

PORTLAND ENTERPRISES LIMITED
REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995



PORTLAND ENTERPRISES LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995

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PORTLAND ENTERPRISES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

Directors

Mr. M.S. Ellice
Mr. P.M. Ashford

Secretary

Mr. S. Smith

Company Number

2729729 (England)

Auditors

Price Waterhouse
Southwark Towers
32 London Bridge Street
London SE1 9SY

Bankers

National Westminster Bank Plc
19 Shaftesbury Avenue
London W1A 4QQ

Registered Office

11 Lanark Square
Glengall Bridge
London E14 9RE

PORTLAND ENTERPRISES LIMITED

Directors' Report

The directors submit their report and financial statements for the year ended June 30 1995.

Activities

The company's principal activity during the year was that of a satellite television broadcaster. It is the intention of the company to continue trading in this area for the foreseeable future.
The company commenced trading on 17 March 1995. Prior to this date the company was dormant.

Results and Dividends

The trading loss before tax for the year amounted to £1,873,304 (1994 - £nil).
The directors do not recommend the payment of a dividend (1994 - £nil).

Directors

The present membership of the board is set out on page 2. Mr.H.Northwood resigned as a director on 16 March 1995. Mr.M.S.Ellice and Mr.P.M.Ashford were appointed as directors on 20 March 1995 and 16 March 1995 respectively. None of the above directors had an interest in the share capital of the company or the parent company as at 30 June 1994 and 30 June 1995.

Close Company

It is the opinion of the directors that the company is a close company under the provisions of the Income & Corporation Taxes Act 1988.

Fixed Assets

Movements in fixed assets during the year are shown in note 6 to the accounts.

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial period 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 ;

PORTLAND ENTERPRISES LIMITED

Directors' Report (continued)

- 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 . The directors 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.

Auditors

Price Waterhouse, Chartered Accountants and Registered Auditors have expressed their willingness to continue in office and offer themselves for re-election in accordance with Section 385 of the Companies Act 1985.

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



Mr. S. Smith
Secretary

Dated : 24/04/96

REPORT OF THE AUDITORS
TO THE MEMBERS OF
PORTLAND ENTERPRISES LIMITED

We have audited the financial statements on pages 6 to 12 which have been prepared under the historical cost convention and the accounting policies on page 8.

Respective Responsibilities of Directors and Auditors

As described on pages 3 and 4 the company's directors are responsible for the preparation of the 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 affairs of the company as at 30 June 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

PRICE WATERHOUSE
Chartered Accountants and
Registered Auditors

Dated : *24 April 1996*

PORTLAND ENTERPRISES LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 June 1995

	<u>Note</u>	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Turnover	2	119,055	-
Cost of sales		<u>449,464</u>	<u>-</u>
GROSS LOSS		<u>(330,409)</u>	<u>-</u>
Distribution expenses		4,214	-
Administration expenses		<u>1,538,681</u>	<u>-</u>
		<u>1,542,895</u>	<u>-</u>
OPERATING LOSS AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(1,873,304)	-
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(1,873,304)	-
Retained loss brought forward		<u>-</u>	<u>-</u>
Retained loss carried forward		<u>(1,873,304)</u>	<u>-</u>

The whole of the turnover and operating loss is attributable to continuing operations .

The company had no recognised gains or losses for the year other than its retained loss of £1,873,304 (1994 : £nil).

There were no differences between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis.

The notes on pages 8 to 12 form part of these accounts.

PORTLAND ENTERPRISES LIMITED

BALANCE SHEET

As at 30 June 1995

	<u>Note</u>	<u>1995</u>	<u>1994</u>
		<u>£</u>	<u>£</u>
FIXED ASSETS			
Tangible assets	6	443,653	-
CURRENT ASSETS			
Stocks	7	120,414	-
Debtors	8	<u>714,475</u>	<u>2</u>
		<u>834,889</u>	<u>2</u>
CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>2,882,352</u>	<u>-</u>
NET CURRENT LIABILITIES		<u>(2,047,463)</u>	<u>2</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,603,810)</u>	<u>2</u>
CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	10	<u>(269,484)</u>	<u>-</u>
		<u>(1,873,294)</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up share capital	12	10	2
Profit and loss account		<u>(1,873,304)</u>	<u>-</u>
		<u>(1,873,294)</u>	<u>2</u>

Approved by the Board of Directors :


Mr. M.S. Ellice

24/4/96
Dated

The notes on pages 8 to 12 form part of these accounts.

PORTLAND ENTERPRISES LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 1995

1. ACCOUNTING POLICIES

(a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Foreign currencies

Transactions in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Translation differences are dealt with in the profit and loss account.

(c) Depreciation

Depreciation is provided on all tangible assets at the rates calculated to write off cost or revaluation, less estimated residual value, of each asset evenly over its expected life as follows :

Leased plant and equipment	- over 5 years
Owned plant and equipment	- over 4 years
Fixtures and fittings	- over 4 years
Motor vehicles	- over 4 years

(d) Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. It is the policy of the company to write-off the whole cost of a film or programme on the date of its first transmission.

(e) Obligations under finance leases

Assets obtained under finance leases are capitalised in the balance sheet and depreciated over the estimated useful life of the asset.

Finance costs are charged to profit and loss account and allocated to accounting periods during the lease term so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period.

(f) Deferred taxation

Deferred taxation is only provided where, in the opinion of the director, an asset or liability is expected to crystallise.

(g) Turnover

Turnover represents the invoiced amount of goods sold and services provided (stated net of Value Added Tax).

PORTLAND ENTERPRISES LIMITED
NOTES TO THE ACCOUNTS (continued)

Year ended 30 June 1995

2. TURNOVER

The company's turnover and loss before tax arises solely from its satellite broadcasting activities and relates to continuing operations.

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1995</u> £	<u>1994</u> £
Loss on ordinary activities before taxation is stated after charging :		
Auditors' remuneration	5,000	-
Depreciation	<u>10,191</u>	<u>-</u>

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	<u>1995</u> £	<u>1994</u> £
Directors' emoluments :		
Executive remuneration	-	-
Estimated money value of benefits in kind	<u>-</u>	<u>-</u>
Fees	<u>-</u>	<u>-</u>

Employee costs during the year :

	<u>1995</u> £	<u>1994</u> £
Wages and salaries	2,374	-
Social security costs	<u>242</u>	<u>-</u>
	<u>2,616</u>	<u>-</u>

Average number of people employed :

	<u>No.</u>	<u>No.</u>
Office and management (excluding directors)	<u>-</u>	<u>-</u>

5 TAX ON LOSS ON ORDINARY ACTIVITIES

	<u>1995</u> £	<u>1994</u> £
UK corporation tax at 33 % based on the loss for the year	<u>-</u>	<u>-</u>

PORTLAND ENTERPRISES LIMITED
NOTES TO THE ACCOUNTS (continued)

Year ended 30 June 1995

6. TANGIBLE FIXED ASSETS

	<u>Equipment furniture & fittings</u> £
COST :	
At 1 July 1994	-
Additions	453,844
Disposals	-
	<hr/>
At 30 June 1995	453,844
	<hr/>
AMORTISATION	
At 1 July 1994	-
Charge	10,191
Disposals	-
	<hr/>
At 30 June 1995	10,191
	<hr/>
NET BOOK VALUE	
At 30 June 1995	443,653
	<hr/>
At 30 June 1994	-
	<hr/>

Equipment, furniture & fittings includes assets acquired under finance lease in respect of which as at 30 June 1995 the net book value was £442,959 (1994 : £nil) after charging £10,169 (1994 : £nil) depreciation for the period.

7. STOCKS

	<u>1995</u> £	<u>1994</u> £
Programme and film stock	120,414	-
	<hr/>	<hr/>

8. DEBTORS

	<u>1995</u> £	<u>1994</u> £
Other debtors	59,726	2
Prepayments and accrued income	654,749	-
	<hr/>	<hr/>
	714,475	2
	<hr/>	<hr/>

PORTLAND ENTERPRISES LIMITED

NOTES TO THE ACCOUNTS (continued)

Year ended 30 June 1995

9. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>1995</u> £	<u>1994</u> £
Bank overdrafts	78,159	-
Trade creditors	74,698	-
Amounts owed to group companies	1,174,187	-
Obligations under finance leases	140,663	-
Other creditors including taxation and social security	949,883	-
Accruals and deferred income	464,762	-
	<u>2,882,352</u>	<u>-</u>

10. CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	<u>1995</u> £	<u>1994</u> £
Obligations under finance leases	<u>269,484</u>	<u>-</u>

11. OBLIGATIONS UNDER FINANCE LEASES	<u>1995</u> £	<u>1994</u> £
Year ending :		
June 30 1996	169,089	-
June 30 1997	169,089	-
June 30 1998	121,913	-
	<u>460,091</u>	<u>-</u>
Less finance charges allocated to future periods	49,944	-
	<u>410,147</u>	<u>-</u>

12. SHARE CAPITAL	<u>1995</u> £	<u>1994</u> £
Ordinary shares £ 1 each :		
Authorised	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid	<u>10</u>	<u>2</u>

On 7 April 1995 eight £1 ordinary shares were allotted to raise additional capital.

PORTLAND ENTERPRISES LIMITED

NOTES TO THE ACCOUNTS (continued)

Year ended 30 June 1995

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Opening shareholders' funds	2	2
Increase in share capital	8	-
Loss for the financial year	<u>(1,873,304)</u>	<u>-</u>
Closing shareholders' funds	<u>(1,873,294)</u>	<u>2</u>

14. PARENT COMPANY

The company is a wholly owned subsidiary of Portland Investments Limited, a company incorporated in England. Copies of Portland Investments Limited financial statements can be obtained from :
11 Lanark Square, Glengall Bridge, London E14 9RE.

The company has received assurances from its parent company that it will be provided with the funds necessary to meet its liabilities as they fall due.

15. CASHFLOW STATEMENT

Portland Investments Limited prepares and files a consolidated cashflow statement which includes the cashflows of the company. The company has therefore relied on the exemption provided by FRS1 from preparing its own cashflow statement.