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BANDLER LIMITED

Financial Statements

**Year ended
30 April 2004**



BANDLER LIMITED

Annual report and financial statements for the year ended 30 April 2004

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DIRECTOR

S.G.P. Bowen

COMPANY SECRETARY AND REGISTERED OFFICE

Secretarial Services Limited
Emerald House
East Street
Epsom
Surrey
KT17 1HS

COMPANY NUMBER

2980523

BANKERS

Barclays Bank Plc
27 Soho Square
London
W14 4WA

AUDITORS

BDO Stoy Hayward LLP
Emerald House
East Street
Epsom
Surrey
KT17 1HS

BANDLER LIMITED

DIRECTORS' REPORT **Year ended 30 April 2004**

The directors' submit their report and financial statements for the year ended 30 April 2004.

RESULTS

The results of the company for the year are shown in the profit and loss account on page 4 and the related notes. The directors' do not recommend the payment of a dividend.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of holding and managing investments in two trading subsidiary companies: a satellite television transmission facility and a television production facility.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The company's own performance was a loss of £286,182 primarily due to an impairment charge on the value of the company's fixed asset investments.

The company's investments performance in the year ending 30 April 2004 was not as anticipated with Teddington Studios Limited showing a draft loss of £154,000 and Cable & Satellite Transmissions Limited recording an audited loss of £270,000. Since the year end the performance of Teddington Studios Limited has deteriorated to such a degree that the sale of Cable & Satellite Transmissions (cast) Limited was approved in December 2004. The cash inflow that the sale brought in allowed the company to continue to support Teddington Studios Limited in the short term. Unfortunately a substantial revenue stream at Teddington Studios Limited was lost around the same time and the decision to place that company into administration was made in March 2005.

The company has now rationalised all activities and is taking stock of its current position with the intention of seeking out opportunities for new investments.

POST BALANCE SHEET EVENTS

Since the year end, the company sold its 100% interest in Cable and Satellite Transmissions (cast) Limited for a consideration in excess of book value.

DIRECTORS

The directors of the company during the year were:

S.G.P.Bowen.

P. Darbyshire (Appointed 3 November 2003 and resigned 30 March 2005)

M. Singfield (Appointed 3 November 2003 and resigned 15 October 2004)

At 1 May 2003 and 30 April 2004, S. Bowen had an interest, as a beneficiary of a family trust, in The Barnes Trust Limited, the ultimate parent company, which has an effective holding of 56% in the company.

No other director has any interest in the shares of the company or any other group company.

BANDLER LIMITED

DIRECTOR'S REPORT (continued)

Year ended 30 April 2004

DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 year. In preparing those financial statements the director is 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 the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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

On 31 December 2003, BDO Stoy Hayward, the company's auditors, transferred its business to BDO Stoy Hayward LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. Accordingly BDO Stoy Hayward resigned as auditors on that date and the directors appointed BDO Stoy Hayward LLP as its successor. A resolution to reappoint BDO Stoy Hayward LLP as auditors will be proposed at the next annual general meeting.

By order of the board


Secretarial Services Limited
Company secretary

Date: 26/08/2005

BANDLER LIMITED

REPORT OF THE INDEPENDENT AUDITORS

Independent Auditors' Report to the Shareholders of Bandler Limited

We have audited the financial statements of Bandler Limited for the year ended 30 April 2004 on pages 4 to 10. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the director and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 1985. 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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD LLP

Chartered Accountants and Registered Auditors

EPSOM, SURREY

Date: 19th October 2004

BANDLER LIMITED**PROFIT AND LOSS ACCOUNT****Year ended 30 April 2004**

	Note	2004 £	2003 £
Administrative expenses		(286,182)	(29)
OPERATING LOSS	3	(286,182)	(29)
Income from fixed asset investments	4	-	865
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(286,182)	836
Taxation on (loss)/profit on ordinary activities		-	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(286,182)	836
Retained loss brought forward		(253,485)	(254,321)
RETAINED LOSS CARRIED FORWARD		(539,667)	(253,485)

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

There are no movements in shareholders' funds in the current year apart from the loss for the year.

The notes on pages 7 to 10 form part of these financial statements.

BANDLER LIMITED**BALANCE SHEET****30 April 2004**

	Note	2004	2003
		£	£
FIXED ASSETS			
Investments	5	1,380,300	1,673,580
CURRENT ASSETS			
Debtors	6	-	281
Cash at Bank and in Hand		781	785
		781	1,066
CREDITORS: amounts falling due within one year	7	(1,129,879)-	(7,383)
NET CURRENT (LIABILITIES)/ASSETS		(1,129,098)	(6,317)
TOTAL ASSETS LESS CURRENT LIABILITIES		251,202	1,667,263
CREDITORS: amounts falling due after more than one year	8	(34,990)	(1,164,869)
		216,212	502,394
CAPITAL AND RESERVES			
Called up share capital	9	755,879	755,879
Profit and loss account		(539,667)	(253,485)
EQUITY SHAREHOLDERS' FUNDS		216,212	502,394

These financial statements were approved by the board and signed on its behalf by:

S.G.P. BOWEN
Director

Date of approval: 26 August 2005

The notes on pages 7 to 10 form part of these financial statements.

BANDLER LIMITED

CASH FLOW STATEMENT

30 April 2004

	Note	2004 £	2003 £
Net cash (outflow)/inflow from operating activities	I	(4)	1,199,920
Returns on investments and servicing of finance			
Dividends received		-	865
Capital expenditure and financial investment			
Purchase of investments		-	(1,200,000)
(Decrease)/increase in cash		(4)	785

I Reconciliation of operating profit to net cash inflow from operating activities

Operating (loss)	(286,182)	(29)
Decrease/(increase) in debtors	281	70,121
(Decrease)/increase in creditors	(7,383)	1,129,828
Impairment of fixed asset investments	293,280	-
Net cash inflow from operating activities	(4)	1,199,920

II Reconciliation of net cash inflow to movement in net funds

Increase/(decrease) in cash in the year	(4)	785
Movement in net funds in the year	(4)	785
Opening net funds	785	-
Closing net funds	781	785

III Analysis of net funds

	At 1 May 2003 £	Cash flow £	Other non-cash changes £	At 30 April 2004 £
Cash in hand and at bank	785	(4)	-	781

The notes on pages 7 to 10 form part of these financial statements.

BANDLER LIMITED

NOTES ON THE FINANCIAL STATEMENTS

Year ended 30 April 2004

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention. The following principal accounting policies have been applied:

Consolidation

The company is exempt from the requirement to prepare consolidated financial statements by virtue of s248 of the Companies Act 1985 as the group it leads qualifies as a medium group. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Investments

Fixed asset investments are shown at cost less any provision for impairment.

Impairment of fixed assets

The need for any fixed asset impairment write downs is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use.

2 DIRECTORS AND EMPLOYEES

The directors received no emoluments from the company in the current or the preceding financial period. Other than the directors, the company has no employees.

3 OPERATING LOSS

	2004	2003
	£	£
This is arrived at after charging:		
Auditors' remuneration	-	-
Impairment of fixed asset investments	(293,280)	-

The auditor's remuneration for the current year was borne by the immediate holding company.

4 INCOME FROM FIXED ASSET INVESTMENTS

	2004	2003
	£	£
Dividends received	-	865

BANDLER LIMITED

NOTES ON THE FINANCIAL STATEMENTS (continued) Year ended 30 April 2004

5 FIXED ASSET INVESTMENTS

	£
Balance as at 1 May 2003	1,673,580
Impairment charge	(293,280)
Balance as at 30 April 2004	<u>1,380,300</u>

The above investment relates to three wholly owned subsidiaries, all registered in England and Wales, as follows:

	Share Capital £	Profit/(loss) for the year ended 30 April 2004 £	Net assets at 30 April 2004 £	Activity	Proportion Of ordinary Shares held Directly
Cable & Satellite Transmissions (cast) Limited	300,300	(270,197)	16,265	Transmissions facility	100%
Arena Transmission Facilities Limited*	2	9,909	1,961	Property management for group	100%
Teddington Studios Limited*	2	964,044	1,768,305	Television production studios	100%

*The results for Arena Transmissions Facilities Limited and Teddington Studios Limited are for the year ended 30 April 2003 as these were the latest available audited financial statements.

Bandler Limited is taking advantage of the exemption for small and medium groups not to prepare group financial statements. No other company in the group prepares consolidated financial statements.

Since the year end, the company has sold its 100% interest in Cable & Satellite Transmissions (cast) Limited for a consideration in excess of book value.

The impairment charge of £293,280 is due to investments in Teddington Studios Limited and Arena Transmissions Facilities Limited going into administration and ceasing to trade respectively since the year end.

6 DEBTORS

Amounts receivable within one year:	2004 £	2003 £
Other debtors	-	281

All amounts shown under debtors fall due for payment within one year.

BANDLER LIMITED**NOTES ON THE FINANCIAL STATEMENTS (continued)**
Year ended 30 April 2004**7 CREDITORS****Amounts falling due within one year:**

	2004	2003
	£	£
Amounts due to parent undertaking	1,129,879	-
Amounts due to subsidiary undertaking	-	30
Accruals and deferred income	-	7,353
	1,129,879	7,383

8 CREDITORS**Amounts falling due after more than one year:**

	2004	2003
	£	£
Amounts owed to a director's family trust	34,990	34,990
Amounts owed to parent company	-	1,129,879
	34,990	1,164,869

There are no scheduled repayment terms for this loan.

9 SHARE CAPITAL

	2004	2003
	£	£
Authorised		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
Called up, allotted and fully paid		
755,879 ordinary shares of £1 each	755,879	755,879

10 IMMEDIATE AND ULTIMATE PARENT COMPANIES

The immediate parent company is Barnes Trust Television Limited, a company registered in England and Wales. The company's ultimate parent company is The Barnes Trust Limited, a company incorporated in the Isle of Man. The company's ultimate controlling entity is The Barnes Trust.

The financial statements of Barnes Trust Television Limited are available from Broom Road, Teddington Lock, Teddington, Middlesex TW11 9NT.

The company has the financial support of its immediate parent company.

11 RELATED PARTY TRANSACTIONS

At the year end the company has a balance of £34,990 (2003: £34,990) due to a director's family trust.

At the year end the company has a balance of £1,129,879 due to Barnes Trust Television Limited.

BANDLER LIMITED

NOTES ON THE FINANCIAL STATEMENTS (continued)

Year ended 30 April 2004

12 COMMITMENTS AND CONTINGENCIES

The company and its fellow group undertakings have entered into an agreement with its bankers to cross-guarantee the bank overdrafts of Barnes Trust Television Limited and its subsidiaries ("the group"). Companies in the group have overdrafts, at 30 April 2004, amounting to £386,372. The guarantee at 30 April 2003 related to the group overdraft of £10,168.

The company and its fellow group undertakings have also entered into an agreement with its factors to cross-guarantee amounts drawn under the factoring facility of Barnes Trust Television Limited and its subsidiaries ("the group"). The amount drawn by the group at 30 April 2004 amounted to £449,600 (2003: £100,273).

The company and its fellow group undertakings have also entered into an agreement with its landlords to cross-guarantee amounts due under the respective operating leases. The amount due by the group to its landlords at 30 April 2004 amounted to £Nil (2003: £13,750).