

Flextech Satellite Investments Limited

**Directors' report and financial
statements**

Registered number 2710978

31 December 2002



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Directors' report

The directors present their annual report and the financial statements for the year ended 31 December 2002.

Principal activities

The principal activity of the company is to hold investments.

Business review

The company was dormant for the year to 31 December 2002. On 28 February 2003 the company increased its shareholding in UK Gold Television Limited from 35% to 100%.

Directors and directors' interests

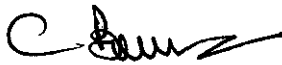
The directors who held office during the year were as follows:

MW Luiz

The director did not have any interest in the shares of the company. The directors' interests in Telewest Communications plc, the ultimate parent company, are disclosed in the directors' report of that company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to the director or the director's immediate family or exercised by them, during the financial year.

By order of the board



C Burns
Secretary

Export House
Cawsey Way
Woking
Surrey
GU21 6QX

30 October 2003

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 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, 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 to prevent and detect fraud and other irregularities.

Balance sheet

at 31 December 2002

	Note	2002	2001
		£	£
Fixed assets			
Investments	3	5,832,820	5,832,820
Current assets			
Debtors: amounts due after more than one year	4	28,132,938	28,132,938
Net current assets		28,132,938	28,132,938
Total assets less current liabilities		33,965,758	33,965,758
Creditors: amounts falling due after more than one year	5	(28,132,938)	(28,132,938)
Net assets		5,832,820	5,832,820
Capital and reserves			
Called up share capital	6	3,828,932	3,828,932
Other reserve	7	2,003,888	2,003,888
Equity shareholders' funds	8	5,832,820	5,832,820

The directors

- (a) confirm that the company was entitled to exemption under subsection (1) of Section 249AA of the Companies Act 1985 from the requirement to have its accounts for the financial year ended 31 December 2002 audited.
- (b) confirm that members have not required the company to obtain an audit of its accounts for that financial year in accordance with sub-section (2) of section 249(2) of that Act.
- (c) acknowledge their responsibilities for
 - (i) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
 - (ii) preparing accounts 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 its profit or loss for the financial year in accordance with the requirements of section 226 of that Act, and which otherwise comply with the requirements of that Act relating to accounts, so far applicable to the company.

These financial statements were approved by the board of directors on 30/10/03 and were signed on its behalf by:

MW Luiz
Director

Profit and loss account

for the year ended 31 December 2002

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure, as all costs are borne by the parent undertaking.

Consequently, during those years the company made neither a profit nor a loss.

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.

Accounting convention

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard No 1 (revised 1996) to prepare a cash flow statement on the grounds that the ultimate parent undertaking includes the company in its own published consolidated financial statements.

Investments

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

Related parties

As the company is a wholly owned subsidiary of UK Gold Holdings Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard No.8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of UK Gold Holdings Limited, within which this company is included, are available to the public and may be obtained from its registry.

Notes (continued)

2 Staff numbers and costs

The company had no employees other than the director during the current and prior year (2001: *nil*).

The director did not receive any remuneration from the company during the year (2001: *£nil*).

3 Fixed asset investments

	Shares in undertakings in which the company has a participating interest £	Total £
At beginning and end of the year	5,832,820	5,832,820

All of the above investments are unlisted.

	Country of registration or incorporation	Principal activity	Class and percentage of shares held	Capital and reserves at 31 December 2002
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Associated undertakings

UK Gold Television Limited	England and Wales	Dormant	35% ordinary	£9,863,001
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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.

4 Debtors: amounts due after more than one year

	2002 £	2001 £
Amounts owed by joint venture parent/group undertaking	28,132,938	28,132,938

Notes *(continued)*

5 Creditors: amounts falling due after more than one year

	2002 £	2001 £
Amounts owed to joint venture parent	28,132,938	28,132,938

6 Called up share capital

	2002 £	2001 £
<i>Authorised:</i>		
35,000,000 ordinary shares of £1 each	35,000,000	35,000,000
<i>Allotted, called up and fully paid:</i>		
Ordinary shares of £1 each	3,828,932	3,828,932

On 18 October 1999, 8,319,352 shares were redeemed at a market value of £25,542,222 (£2.83 per share), leaving 19,060,802 shares in issue at a nominal value of £3,828,932.

7 Reserves

	Other Reserve £
At 1 January 2001 and 31 December 2001	2,003,888

8 Reconciliation of movements in equity shareholders' funds

	2002 £	2001 £
Shareholders' funds at beginning and end of the year	5,832,820	5,832,820

Notes (continued)

9 Post balance sheet event

On 28 February 2003 the company increased its shareholding in UK Gold Television Limited from 35% to 100%.

10 Ultimate parent company

The company is a subsidiary undertaking of UK Gold Holdings Limited, a joint venture owned 50% by BBC Worldwide Limited (a wholly owned subsidiary of the BBC) and 50% by Flextech Broadband Limited (a subsidiary undertaking of Telewest Communications plc).

The accounts of both of these companies are available to the public and may be obtained from the following addresses:

Telewest Communications plc
160 Great Portland Street
London
W1W 5QA

The Secretary
BBC Broadcasting House
Portland Place
London
W1A 1AA