

**Touche
Ross**

Deloitte Touche
Tohmatsu
International



Company Registration No. 2710978

COX PROGRAMMING LIMITED

Report and Financial Statements

31 December 1994

Touche Ross & Co.
Hill House
1 Little New Street
London EC4A 3TR



REPORT AND FINANCIAL STATEMENTS 1994

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REPORT AND FINANCIAL STATEMENTS 1994

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P B Barnett
A M Dalvi
D H Eisner
J A Hatcher
J W Hayes
J O Robbins

SECRETARY

A Merdek

REGISTERED OFFICE

4 John Carpenter Street
London
EC4Y 0NH

AUDITORS

Touche Ross & Co.
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 1994.

ACTIVITIES

The principal activity of the Company is to hold investments.

RESULTS, DIVIDENDS AND FUTURE PROSPECTS

The Company made a profit for the year after taxation of £1,024,678 (1993 - profit of £561,179) which has been transferred to reserves.

The directors do not recommend the payment of a dividend (1993 - £nil).

The Directors are optimistic about the future of the Company.

SIGNIFICANT CHANGES IN FIXED ASSET INVESTMENTS

Details of movements in fixed asset investments are set out in note 7 on page 8 of the financial statements.

DIRECTORS' AND DIRECTORS' INTERESTS

The directors who held office during the year and to date are as follows:

P B Barnett
A M Dalvi
D H Eisner
J A Hatcher
J W Hayes
J O Robbins

At no time during the year did any of the directors who held office at the end of the financial year have any disclosable interest in the shares of the Company or any other UK Group company.

POLITICAL AND CHARITABLE DONATIONS

No political or charitable donations were made in the year (1993 - £nil).

AUDITORS

On 24 January 1996, Touche Ross & Co were appointed as auditors to the Company. On 1 February 1996 Touche Ross will change the name under which they practise to Deloitte & Touche. In accordance with section 384 of the Companies Act 1985, a resolution proposing the reappointment of Deloitte & Touche as auditors will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



A Merdek
Secretary

29 January 1996



STATEMENT OF DIRECTORS' 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 as at the end of the financial year and of the profit or loss of the company 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
- prepare the financial statements on a 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. 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.



Chartered Accountants

Touche Ross & Co.
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AUDITORS' REPORT TO THE MEMBERS OF COX PROGRAMMING LIMITED

We have audited the financial statements on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 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 affairs of the Company at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

TOUCHE ROSS & CO.

Chartered Accountants and Registered Auditors

29 January 1996


PROFIT AND LOSS ACCOUNT
Year ended 31 December 1994

	Note	1994 £	1993 £
Administrative expenses		(16,558)	(55,828)
Other interest receivable and similar income	5	<u>1,517,119</u>	<u>919,074</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2, 3, 4	1,500,561	863,246
Taxation on profit on ordinary activities	6	<u>(475,883)</u>	<u>(302,067)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,024,678	561,179
Retained profit brought forward		<u>522,805</u>	<u>(38,374)</u>
Retained profit carried forward		<u><u>1,547,483</u></u>	<u><u>522,805</u></u>

A statement of total recognised gains and losses and a reconciliation of movements in shareholders' funds have not been presented since there are no recognised gains and losses or other movements in shareholders' funds in the financial year or previous financial year other than the result for the year.

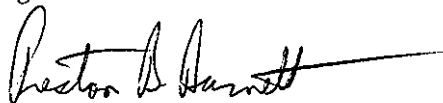
The Company's result is derived from continuing operations.

BALANCE SHEET
31 December 1994

	Note	1994	1993
		£	£
FIXED ASSETS			
Investments	7	26,961,223	18,590,858
CURRENT ASSETS			
Debtors due after more than one year	8	2,436,600	919,481
CREDITORS: amounts falling due within one year	9	<u>(27,046,260)</u>	<u>(18,684,238)</u>
NET CURRENT LIABILITIES		<u>(24,609,660)</u>	<u>(17,764,757)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,351,563	826,101
Provisions for liabilities and charges	10	<u>(804,078)</u>	<u>(303,294)</u>
TOTAL NET ASSETS		<u>1,547,485</u>	<u>522,807</u>
CAPITAL AND RESERVES			
Called up share capital	11,12	2	2
Profit and loss account	12	<u>1,547,483</u>	<u>522,805</u>
EQUITY SHAREHOLDERS' FUNDS		<u>1,547,485</u>	<u>522,807</u>

These financial statements were approved by the Board of Directors on 29 January 1996

Signed on behalf of the Board of Directors



P B Barnett

Director

NOTES TO THE ACCOUNTS
Year ended 31 December 1994

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

The Company is exempt by virtue of S248 of the Companies Act 1985 from the requirements to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under sections 246 to 249 of the Companies Act 1985 when filing accounts with the Registrar of Companies.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

Taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1994	1993
	£	£
Profit on ordinary activities before taxation is stated after charging		
Auditors' remuneration		
Audit fee	2,250	2,250
Other services	3,000	-
	<u>5,250</u>	<u>-</u>

3. REMUNERATION OF DIRECTORS

None of the directors received any remuneration for their services as directors during the year (1993 - £nil).

4. EMPLOYEES

The company had no employees other than the directors during the year (1993 - nil).


NOTES TO THE ACCOUNTS
Year ended 31 December 1994
5. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	1994 £	1993 £
On loans to associated undertakings	<u>1,517,119</u>	<u>919,074</u>

6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1994 £	1993 £
UK corporation tax at 33% (1993 - 25%)	-	42,032
Deferred taxation	500,649	260,035
Adjustment in respect of prior periods	(24,766)	-
	<u>475,883</u>	<u>302,067</u>

7. FIXED ASSET INVESTMENTS

	Shares in undertakings in which the company has a participating interest £	Loans to undertakings in which the company has a participating interest £	Total £
At beginning of year	5,838,770	12,752,088	18,590,858
Additions	-	8,370,365	8,370,365
At end of year	<u>5,838,770</u>	<u>21,122,453</u>	<u>26,961,223</u>

All of the above investments are unlisted.

The fixed asset investments held by the company are as follows:

Associated undertakings	Country of registration or incorporation	Principal activity	Class and percentage of shares held
UK Gold Television Limited	England and Wales	Operation of a television channel	37.9% ordinary
UK Living Limited	England and Wales	Operation of a television channel	49.6% ordinary

The directors are of the opinion that the investments held by the Company are worth at least the amounts at which they are stated in the balance sheet of the company.

NOTES TO THE ACCOUNTS
Year ended 31 December 1994

8. DEBTORS DUE AFTER MORE THAN ONE YEAR

	1994 £	1993 £
Prepayments and accrued income	2,436,600	919,481

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1994 £	1993 £
Amounts owed to parent undertaking	27,023,879	18,637,706
Corporation tax	17,131	42,032
Accruals and deferred income	5,250	4,500
	<u>27,046,260</u>	<u>18,684,238</u>

10. PROVISIONS FOR LIABILITIES AND CHARGES

	1994 £	1993 £
Deferred taxation	<u>804,078</u>	<u>303,294</u>
Movement in the provision for deferred taxation		
At 1 January	303,294	43,259
Charge for year	500,649	260,035
Adjustment in respect of prior periods	135	-
At 31 December	<u>804,078</u>	<u>303,294</u>

The above amount represents the full potential liability to deferred taxation for interest receivable.

11. CALLED UP SHARE CAPITAL

	1994 £	1993 £
Authorised 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid 2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 1994

12. STATEMENT OF MOVEMENT ON RESERVES

	Called up Share capital £	Profit and loss account £
At 1 January 1994	2	522,805
Retained profit for the financial year	-	1,024,678
	<hr/>	<hr/>
At 31 December 1994	<u>2</u>	<u>1,547,483</u>

13. ULTIMATE PARENT COMPANY

The Company is a subsidiary undertaking of Cox Communications, Inc., incorporated in the United States of America. The Company's ultimate parent company is Cox Enterprises, Inc, a company also incorporated in the United States of America. The financial statements of Cox Communications, Inc are available from the Secretary, 1400 Lake Hearn Drive, Atlanta, GA 30319.



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AUDITORS' REPORT TO THE DIRECTORS OF COX PROGRAMMING LIMITED PURSUANT TO SECTION 248(3) OF THE COMPANIES ACT 1985

We have examined the financial statements of the Company and each of its associated undertakings for the year ended 31 December 1994.

Basis of opinion

The scope of our work for the purposes of this report was limited to confirming that the Company is entitled to exemption from preparing group financial statements.

Opinion

In our opinion the Company is entitled to the exemption from preparing group accounts conferred by section 248 of the Companies Act 1985.

Touche Ross & Co

TOUCHE ROSS & CO.

Chartered Accountants and Registered Auditors

29 January 1996