

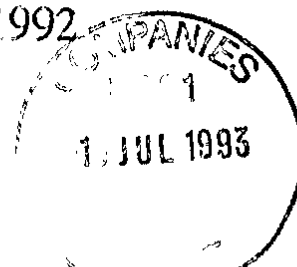
Coopers
& Lybrand

Middlesex Cable Limited

Annual report

for the year ended 31 December 1992

Registered no: 2460325



Middlesex Cable Limited

Annual report for the year ended 31 December 1992

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Directors and advisers

Executive directors

R W Whitney
P Galteau

Auditor

Coopers & Lybrand

Solicitors

Ashurst Morris Crisp

Secretary and registered office

J M Laver
Cable House
Waterside Drive
Langley
Berkshire
SL3 6EZ

Bankers

Midland Bank Plc

**Directors' report
for the year ended 31 December 1992**

The directors present their report and the audited financial statements for the year ended 31 December 1992.

Principal activities

The principal activities of the business are the construction and operation of cable television and telephone networks and the provision of value added network services.

Review of business

The company continued the construction of its cable television and telephone networks during the year.

Results

The loss on ordinary activities for the year was £2,080,000 on turnover of £930,000 compared with a loss of £889,000 on turnover of £6,643 in 1991. Detailed results for the year are shown in the profit and loss account on page 5.

Dividend

The directors do not recommend the payment of a dividend.

Changes in fixed assets

The movements in tangible fixed assets during the year are set out in note 8 to the accounts.

Basis of accounts' preparation

The accounts have been prepared on a going concern basis. The ability of the company to continue as a going concern is dependent upon the continued support of the company's principal shareholders. The ability of the company to recover its investment in fixed assets is dependent upon the successful development of the cable television and telephony business.

Directors

The following have served as directors of the company during the year :-

R W Whitney
T R Halfhead (resigned 29 April 1992)
T R Schaeffer (appointed 29 April 1992; resigned 31 March 1993)

P Galteau was appointed a director of the company on 28 April 1993.

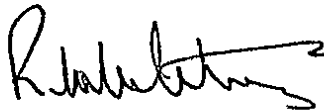
Directors' interests in shares of the company

None of the directors at the year end had any interest in the shares of the company at any time during the year. The directors' interests in the shares of the parent company, The Cable Corporation Limited, are disclosed in the financial statements of that company.

Auditor

A resolution to reappoint Coopers & Lybrand will be proposed at the annual general meeting. Until 1 June 1992 the Firm practised in the name of Coopers & Lybrand Deloitte.

By order of the board

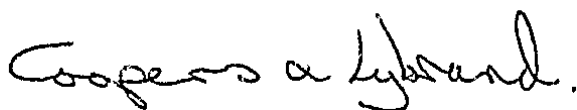


R W Whitney
Director
14 May 1993

**Report of the auditor to the members of
Middlesex Cable Limited**

We have audited the financial statements on pages 5 to 12 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1992 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in cursive script, reading "Coopers & Lybrand".

Coopers & Lybrand
Chartered Accountants and Registered Auditor
London

14 May 1993

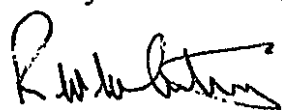
**Profit and loss account
for the year ended 31 December 1992**

	Notes	1992 £'000	1991 £'000
Turnover	2	930	6
Cost of sales		(912)	(36)
Gross profit		18	(30)
Other operating expenses	3	(2,098)	(859)
Loss on ordinary activities before taxation		(2,080)	(889)
Taxation	7	115	-
Retained loss for the year	16	(1,965)	(889)

**Balance sheet
at 31 December 1992**

	Notes	1992 £'000	1991 £'000
Fixed assets			
Tangible assets	8	9,119	2,705
Current assets			
Debtors	9	323	64
Cash at bank and in hand		-	-
		323	64
Creditors: amounts falling due within one year	10	(126)	(2,073)
Net current assets/liabilities		197	(2,009)
Debtors: Amounts falling due after more than one year	11	833	-
Total assets less current liabilities		10,149	696
Creditors: amounts falling due after more than one year	12	(13,086)	(1,668)
Net liabilities		(2,937)	(972)
Capital and reserves			
Called-up share capital	15	-	-
Profit and loss account	16	(2,937)	(972)
		(2,937)	(972)

The financial statements on pages 5 to 12 were approved by the board of directors on 14 May 1993 and were signed on its behalf by:



R W Whitney
Director

Notes to the financial statements for the year ended 31 December 1992

1 Principal accounting policies

The financial statements have been prepared in accordance with Accounting Standards in the United Kingdom. Since the company is a wholly owned subsidiary and the cash flows of the company are included in the consolidated cash flow statement of The Cable Corporation Limited, the company is exempt under the terms of the Financial Reporting Standard No 1 from publishing a cash flow statement.

A summary of the more important accounting policies is set out below.

Basis of accounting

These accounts are prepared under the historical cost convention.

Tangible fixed assets

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 in equal instalments from the date that the assets are brought into operation.

The lives for each major asset category are :

Cables, ducting and engineering	40 years
Electronic equipment	2 - 10 years
Office equipment	3 - 10 years
Tools and test equipment	3 years

Finance and operating leases

Income receivable and rentals payable under operating leases are credited and charged to the profit and loss account as they fall due.

Assets acquired under finance leases and hire purchase agreements are capitalised and the capital element of lease rentals is included in creditors.

Turnover

Turnover comprises the gross value of sales and rental (excluding VAT) of goods and services in the normal course of business.

Taxation

Corporation tax is provided on taxable profits at the current rate.

Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the financial statements and by the tax authorities) has been calculated on the liability method. Deferred tax is provided on timing differences which are likely to reverse at the rates of tax likely to be in force at the time of reversal. Deferred tax is not provided on timing differences where, in the opinion of directors, they are unlikely to reverse.

Pension costs

The group operates a defined contribution pension scheme. Contributions are charged to the profit and loss account in the year to which they relate in accordance with the rules of the scheme.

2 Turnover and loss on ordinary activities before taxation

	Turnover	
	1992 £'000	1991 £'000
Television	360	7
Telephony	570	-
	<u>930</u>	<u>7</u>

All the company's turnover arose in the United Kingdom. The principal activity relates to the operation of a cable television and telephone network and the provision of value added network services.

3 Other operating expenses

	1992 £'000	1991 £'000
Selling and distribution costs	-	273
Administrative expenses	2,098	586
	<u>2,098</u>	<u>859</u>

4 Directors' emoluments

No remuneration was paid to the directors of the company. The directors of Middlesex Cable Limited are also directors of the immediate holding company. They are remunerated for their services to the group as a whole and consequently details of their emoluments have been disclosed in either the group accounts or the accounts of the immediate holding company as appropriate.

5 Employee information

The average weekly number of persons (including executive directors) employed during the year was:

	1992 Number	1991 Number
Sales	-	4
Engineering	-	7
Administration	-	3
	<hr/>	<hr/>
	-	14
	<hr/>	<hr/>
	1992 £'000	1991 £'000
Staff costs (for the above persons):		
Wages and salaries	-	594
Social security costs	-	57
Other pension costs	-	10
	<hr/>	<hr/>
	-	661
	<hr/>	<hr/>

From 1 January 1992 all employees are shown in the accounts of Windsor Television Limited, a fellow subsidiary Company.

6 Loss on ordinary activities before taxation

	1992 £'000	1991 £'000
Loss on ordinary activities before taxation is stated after charging:		
Depreciation charge for the year	361	39
on tangible owned fixed assets		
Auditor's remuneration	-	3
	<hr/>	<hr/>

7 Taxation

	1992 £'000	1991 £'000
Amount receivable for losses surrendered as consortium relief	<u>115</u>	<u>-</u>

8 Tangible fixed assets

	Cables Ducting & Engineering £'000	Electronic Equipment £'000	Office Equipment £'000	Tools & Test Equipment £'000	Available for use in connection £'000	Total £'000
Cost						
At 1 January 1992	1,861	724	138	21	-	2,744
Additions	5,150	1,531	3	8	83	6,775
At 31 December 1992	<u>7,011</u>	<u>2,255</u>	<u>141</u>	<u>29</u>	<u>83</u>	<u>9,519</u>
Depreciation						
At 1 January 1992	13	20	4	2	-	39
Charge for year	152	179	20	10	-	361
At 31 December 1992	<u>165</u>	<u>199</u>	<u>24</u>	<u>12</u>	<u>-</u>	<u>400</u>
Net book value						
At 31 December 1992	<u>6,846</u>	<u>2,056</u>	<u>117</u>	<u>17</u>	<u>83</u>	<u>9,119</u>
Net book value						
At 31 December 1991	<u>1,848</u>	<u>704</u>	<u>134</u>	<u>19</u>	<u>-</u>	<u>2,705</u>

The ability of the company to recover its investment in fixed assets is dependent upon the successful development of the cable television and telephony business.

9 Debtors: Amounts falling due within one year

	1992 £'000	1991 £'000
Trade debtors	208	9
Other debtors	115	4
Prepayments and accrued income	-	51
	<u>323</u>	<u>64</u>

10 Creditors: Amounts falling due within one year

	1992 £'000	1991 £'000
Trade creditors	-	2,041
Other creditors	-	4
Accruals and deferred income	126	27
VAT	-	1
	<u>126</u>	<u>2,073</u>

11 Debtors: Amounts falling due after one year

	1992 £'000	1991 £'000
Amounts owed by parent company	833	-
	<u>833</u>	<u>-</u>

12 Creditors: Amounts falling due after one year

	1992 £'000	1991 £'000
Amounts owed to fellow subsidiary undertaking	13,086	1,668
	<u>13,086</u>	<u>1,668</u>

13 Provisions for liabilities and charges

Deferred taxation

No deferred taxation has been provided in the financial statements, as the potential liability on accelerated capital allowances is covered by losses carried forward. The full potential liability is as follows:

	Amount provided		Total potential liability	
	1992 £'000	1991 £'000	1992 £'000	1991 £'000
Tax effect of timing differences because of:				
Excess of tax allowances over depreciation	-	213	-	213
Less: losses	-	(213)	-	(231)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The company has available for carry forward tax losses of approximately £2.5 million (1991: £1 million) which are available for set-off against future taxable profits from the same trade.

14 Pension and similar obligations

The company's employees participate in a defined contribution pension plan operated by the group. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charge representing contributions payable are made on a group basis by Windsor Television Limited and are disclosed within those accounts.

15 Called-up share capital

	1992 £'000	1991 £'000
Authorised 1000 ordinary shares of £1 each	<u>1</u>	<u>1</u>
Allotted, called up and fully paid 2 (1991: 2) ordinary shares of £1 each	<u>-</u>	<u>-</u>

16 Reserves

	Profit and loss account £'000
At 1 January 1992	972
Retained loss for the year	<u>1,965</u>
At 31 December 1992	<u>2,937</u>

17 Capital commitments

	1992 £'000	1991 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<u>-</u>	<u>12,143</u>

18 Ultimate and immediate parent companies

The directors regard Compagnie Générale des Eaux, a company registered in France, as the ultimate parent company. The immediate holding company is The Cable Corporation Limited, a company registered in England and Wales.