

Box Television Limited

Registered Number: 2643552

Directors' Report and Financial Statements

12 Months Ended 31 March 2000



Box Television Limited

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Box Television Limited

Directors' Report And Accounts For The Year Ended 31 March 2000

The Directors present their report and the audited accounts for the year ended 31 March 2000.

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 £4,447,000 (1999: £3,624,000) and profits increased to £282,000 (1999: Loss £1,122,000). 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 6.

The Directors do not recommend the payment of a dividend.

It is proposed that the profit of £282,000 (1999: Loss £1,122,000) is transferred to reserves.

Directors and Their Interests

The Directors of the company during the period were:

TR Schoonmaker
DK Walmsley
B McCluskey (appointed 4th January 2000)

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

Box Television Limited

Directors' Report And Accounts For The Year Ended 31 March 2000 (Continued)

The interests of the Directors is the share capital of the ultimate parent company EMAP plc, at the beginning of the year (or date of appointment if later) and the end of the year were as follows:

	Ordinary shares at 31 March 2000			Ordinary shares at 31 March 1999		
	Options	Issued	Held In Trust	Options	Issued	Held In Trust
DK Walmsley	19,477	51,742	-	44,064	27,209	-
TR Schoonmaker	2,015	36,292	-	1,798	37,605	-
B McCluskey	-	-	-	-	-	-

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
DK Walmsley	-	(24,587)	-
TR Schoonmaker	217	-	-
B McCluskey	-	-	-

Directors' Responsibility Statement

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 2000. 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 5 to the accounts.

Box Television Limited

Directors' Report And Accounts For The Year Ended 31 March 2000 (Continued)

Insurance

Throughout the year, Directors' and Officers' Liability has been maintained by the ultimate parent company, Emap plc.

Auditors

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.

Approved by the board ²⁰⁰¹ on 26 January and signed on its behalf by:

T Schoonmaker

2001

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Auditors' report to the members of The Box Television Limited

We have audited the financial statements on pages 6 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and 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 United Kingdom Companies Act. We also report to you if, in our opinion, the directors' 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 directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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.

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 6RH. 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.

Auditors' report to the members of The Box Television Limited (Cont.)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2000 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

26 January 2001

Box Television Limited

Profit And Loss Account For The Year Ended 31 March 2000

		Year ended 31 March 2000 £'000	Year ended 31 March 1999 £'000
	Note		
Turnover	2	4,447	3,624
Cost of sales		(1,619)	(2,692)
Gross profit		2,828	932
Administrative expenses		(2,802)	(2,432)
Operating Profit	3	26	(1,500)
Profit on ordinary activities before taxation		26	(1,500)
Tax on loss on ordinary activities	4	256	378
Profit on ordinary activities after taxation		282	(1,122)
Retained profit for the period	12	282	(1,122)

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

Box Television Limited

Balance Sheet As At 31 March 2000

	Note	2000 £'000	1999 £'000
Fixed assets			
Tangible assets	5	492	453
Current assets			
Debtors	6	1,585	1,398
Cash at bank and in hand		4	3
		<u>1,589</u>	<u>1,401</u>
Creditors (Amounts falling due within one year)	7	(2,974)	(2,872)
Net current assets		(1,385)	(1,471)
Total assets less current liabilities		(893)	(1,018)
Provisions for liabilities and charges	9	157	-
Net assets		<u>(736)</u>	<u>(1,018)</u>
Capital and reserves			
Called up share capital	10	1	1
Share premium account		2,502	2,502
Profit and loss account	11	(3,239)	(3,521)
Shareholders' Funds	12	<u>(736)</u>	<u>(1,018)</u>

Approved by the Board on *26 January* 2001

On behalf of the Board

TR Schoonmaker



The notes on pages 8 to 13 form an integral part of these accounts.

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Notes To The Accounts For The Year Ended 31 March 2000

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) Tangible fixed assets and 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

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.

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.

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Notes To The Accounts For The Year Ended 31 March 2000 (Continued)

3 Operating Profit / (Loss)

	2000 £'000	1999 £'000
Operating profit / loss is stated after charging		
Depreciation of tangible assets	321	290
Impairment of tangible assets	-	264
Auditors' remuneration	6	6

The impairment of tangible fixed assets relates to the write off of plant and machinery equipment which is no longer in use.

4 Taxation

The tax credit on loss on ordinary activities comprises:

	2000 £'000	1999 £'000
Corporation tax on the taxable loss for the year at 31% (1999:33%)	256	378

5 Tangible Assets

	Plant & Equipment £'000	Fixtures & Fittings £'000	Leasehold Improvement £'000	Total £'000
Cost				
At 31 March 1999	1,153	1,043	61	2,257
Additions	275	81	4	360
Disposals	(5)	(13)	0	(18)
At 31 March 2000	1,423	1,111	65	2,599
Depreciation				
At 31 March 1999	1,088	682	34	1,804
Charge for year	65	235	21	321
Disposals	(5)	(13)	0	(18)
At 31 March 2000	1,148	904	55	2,107
Net book values				
At 31 March 2000	275	207	10	492
At 31 March 1999	65	361	27	453

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Notes To The Accounts For The Year Ended 31 March 2000 (Continued)

6 Debtors

	2000 £'000	1999 £'000
Trade debtors	999	466
Other debtors	25	73
Amounts owed by related companies	252	637
Prepayments and accrued income	309	222
	<u>1,585</u>	<u>1,398</u>

7 Creditors (Amounts falling due within one year)

	2000 £'000	1999 £'000
Bank loans and overdrafts	1,004	1,386
Trade creditors	67	688
Amounts owed to related companies	570	100
Other creditors including taxation and social security	104	41
Accruals and deferred income	1,229	657
	<u>2,974</u>	<u>2,872</u>

8 Operating Lease Commitments

The company had annual commitments under non-cancellable operating leases at 31 March 2000 as set out below:

	Land and Buildings		Other	
	2000	1999	2000	1999
Leases expiring within one year	88	-	3	5
Leases expiring between one and five years	-	82	799	10

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Notes To The Accounts For The Year Ended 31 March 2000 (Continued)

9 Provisions For Liabilities And Charges

Amounts provided for deferred tax are as follows:

	2000 £'000	1999 £'000
Accelerated capital allowances:		
Brought forward	-	-
Prior year charge	(68)	-
Rate charges	2	-
Current year charge	(78)	-
Short term timing differences:		
Brought forward	-	-
Prior year charge	(5)	-
Current year charge	(8)	-
Total provided	(157)	-

Amounts not provided for deferred tax are as follows:

	2000 £'000	1999 £'000
Accelerated capital allowances	-	(68)
Short term timing differences	-	(4)
Tax losses available	(353)	(418)
Total Unprovided	(353)	(490)

10 Share Capital

	Number	2000 £'000	Number	1999 £'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

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Notes To The Accounts For The Year Ended 31 March 2000 (Continued)

11 Profit And Loss Account

	2000 £'000	1999 £'000
Accumulated losses at the beginning of the year	(3,521)	(2,399)
Retained profit / (loss) for the period	282	(1,122)
Accumulated losses at the end of the year	(3,239)	(3,521)

12 Reconciliation Of Movements In Shareholders' Funds

	2000 £'000	1999 £'000
Profit for the financial year	282	(1,122)
Opening shareholders' funds	(1,018)	104
Closing shareholders' funds	(736)	(1,018)

13 Directors' Emoluments

	2000 £'000	1999 £'000
Remuneration	-	438
Emoluments disclosed above (excluding pension contributions) include amounts paid to		
The highest paid director	-	242

During the year no compensation was paid to directors for loss of office (1999: £292,870).

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Notes To The Accounts For The Year Ended 31 March 2000 (Continued)

14 Employees

Number of employees

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

	2000 Number	1999 Number
Office and management	22	21
Customer services	3	8
Production	4	9
	29	38
Employment costs	£'000	£'000
Wages and salaries	843	1,300
Social security costs	104	130
	947	1,430

15 Ultimate Holding Company And 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.

16 Related Party Transaction

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".

17 Going Concern

The balance sheet shows that liabilities exceed assets by £736,000. The ultimate parent company, Emap plc, has confirmed its intention to maintain its financial support in the foreseeable future.