

**Flextech Satellite Investments Limited**

**Directors' report and financial  
statements**

**Registered number 2710978**

**31 December 2000**



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2000.

### Principal activities

The principal activity of the company is to hold investments.

### Business review

The company did not trade during the year (1999: profit £33,487,050).

No dividend was charged to the profit and loss account for the year (1999: £38,075,716).

### Directors and directors' interests

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

PB Harman (resigned 14 July 2000)  
MW Luiz

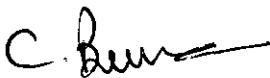
None of the directors had any interest in the shares of the company. The directors' interests in Telewest Communications plc, the ultimate parent company, are disclosed in the directors' report of that company.

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

### Auditor

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office.

By order of the board



**C Burns**  
Secretary

95 The Promenade  
Cheltenham  
Gloucestershire  
GL50 1WG

## 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.



KPMG Audit Plc

PO Box 695  
8 Salisbury Square  
London  
EC4Y 8BB

## **Auditor's report to the members of Flextech Satellite Investments Limited**

We have audited the financial statements on pages 4 to 9.

### *Respective responsibilities of directors and auditor*

The directors are responsible for preparing the directors' 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 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 with the company is not disclosed.

### *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 December 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*

11 December 2001

## Profit and loss account

for the year ended 31 December 2000

	<i>Note</i>	<b>2000</b> £	1999 £
Administrative expenses		-	(4,000)
<b>Operating loss</b>		-	(4,000)
Profit on disposal of fixed asset investment		-	33,491,050
<b>Profit on ordinary activities before taxation</b>	2,3,4	-	33,487,050
Taxation on profit on ordinary activities		-	-
<b>Profit on ordinary activities after taxation</b>		-	33,487,050
Dividends paid		-	(33,497,000)
Dividends proposed		-	(4,578,716)
Retained loss for the year		-	(4,588,666)
Retained profit brought forward		-	4,588,666
<b>Retained profit carried forward</b>		-	-

There are no recognised gains or losses in the financial year or previous financial year other than the results for the year.

There is no difference between the company's historical cost profit to that reported in the profit and loss account.

## Balance sheet

at 31 December 2000

	Note	2000		1999	
		£	£	£	£
<b>Fixed assets</b>					
Investments	5		5,832,820		5,832,820
<b>Current assets</b>					
Debtors: amounts due after more than one year	6	28,132,938		28,132,938	
Creditors: amounts falling due within one year	7	(12,000)		(12,000)	
<b>Net current assets</b>			28,120,938		28,120,938
<b>Total assets less current liabilities</b>			33,953,758		33,953,758
Creditors: amounts falling due after more than one year	8		(28,120,938)		(28,120,938)
<b>Net assets</b>			5,832,820		5,832,820
<b>Capital and reserves</b>					
Called up share capital	9		3,828,932		3,828,932
Other reserve	10		2,003,888		2,003,888
Profit and loss account	10		-		-
<b>Equity shareholders' funds</b>	11		5,832,820		5,832,820

These financial statements were approved by the board of directors on 6 December 2001 and were signed on its behalf by:

MW Luiz  
 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.

#### *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.

#### *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.

#### *Related parties*

As the company is a 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 are available to the public and may be obtained from its registry.

### 2 Profit on ordinary activities before taxation

	2000	1999
	£	£
<i>Profit on ordinary activities is stated after charging:</i>		
Auditors' remuneration		
Audit fee	-	4,000
	<hr/>	<hr/>

The auditor's remuneration for 2000 has been borne by the joint venture parent.



**Notes** (*continued*)

**3 Remuneration of directors**

None of the directors received any remuneration for their services as directors during the year (*1999: £nil*).

**4 Staff numbers and costs**

The company had no employees other than the directors during the current and prior year.

**5 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
<i>Associated undertakings</i>			
UK Gold Television Limited	England and Wales	Dormant	35% 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.

**6 Debtors: amounts due after more than one year**

	2000 £	1999 £
Amounts owed by joint venture, parent/group undertaking	28,132,938	28,132,938

**Notes (continued)**

**7 Creditors: amounts falling due within one year**

	2000 £	1999 £
Accruals	12,000	12,000

**8 Creditors: amounts falling due after more than one year**

	2000 £	1999 £
Amounts owed to joint venture parent	28,120,938	28,120,938

**9 Called up share capital**

	2000 £	1999 £
<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.

**10 Reserves**

	Other Reserve £	Profit and loss account £
At beginning and end of the year	2,003,888	-

**11 Reconciliation of movements in equity shareholders' funds**

	2000 £	1999 £
Shareholders' funds at 1 January	5,832,820	33,963,708
Loss for the year	-	(4,588,666)
Permissible capital payment	-	(23,542,222)
At end of year	5,832,820	5,832,820

**Notes** *(continued)*

**12 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 Cheltrading 283 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

BBC Worldwide Limited  
BBC Information Services  
201 Wood Lane  
London  
W12 7TS