



BANDLER LIMITED

Report and Financial Statements

30 April 1998



**Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR**

REPORT AND FINANCIAL STATEMENTS 1998

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DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 April 1998.

PRINCIPAL ACTIVITIES

The company holds and manages investments in three companies, a video dubbing facility, a satellite television transmission facility and a television production facility. The company's results are in accordance with the directors' expectations.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors do not anticipate any change in the company's future activities.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

S Bowen
N Brookes

At 1 May 1997 and 30 April 1998 Mr S Bowen had an interest, as a beneficiary of a family trust, in the ultimate parent company, The Barnes Trust Limited, which has an effective holding of 56% in the company.

At 30 April 1998, Ms N Brookes held 6,000 £0.10 ordinary shares and 24,000 £0.10 "C" redeemable preference shares in Barnes Trust Television Limited, an intermediate parent company.

THE YEAR 2000

The directors have considered the issues relating to the Year 2000 and its impact on the business. A formal plan has been adopted and implemented. The directors do not consider the cost of implementing the plan to be material.

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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



N Brookes

Director

29 October 1999

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;
- 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 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.



AUDITORS' REPORT TO THE MEMBERS OF

BANDLER LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 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 company's affairs as at 30 April 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and Registered Auditors

29 October 1999


PROFIT AND LOSS ACCOUNT
Year ended 30 April 1998

	Note	1998 £	1997 £
Administrative expenses		<u>(4,103)</u>	<u>(1,751)</u>
OPERATING LOSS	3	(4,103)	(1,751)
Interest receivable		28,194	27,515
Interest payable	4	<u>(154)</u>	<u>(741)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		23,937	25,023
Tax on profit on ordinary activities	5	<u>-</u>	<u>(7,757)</u>
RETAINED PROFIT FOR THE YEAR		23,937	17,266
Profit and loss account brought forward		<u>(7,179)</u>	<u>(24,445)</u>
Profit and loss account carried forward		<u>16,758</u>	<u>(7,179)</u>

There are no recognised gains or losses in the current and preceding financial years other than the reported profit and as a result no statement of total recognised gains and losses has been prepared. The result for the year derives from continuing operations.

All movements in shareholders' funds in the current financial year and preceding financial year are shown in the profit and loss account. Accordingly, no reconciliation of movements in shareholders' funds has been presented.


BALANCE SHEET
As at 30 April 1998

	Note	£	1998 £	£	1997 £
FIXED ASSETS					
Investments	6		473,580		473,580
CURRENT ASSETS					
Debtors	7	284,423		310,981	
Cash at bank and in hand		61,335		11,255	
		<u>345,758</u>		<u>322,236</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>(11,711)</u>		<u>(12,126)</u>	
NET CURRENT ASSETS			<u>334,047</u>		<u>310,110</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			807,627		783,690
Creditors: amounts falling due after more than one year	9		<u>(34,990)</u>		<u>(34,990)</u>
			<u>772,637</u>		<u>748,700</u>
CAPITAL AND RESERVES					
Called up share capital	10		755,879		755,879
Profit and loss account			16,758		(7,179)
EQUITY SHAREHOLDERS' FUNDS			<u>772,637</u>		<u>748,700</u>

These financial statements were approved by the Board of Directors on 29 October 1999.

Signed on behalf of the Board of Directors

N Brookes

Director



NOTES TO THE ACCOUNTS

Year ended 30 April 1998

1. ACCOUNTING POLICIES

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

Going concern

In October 1999 the Group entered into a sale and lease back transaction of the company's freehold land and buildings. The proceeds of this transaction have enabled the company to pay back its bank loans and overdrafts, variable rate secured loan notes and all areas of interest.

The reduced interest burden for the Group resulting from this transaction, together with an ongoing cost reduction programme lead the Directors to the view that it is appropriate to prepare all the Group's financial statements on an going concern basis.

Investments

Fixed asset investments are shown at cost less any provision for permanent diminution in value.

Consolidation

The company is exempt from preparing consolidated accounts under s228 of the Companies Act 1985. The financial statements therefore present information about the individual undertaking and not its group.

Cash flow statement

Under FRS 1 (revised) the company is exempt from preparing a cash flow statement, because it is a medium sized company under the terms of the Act.

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 to those in which they are included in financial statements to the extent that it is probable that a liability on asset will crystallise in the future.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	1998	1997
	£	£
Directors' emoluments:		
Fees	-	-
	<u> </u>	<u> </u>

Other than the directors, the company has no employees.

3. OPERATING LOSS

	1998	1997
	£	£
Operating loss is stated after charging:		
Auditors' remuneration		
- Audit fees	1,250	1,400
- Other services	1,225	1,600
	<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS
Year ended 30 April 1998

4. INTEREST PAYABLE

	1998 £	1997 £
Bank interest	<u>154</u>	<u>741</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1998 £	1997 £
Group Relief Payable	<u>-</u>	<u>7,757</u>

6. INVESTMENTS

Shares in subsidiary undertakings:

	1998 £	1997 £
Cost		
At 1 May 1997	473,580	472,703
Additions	<u>-</u>	<u>877</u>
At 30 April 1998	<u>473,580</u>	<u>473,580</u>

7. DEBTORS

	1998 £	1997 £
Amounts owed by a group undertaking	284,378	310,981
Other debtors	<u>45</u>	<u>-</u>
	<u>284,423</u>	<u>310,981</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998 £	1997 £
Group relief payable	7,757	7,757
Accruals and deferred income	<u>3,954</u>	<u>4,369</u>
	<u>11,711</u>	<u>12,126</u>



NOTES TO THE ACCOUNTS

Year ended 30 April 1998

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1998 £	1997 £
Amounts owed to a director's family trust	34,990	34,990

There are no scheduled repayment terms for this balance.

10. CALLED UP SHARE CAPITAL

	Authorised No.	Issued No.
Called up, allotted and fully paid:		
£1 ordinary shares:		
At 1 May 1997 & 30 April 1998	1,000,000	755,879

11. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent company is Barnes Trust Media Limited which does not prepare group accounts. The company's ultimate parent company and controlling party is The Barnes Trust Limited, a company registered in the Isle of Man.

The company's accounts are included in those of Barnes Trust Television Limited, the immediate parent company which is registered in England and Wales. The accounts of Barnes Trust Television Limited may be obtained from Broom Road, Teddington Lock, Teddington, Middlesex, TW11 9NT.

12. RELATED PARTY TRANSACTIONS

At the year end the company has a balance outstanding of £34,990 in respect of interest due to a director's family trust.

The company has taken advantage of exemptions available under section 3 (c) of FRS8 with regard to 90% subsidiaries.

13. COMMITMENTS AND CONTINGENCIES

The company has entered into an agreement with its bankers and certain loan stock providers to cross-guarantee the bank loans, loan stock and overdrafts of Barnes Trust Television Limited and its subsidiaries ("the group"). At 30 April 1998, the group's overdraft was £1,822,572 (1997 - £959,125). At the same date bank loan balances of £4,013,090 (1997 - £4,202,940) and loan notes of £2,243,095 (1997 - £2,225,239) were outstanding in respect of the group.