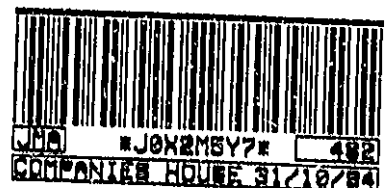

**Cable Communications
St Helens & Knowsley Limited**

Report and Accounts

31 December 1993



Cable Communications St Helens & Knowsley Limited

Registered No.2466599

DIRECTORS

M J Turner

A Sugden

W Geppert

G Howe

SECRETARY

P Hurst

AUDITORS

Ernst & Young

Commercial Union House

Albert Square

Manchester

M2 6LP

REGISTERED OFFICE

Cable House

2-8 Frenchwood Avenue

Preston

Lancashire

PR1 4QF

ERNST & YOUNG

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 1993.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £1,114 (1992 : £Nil). The directors do not recommend the payment of a dividend.

REVIEW OF THE BUSINESS

The principal activity of the company is the development of a Cable Television and Communications business. The company commenced trading on 1 January 1993 and was dormant prior to this date.

FUTURE DEVELOPMENTS

At the 1 January 1994 the company entered into an agreement to transfer the trade representing operation of its cable network business to SBC CableComms (UK) the new UK parent company.

DIRECTORS AND THEIR INTERESTS

The director of the company who served during the year was as follows:

T C Campbell	(resigned 10 August 1993)	
M J Turner	(appointed 23 April 1993)	
M Gilliam	(appointed 23 April 1993)	(resigned 1 August 1993)
A Sugden	(appointed 23 April 1993)	
G Howe	(appointed 10 August 1993)	
W Geppert	(appointed 10 August 1993)	

No director had any interest in the share capital of the company.

The interests of the directors in the shares of the immediate holding company are disclosed in the accounts of that company.

AUDITORS

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

By order of the board



Secretary

28 OCTOBER 1994

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, 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 accounts on the going concern basis unless it is inappropriate to presume that the company 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 to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS

to the members of Cable Communications St Helens & Knowsley Limited

We have audited the accounts on pages 6 to 9 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

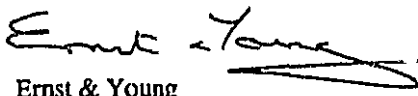
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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* which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatements, 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
Manchester

28 October 1994

Cable Communications St Helens & Knowsley Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1993

	<i>Note</i>	<i>1993</i> £	<i>1992</i> £
TURNOVER	2	27,000	-
Cost of sales		(25,886)	-
GROSS PROFIT		1,114	-
Retained profit brought forward		-	-
RETAINED PROFIT CARRIED FORWARD		1,114	-

RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £1,114 in the year ended 31 December 1993.

Cable Communications St Helens & Knowsley Limited

BALANCE SHEET

at 31 December 1993

	Note	1993 £	1992 £
CURRENT ASSETS			
Amounts owed by parent undertaking		1,116	2
NET CURRENT ASSETS		<u>1,116</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up share capital	4	2	2
Profit and loss account		1,114	-
		<u>1,116</u>	<u>2</u>

Will K. G. J.

Director

28 OCTOBER 1994

Cable Communications St Helens & Knowsley Limited

NOTES TO THE ACCOUNTS

at 31 December 1993

1. ACCOUNTING POLICIES

Basis of accounting

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

Cash flow statements

Southwestern Bell International Holdings Limited, the parent company of North West Cable Communications Limited, registered in England will publish, as part of its own accounts, a consolidated cash flow statement which complies with FRS1. Thus Cable Communications St Helens & Knowsley Limited will take advantage of the exemption and will not present its own cash flow.

2. TURNOVER

Turnover represents the realised income from the provision of goods and services which fell within the companies ordinary activities, all of which are continuing, stated net of value added tax.

The company operates in one principle area of activity, that of the installation of television services in the franchise area.

3. DIRECTORS' EMOLUMENTS

None of the directors received any remuneration during the year (1992 : £Nil).

4. SHARE CAPITAL

	No.	£
Authorised:		
Ordinary shares of £1 each at 31 December 1992 and 1993	1,000	1,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid:		
Ordinary shares of £1 each at 31 December 1992 and 1993	2	2
	<u> </u>	<u> </u>

5. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £	Profit and loss account £	Shareholders' funds £
At 1 January 1993	2	-	2
Profit for the year	-	1,114	1,114
Dividends		-	-
	<u> </u>	<u> </u>	<u> </u>
At 31 December 1994	2	1,114	1,116
	<u> </u>	<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS

at 31 December 1993

6. **ULTIMATE PARENT UNDERTAKING**

The ultimate parent undertaking is Southwestern Bell Corporation which is incorporated in the United States of America.

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 Southwestern Bell Corporation, and the parent undertaking of the smallest such group is North West Cable Communications Limited, registered in England and Wales.

Copies of the accounts of the Southwestern Bell Corporation can be obtained from One Bell Centre, St Louis, M063101, United States of America.