

**SDI Media Group Limited**  
*(formerly Subint Limited)*

Director's report and financial  
statements

Registered number 2505086

31 December 2001



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## Director's report

The director presents his report and the financial statements for the year ended 31 December 2001.

### Principal activities and business review

The principal activity of the company continues to be that of a holding company. The company changed its name from Subint Limited on 30 April 2001.

### Results and dividends

The Company did not trade in this or the previous year. The director is unable to recommend the payment of a dividend (2000:£ nil).

### Director and director interests

The director who held office during the year was as follows:

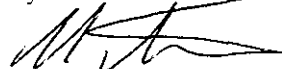
M Berchin

The director who held office at the end of the financial year did not have any disclosable interest in the shares of the company.

### Auditors

KPMG were re-appointed auditors during the year. However, since that date their business was transferred to a limited liability partnership, KPMG LLP. Accordingly, KPMG resigned as auditors on 5 June 2002 and the directors thereupon appointed KPMG LLP to fill the casual vacancy arising. A resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



M Stear  
Secretary

100 Cambridge Grove  
London W6 0LE

19th December 2002

## Statement of director's 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 affairs of the company and of the profit or loss for that period. In preparing those 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, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements 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 financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and prevent and detect fraud and other irregularities.

kpmg

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## **Independent auditors' report to the members of SDI Media Group Limited**

We have audited the financial statements on pages 4 to 7.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Director's report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the Director's report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Director's remuneration and transactions with the company is not disclosed.

### **Basis of audit 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 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 the company's affairs as at 31 December 2001 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP  
Chartered Accountants  
Registered Auditor

20 December 2002

## Profit and loss account

For the year ended 31 December 2001

The company did not trade during the current or prior year. Accordingly, it had no income and incurred no expenditure and therefore made neither a profit nor a loss.

## Balance sheet

at 31 December 2001

	Note	2001 £	2000 £
<b>Fixed assets</b>			
Investments	3	20,000	20,000
		<hr/>	<hr/>
<b>Net assets</b>		20,000	20,000
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	4	20,000	20,000
		<hr/>	<hr/>
<b>Equity shareholders' funds</b>	5	20,000	20,000
		<hr/>	<hr/>

These financial statements were approved by the director on 19<sup>th</sup> December 2002.

  
**M Berchin**  
Director

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company is exempt from the requirement of Financial Reporting Standard No.1 (revised 1996) to prepare a cash flow statement as it is a wholly owned subsidiary of a parent within the European Community and its cash flows are included within the consolidated cash flow statement of that company.

The financial statements present information about the company as an individual company and not about its group as the company is exempt by virtue of s248 of the Companies Act 1985 from the requirement to prepare group accounts.

#### *Investments*

Fixed asset investments are shown at cost less amounts written off in respect of any permanent diminution in value.

### 2 Staff numbers, staff costs and other costs

The company had no employees during this or the previous year.

The director did not receive any remuneration during the year from the group.

Auditors' remuneration for the Company's audit is paid by a subsidiary undertaking.

## Notes (continued)

### 3 Fixed asset investments

	2001 £	2000 £
Shares in subsidiary undertakings	20,000	20,000
	<u>20,000</u>	<u>20,000</u>

The company holds share capital in the following subsidiaries:

Company	Country of registration or incorporation	Shares held class	%	Nature of business
Screen Subtitling Systems Limited	England and Wales	Ordinary	100	Subtitling equipment
SDI Media UK Limited	England and Wales	Ordinary	100	Provision of subtitles for DVD, television and video

### 4 Called up share capital

	2001 £	2000 £
<b>Authorised:</b>		
50,000 Ordinary shares of £1 each	50,000	50,000
250,000 Redeemable shares of £1 each	250,000	250,000
	<u>300,000</u>	<u>300,000</u>
<b>Allotted, called up and fully paid:</b>		
10,000 Ordinary shares of £1 each	10,000	10,000
10,000 Redeemable ordinary shares of £1 each	10,000	10,000
	<u>20,000</u>	<u>20,000</u>



## Notes (continued)

### 5 Reconciliation of movements in equity shareholders' funds

	2001 £	2000 £
Result for the financial year	-	-
Opening equity shareholders' funds	20,000	20,000
	<hr/>	<hr/>
Closing equity shareholders' funds	20,000	20,000
	<hr/>	<hr/>

### 6 Related party transactions

The company is taking advantage of the FRS 8 exemption not to disclose related party transactions with entities that are part of the group as more than 90% of the voting rights are controlled within the group.

### 7 Post balance sheet event

On 9 December 2002, the company provided a financial support guarantee to its subsidiary undertaking, Screen Subtitling Systems Limited, such that this company could continue to meet its obligations as they fell due, for a period of twelve months from that date.

### 8 Parent company and controlling party

The immediate parent undertaking is SDI Media AB, a company incorporated in Sweden. The ultimate parent undertaking is Modern Times Group MTG AB, a public listed company incorporated in Sweden.

The smallest and largest group in which the results of the group are consolidated is that headed by Modern Times Group MTG AB.

The consolidated accounts of this group may be obtained from Modern Times Group MTG AB, Box 2094, 103 13 Stockholm.