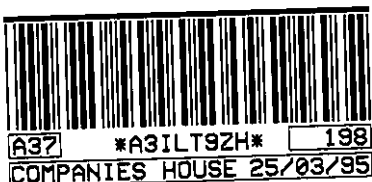


Yorkshire Cable Telecom Limited
Annual Report
for the year ended 31 December 1994

Registered No: 2743897



Yorkshire Cable Telecom Limited

Annual Report for the year ended 31 December 1994

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Directors and advisers

Directors

C H Cosgrove
Ho Boon Teck (Alan)
B M Massey
D J Miller
A B Wood

Registered Auditors

Coopers & Lybrand
Albion Court
5 Albion Place
Leeds
LS1 6JP

Secretary and registered office

J M Laver
Communications House
Mayfair Business Park
Broad Lane
Bradford
BD4 8PW

Bankers

Barclays Bank plc
10 Market Street
Bradford
BD1 1NR

Directors' report for the year ended 31 December 1994

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

Principal activities

The company's principal activity is the sale and rental of telephone equipment.

Results

Turnover for the year was £144. The loss on ordinary activities before taxation was £40. The loss transferred to reserves was £40.

The directors do not propose to pay a dividend.

Directors

The directors who held office during the year were:

R C H Campbell- Ross	(Resigned 6.10.94)
C H Cosgrove	(Appointed 27.1.94)
Ho Boon Teck (Alan)	(Appointed 27.1.94)
B M Massey	
D J Miller	(Appointed 6.10.94)
M M B Noblet	(Resigned 27.1.94)
A B Wood	(Appointed 27.1.94)

Statement of directors' responsibilities

- (i) In compliance with legal requirements, the directors have prepared financial statements for the year ended 31 December 1994 which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of the loss for the year ended on that date.
- (ii) The financial statements have been prepared in accordance with applicable accounting standards.
- (iii) The directors report that in their opinion the business is a going concern.
- (iv) The directors have adopted suitable accounting policies which have been consistently applied in the preparation of the financial statements for the year ended 31 December 1994 and these have been supported by reasonable and prudent judgements and estimates.
- (v) The directors are responsible for the maintenance of adequate accounting records, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities. The directors also have responsibility for ensuring the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985.

Directors' report

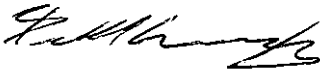
Directors' interests in shares of the company

The directors had no interests in the shares of the company or any other group company at any time during the year.

Auditors

The auditors, Coopers & Lybrand offer themselves for reappointment at the annual general meeting.

By order of the board

A handwritten signature in black ink, appearing to be 'G. M. ...', written over a horizontal line.

Director
20 February 1995

Report of the auditors to the members of Yorkshire Cable Telecom Limited

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We have audited the financial statements on pages 5 to 8 in accordance with Auditing Standards.

Respective responsibilities of directors and auditors

As described on page 2 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 the company's affairs at 31 December 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Two handwritten signatures in black ink, likely belonging to the auditors, positioned above the company name.

Chartered Accountants and Registered Auditors
Leeds

20 February 1995

**Profit and loss account
for the year ended 31 December 1994**

	Notes	1994 £'000	1993 £'000
Turnover			
Continuing operations		-	1
Cost of sales		-	(1)
Gross profit		-	-
Administrative expenses		-	(1)
Operating loss		-	(1)
Loss on ordinary activities before taxation		-	(1)
Taxation		-	-
Loss sustained for the year	6	-	(1)

Turnover for the year was £144. The loss on ordinary activities before taxation was £40. The loss transferred to reserves was £40.

All activities relate to continuing operations.

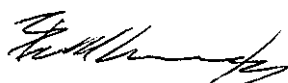
The company had no recognised gains or losses other than those shown in the profit and loss account, therefore a statement of total recognised gains and losses has not been presented.

There is no difference between the reported results and the historical cost results.

**Balance sheet
at 31 December 1994**

	Notes	1994 £'000	1993 £'000
Current assets			
Debtors: amounts falling due within one year		-	-
Cash at bank		1	1
		<u>1</u>	<u>1</u>
Creditors: amounts falling due within one year	3	-	(2)
Net current assets/(liabilities)		<u>1</u>	<u>(1)</u>
Total assets less current liabilities		<u>1</u>	<u>(1)</u>
Creditors: amounts falling due after more than one year	4	(2)	-
Net liabilities		<u>(1)</u>	<u>(1)</u>
Capital and reserves			
Called up share capital	5	-	-
Profit and loss account	6	(1)	(1)
Equity shareholders funds		<u>(1)</u>	<u>(1)</u>

The financial statements on pages 5 to 8 were approved by the board of directors on 20 February 1995 and were signed on its behalf by:



Director

**Notes to the financial statements
for the year ended 31 December 1994**

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below. Comparative figures are for the period from 1 September 1992 to 31 December 1993.

Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention.

Turnover

Turnover, which excludes value added tax, represents the invoice value of services provided.

Cash Flow

The company has not prepared a cashflow statement as the company is a wholly owned subsidiary of a company established under the law of a member state of the European Community.

2 Directors remuneration

The directors of the company received no remuneration in the year (1993: nil)

3 Creditors: amounts falling due within one year

	1994 £'000	1993 £'000
Amounts due to parent and fellow subsidiaries	-	2

4 Creditors: amounts falling due after more than one year

	1994 £'000	1993 £'000
Loans from parent and fellow subsidiaries	2	-

The loans payable to parent and fellow subsidiaries have no fixed terms of repayment and are interest free. Repayment is expected to be made after more than five years.

Yorkshire Cable Telecom Limited

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Notes to the financial statements

5 Called up share capital

	1994 £'000	1993 £'000
Authorised		
1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>
Allotted, called up and fully paid		
2 ordinary shares of £1 each	<u>-</u>	<u>-</u>

6 Reserves

	Profit & loss account £'000
At 1 January 1994	(1)
(Loss) for the year	-
At 31 December 1994	<u>(1)</u>

7 Reconciliation of movement on equity shareholders funds

	£'000
Equity shareholders funds at 1 January 1994	(1)
Loss for the year	-
Equity shareholders funds at 31 December 1994	<u>(1)</u>

8 Ultimate parent company

Yorkshire Cable Telecom Limited is a wholly owned subsidiary of The Yorkshire Cable Group Limited, a company incorporated and registered in England.