

Box Television Limited

Registered Number: 2643552

Directors' Report and Financial Statements

Year Ended 31 March 1998



Box Television Limited

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Box Television Limited

Report of the Directors

The Directors present their report and the audited accounts for the year ended 31 March 1998.

Principal activity

The principal activity of the company is to operate a viewer interactive music television service in the United Kingdom and the Republic of Ireland known as "The Box" and no significant changes took place during the period.

Review of business and future developments

Turnover increased to £3,265,000 (1997: £2,375,000) and losses decreased to £424,000 (1997: Loss £826,000). The Directors consider the results achieved to be satisfactory having regard to the trading conditions which existed during the period.

Results and dividends

The results for the period are set out on page 5.

The Directors do not recommend the payment of a dividend.

It is proposed that the loss of £424,000 (1997: £826,000) is deducted from reserves.

Directors and their interests

The Directors of the company who served throughout the year were:

V P Monsey (resigned 11 December 1998)

J A M Baillie

E Laskowski (resigned 11 December 1998)

T Schoonmaker

Box Television Limited

Report of the Directors (Continued)

The Directors have no interest in the share capital of the company.

The interests of the Directors is the share capital of the ultimate parent company EMAP plc, at the beginning of the year and the end of the year were as follows:

	Ordinary shares at 31 March 1998			Ordinary shares at 31 March 1997		
	Options	Issued	Held In Trust	Options	Issued	Held In Trust
J A M Baillie	2,659	3,922	4,600	2,388	64	4,600
E Laskowski	969	68	2,700	969	--	--
V Monsey	969	68	4,000	969	--	--
T Schoonmaker	46,372	24,981	--	49,320	23,194	--

During the year the following transactions took place relating to Directors' interests in options to subscribe to ordinary shares in EMAP plc.

	Options Granted	Options Exercised	Allocated in Trust
J A M Baillie	271	--	--
E Laskowski	--	--	--
V Monsey	--	--	--
T Schoonmaker	961	(3909)	--

Statement of Directors' responsibilities

The Directors are required by the law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss and total gains and losses for the financial period.

The Directors confirm that appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 1998. The Directors also confirm that the financial statements have been properly prepared in accordance with the Companies Act 1985, that all applicable accounting standards have been followed and that the going concern basis is appropriate.

The Directors are responsible for maintaining adequate accounting records, for safeguarding the assets of the Company, and for taking reasonable steps to prevent and detect fraud and other irregularities.

Changes in fixed assets

The movements in fixed assets during the period are shown in note 6 to the accounts.

Box Television Limited

Report of the Directors (Continued)

Insurance

Throughout the year, Director's and Officers' Liability insurance has been maintained by the ultimate parent company, EMAP plc.

Auditors

From 1 July 1998, the company's auditors, Price Waterhouse merged with Coopers & Lybrand. Price Waterhouse resigned as auditors on 3 August 1998, and the Directors have appointed the new firm created as a result of the merger, PricewaterhouseCoopers, to fill the casual vacancy thus arising.

The company has elected under section 386 of the Companies Act 1985 not to re-appoint auditors annually.

Therefore the auditors, PricewaterhouseCoopers, are deemed to be re-appointed for the next financial year.

By order of the Board:



D K Walmsley
Company Secretary

Approved by the Board on **26** January 1999

Auditors' report to the members of Box Television Limited

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of Directors and auditors

As described on page 2 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 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 March 1998 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors
26 January 1999

PricewaterhouseCoopers is the successor partnership to the UK firms of Price Waterhouse and Coopers & Lybrand. The principal place of business of PricewaterhouseCoopers and its associate partnerships, and of Coopers & Lybrand, is 1 Embankment Place, London WC2N 6NN. The principal place of business of Price Waterhouse is Southwark Towers, 32 London Bridge Street, London SE1 9SY. Lists of the partners' names are available for inspection at those places.

All partners in the associate partnerships are authorised to conduct business as agents of, and all contracts for services to clients are with, PricewaterhouseCoopers. PricewaterhouseCoopers is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

Box Television Limited

Profit and loss account For the year ended 31 March 1998

		Year ended 31 March 1998 £'000	15 months ended 31 March 1997 £'000
	Note		
Turnover	2	3,265	2,375
Cost of sales		(803)	(608)
Gross profit		2,462	1,767
Administrative expenses		(3,031)	(2,577)
Operating loss	3	(569)	(810)
Other Interest receivable and similar income	4	-	148
Interest payable and similar charges	5	-	(209)
Loss on ordinary activities before taxation		(569)	(871)
Tax on loss on ordinary activities	6	145	45
Loss on ordinary activities after taxation		(424)	(826)
Retained loss for the period	14	(424)	(826)

There are no recognised gains and losses other than the profit and loss for the period.
Turnover and operating profit are derived solely from continuing operations.

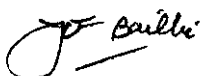
The notes on pages 7 to 12 form an integral part of these accounts.

Box Television Limited

Balance sheet at 31 March 1998

	Note	£'000	1998 £'000	1997 £'000
Fixed assets				
Tangible assets	7		729	349
Current assets				
Debtors	8	1,161		873
Cash at bank and in hand		8	-	-
			1,169	873
Creditors: amounts falling due within one year	9		(1,794)	(550)
Net current assets			(625)	323
Total assets less current			104	672
Creditors: amounts falling due after more than one year	10		-	(144)
Net assets			104	528
Capital and reserves				
Called up share capital	13		1	1
Share premium account			2,502	2,502
Profit and loss account	14		(2,399)	(1,975)
Shareholders' Funds	15		104	528

Signed on behalf of the Board by:



J A M Baillie

Director

Approved by the Board on 26 January 1999

The notes on pages 7 to 12 form an integral part of these accounts.

Box Television Limited

Notes To The Accounts For The Year Ended 31 March 1998

1 Accounting Policies

a) Accounting convention

The accounts have been prepared under the historical cost convention in accordance with applicable Accounting Standards. The company has taken advantage of the exemption provided by FRS1 not to prepare a cash flow statement. A consolidated group cash flow statement, which includes cash flows of the company can be found in the accounts of the ultimate parent company EMAP PLC.

b) Turnover

Turnover represents amounts receivable for services provided less credit notes and allowances, excluding value added tax.

c) Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	33.33% straight line
Fixtures, fittings and equipment	-	33.33% straight line
Motor vehicles	-	25% reducing balance

d) Deferred taxation

Provision is only made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes to the extent that the Directors consider that a liability to taxation is unlikely to crystallise.

e) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

f) Leasing

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

Box Television Limited

Notes to the accounts

For the year ended 31 March 1998 (Continued)

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom and the Republic of Ireland.

3 Operating loss

	1998 £'000	1997 £'000
Operating loss is stated after charging		
Depreciation of tangible assets	248	650
Auditors' remuneration	5	10

4 Other interest receivable and similar income

	1998 £'000	1997 £'000
Bank interest received	-	21
Write back of loan	-	127
	-	148

5 Interest payable and similar charges

	1998 £'000	1997 £'000
On amounts payable to connected companies	-	208
Lease finance charges	-	1
	-	209

6 Taxation

The tax credit on loss on ordinary activities comprises:

	1998 £'000	1997 £'000
Corporation tax on the taxable loss for the year at 31% (1997: 33%)	146	45
Under provision in prior year	(1)	-
	145	45

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Notes to the accounts

For the year ended 31 March 1998 (Continued)

7 Tangible fixed assets

	Plant and machinery £'000	Furniture, fixtures and equipment £'000	Motor vehicle £'000	Leasehold improvement £'000	Total £'000
Cost					
At 1 April 1997	781	570	9	-	1,360
Additions	307	259	-	62	628
Disposals	-	-	(9)	-	(9)
At 31 March 1998	1,088	829	-	62	1,979
Depreciation					
At 1 April 1997	751	251	9	-	1,011
Charge for year	35	200	-	13	248
Disposals	-	-	(9)	-	(9)
At 31 March 1998	786	451	-	13	1,250
Net book value					
At 31 March 1998	302	378	-	49	729
At 31 March 1997	30	319	-	-	349

8 Debtors

	1998 £'000	1997 £'000
Trade debtors	437	255
Other debtors	13	26
Amounts owed by group undertakings	481	451
Prepayments and accrued income	230	141
	1,161	873

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Notes to the accounts

For the year ended 31 March 1998 (Continued)

9 Creditors: amounts falling due within one year

	1998 £'000	1997 £'000
Bank loans and overdrafts	673	102
Trade creditors	218	140
Amounts owed to group undertakings	280	-
Other creditors including taxation and social security	48	59
Accruals and deferred income	575	249
	1,794	550

10 Creditors: amounts falling due after more than one year

	1998 £'000	1997 £'000
Amounts owed to group undertakings – due after more than five years	-	144

11 Operating lease commitments

The company had annual commitments under non-cancellable operating leases at 31 March as set out below:

	Land and Buildings		Other	
	1998 £'000	1997 £'000	1998 £'000	1997 £'000
Leases expiring within one year	-	-	6	-
Leases expiring between one and five years	82	95	11	11
	82	95	17	11

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Notes to the accounts

For the year ended 31 March 1998 (Continued)

12 Provisions for liabilities and charges

There are no amounts of deferred tax provided in the accounts. Amounts not provided are as follows:

	1998 £'000	1997 £'000
Accelerated capital allowances	(92)	(92)
Tax losses available	(1,600)	(495)
	(1,692)	(587)

13 Share capital

	Number	1998 £'000	Number	1997 £'000
Authorised	1,000	1	1,000	1
Ordinary shares of £1 each				
Allotted, called up and fully paid				
Ordinary shares of £1 each	937	1	937	1

14 Profit and loss account

	1998 £'000	1997 £'000
Accumulated losses at the beginning of the period	(1,975)	(1,149)
Retained loss for the period	(424)	(826)
Accumulated losses at the end of the period	(2,399)	(1,975)

15 Reconciliation of movements on shareholders' funds

	1998 £'000	1997 £'000
Loss for the financial period	(424)	(826)
Issue of equity shares	-	1,877
Net addition to shareholders' funds	(424)	1,051
Opening shareholders' funds	528	(523)
Closing shareholders' funds	104	528

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Notes to the accounts

For the year ended 31 March 1998 (Continued)

16 Directors' emoluments

	1998 £'000	1997 £'000
Remuneration	214	163
Emoluments disclosed above (excluding pension contributions) include amounts paid to		
The highest paid director	112	127

17 Employees

Number of employees

The average weekly number of employees (including directors) during the year was:

	1998 Number	1997 Number
Office and management	21	14
Customer services	8	7
Production	7	5
	36	26
Employment costs		
	£'000	£'000
Wages and salaries	989	814
Social security costs	98	83
	1,087	897

18 Ultimate parent undertaking

The ultimate parent company of the group of undertakings for which group accounts are drawn up and of which the Company is a member is EMAP plc, registered in England and Wales. Copies of EMAP plc's accounts can be obtained from 1 Lincoln Court, Lincoln Road, Peterborough, PE1 2RF.

19 Related party transactions

Transactions with other companies within the group are not disclosed as the company has taken advantage of the exemption available under Financial Reporting Standard 8 "Related Party Disclosures".