	5	-	-	15,000	
<b>Current Assets</b>					
Debtors	6	-	-	2	
<b>Creditors:</b>					
Amounts falling due within one year	7	(687,313)	-	-	
<b>Net Current (Liabilities) / Assets</b>		(687,313)		2	
<b>Total Assets less Current Liabilities</b>		(687,313)		15,002	
<b>Creditors:</b>					
Amounts falling due after more than one year	8	-	-	(15,000)	
		(£687,313)		£2	
<b>Capital And Reserves</b>					
Called up share capital	9	2	2	2	
Profit and loss account	10	(687,315)	-	-	
<b>Shareholder's funds</b>	11	(£687,313)		£2	

These financial statements were approved by the Board of Directors and were signed on 9 May 1994 on its behalf by:

E P Connell  
Director



*The notes on pages 9 to 14 form part of these financial statements.*

**Notes to the financial statements  
for the year ended 31 December 1993**

**1 Accounting policies**

**Basis of accounting**

These financial statements are prepared on the historical cost basis of accounting and in accordance with applicable Accounting Standards in the UK. The principal accounting policies remain unchanged from the previous year and have been applied consistently as set out below:

**a) Foreign currencies**

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the average rate of exchange ruling during the financial year. Exchange gains or losses are taken to the profit and loss account in the year in which they arise.

**b) Management service costs**

NYNEX CableComms Limited has agreed to furnish consultancy and support services to NYNEX CableComms Stockport in order to realise economies and increased efficiencies.

In consideration for the service rendered by NYNEX CableComms Limited, the company agreed to pay its share of the costs incurred.

The company's share of these costs was £680,465 (1992 : £nil).

**c) Deferred taxation**

Provision is made for deferred taxation, using the liability method, on all material timing differences, to the extent that it is probable that a liability or asset will crystallise.

**d) Going concern**

The financial statements have been prepared on a going concern basis because the ultimate holding company has undertaken to continue to provide financial support to the company.

**2 Loss on ordinary activities before taxation**

The loss on ordinary activities is attributable to the principal activity, the development of a cable television franchise and arose wholly within the United Kingdom. The company made no sales during the year (1992 : £nil).

Loss on ordinary activities is stated after charging/(crediting):

	1993 £	1992 £
Intangible assets written off	15,000	-
Forgiveness of intercompany creditor	(15,000)	-
Auditors' remuneration	-	-

Audit and non-audit fees in respect of the year ended 31 December 1993 have been paid by NYNEX CableComms Limited.

**3 Directors' emoluments**

The emoluments of the directors are paid either directly or indirectly by NYNEX CableComms Limited. The proportion of the directors total emoluments paid in respect of their services as directors of NYNEX CableComms Stockport or otherwise in connection with the management of the affairs of the company was:

	1993 £	1992 £
Fees	-	-
Salary payments (including benefits in kind)	27,528	-
Pension contributions	549	-
	<u>£28,077</u>	<u>£-</u>

The amount has been recharged to the company by NYNEX CableComms Limited as part of the management service cost (see note 1b).

Fees and other emoluments include amounts paid to:

	1993 Chairman and highest paid Director £	1992 Chairman and highest paid Director £
Salary payments	13,654	-
Pension contributions	-	-
	<u>£13,654</u>	<u>£-</u>

**3 Directors' emoluments (continued)**

The number of directors (including the chairman and the highest-paid director) who received fees and other emoluments (excluding pension contributions) in the following ranges was:

	1993 Number	1992 Number
£0 to £5,000	9	6
£5,001 to £10,000	2	-
£10,001 to £15,000	1	-

The company had no employees during the year (1992 : nil).

**4 Tax on loss on ordinary activities**

No taxation charge arises as the company did not trade during the year. Certain pre-trading expenditure will be deductible for tax purposes when the company starts to trade.

**5 Intangible fixed assets**

	1993 £	1992 £
At 1 January	15,000	-
Cost of franchise application	-	15,000
Less amounts written off	(15,000)	-
At 31 December	<u>£-</u>	<u>£15,000</u>

**6 Debtors**

	1993 £-	1992 £2
Called up share capital not paid	<u>£-</u>	<u>£2</u>

**7 Creditors: amounts falling due within one year**

	1993 £687,313	1992 £-
Amounts owed to NYNEX UK companies	<u>£687,313</u>	<u>£-</u>

**8 Creditors: amounts falling due after more than one year**

	1993	1992
Amounts owed to Telecable Corporation	<u>£-</u>	<u>£15,000</u>

**9 Share capital**

	1993 £	1992 £
<b>Authorised:</b>		
Ordinary shares of £1 each	-	100
Preference shares of £1 each	2	-
'A' ordinary shares of £1 each	<u>80,465,934</u>	<u>-</u>
	<u>£80,465,936</u>	<u>£100</u>
<b>Allotted, called up and fully paid:</b>		
Preference shares of £1 each	2	-
Ordinary shares of £1 each	<u>-</u>	<u>2</u>
	<u>£2</u>	<u>£2</u>
<b>Allotted, but not called up</b>		
80,465,934 (1992 : nil) 'A' ordinary shares of £1 each	<u>£-</u>	<u>£-</u>

On 6 October 1993, the authorised share capital of the company was increased from £100 to £80,465,936 by the creation of 80,465,836 'A' ordinary shares of £1 each. On the same date the 2 issued ordinary shares of £1 each were reclassified as 2 preference shares of £1 each and the 98 unissued ordinary shares of £1 each were reclassified as 98 'A' ordinary shares of £1 each.

Also on the same date, the company issued 80,465,934 'A' ordinary shares, nil paid and at par, in anticipation of an exercise to raise additional funds for the development of the cable franchise.

**a) Shareholders voting rights**

In the opinion of the Directors, the primary rights attached to the various class of shares is as follows:

£1 preference shares

The right to attend and speak but not vote at all general meetings of the company.

£1 'A' ordinary shares

The right to attend, speak and vote at all general meetings of the company.

**9 Share capital (continued)**

**b) Distributable profits**

The two classes of shareholders are entitled to distributable profits on the following basis:-

£1 Preference shareholders

The preference shareholders are entitled to 15% of the distributable profits.

£1 'A' Ordinary shareholders

The ordinary shareholders are entitled to 85% of the distributable profits.

**10 Profit and loss account**

	1993 £	1992 £
At 1 January	-	-
Loss for year	(687,315)	-
At 31 December	<u>(£687,315)</u>	<u>£-</u>

**11 Reconciliation of movements in shareholders' funds**

	1993 £	1992 £
Loss for the financial year	(687,315)	-
Opening shareholders' funds	2	2
Closing shareholders' funds	<u>(£687,313)</u>	<u>£2</u>

**12 Capital commitments**

The directors have authorised capital expenditure for the period ending 31 December 1994 of £15,399,428. None of this had been contracted for at 31 December 1993.

**13 Contingent liabilities**

The company had no contingent liabilities at 31 December 1993.

**14 Cash flow statement**

The Company has taken advantage of the exemption provided to small companies under FRS1 not to produce a cash flow statement.

**15 Ultimate holding company**

The directors regard NYNEX Corporation, a company incorporated in the United States of America as the company's ultimate parent company. Copies of the ultimate parent company's consolidated financial statements may be obtained from Investor Relations, NYNEX Corporation, 335 Madison Avenue, New York NY10017, USA.