



BANDLER LIMITED

Report and Financial Statements

30 April 1997

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





REPORT AND FINANCIAL STATEMENTS 1997

CONTENTS	Page
Directors' report	1
Statement of directors' responsibilities	2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the accounts	6



DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 April 1997.

PRINCIPAL ACTIVITIES

The company holds and manages investments in two companies, a video dubbing facility and a satellite television transmission 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 1996 and 30 April 1997 Mr S Bowen had an interest, as a beneficiary of a family trust, in the ultimate parent company, The Barnes Trust Limited.

At 30 April 1997, 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.

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

S Bowen
Director

6 February 1998

**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.



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AUDITORS' REPORT TO THE MEMBERS OF

BANDLER LIMITED

We have audited the financial statements on pages 4 to 9 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 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and Registered Auditors

1998

PROFIT AND LOSS ACCOUNT
Year ended 30 April 1997

	Note	1997 £	1996 £
Administrative expenses		(1,751)	(5,689)
OPERATING LOSS	3	(1,751)	(5,689)
Interest receivable		27,515	16,234
Interest payable	4	(741)	(34,990)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		25,023	(24,445)
Tax on profit on ordinary activities	5	(7,757)	-
RETAINED PROFIT FOR THE YEAR		17,266	(24,445)
Profit and loss account brought forward		(24,445)	-
Profit and loss account carried forward		(7,179)	(24,445)

There are no recognised gains or losses in the current and preceding financial years other than the reported loss 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 1997

	Note	£	1997 £	£	1996 £
FIXED ASSETS					
Investments	6		473,580		472,703
CURRENT ASSETS					
Debtors	7	310,981		290,475	
Cash at bank and in hand		11,255		7,687	
		<u>322,236</u>		<u>298,162</u>	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	8	(12,126)		(279,317)	
NET CURRENT ASSETS/(LIABILITIES)			<u>310,110</u>		<u>18,845</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			783,690		491,548
Creditors: amounts falling due after more than one year	9		(34,990)		(335,993)
			<u>748,700</u>		<u>155,555</u>
CAPITAL AND RESERVES					
Called up share capital	10		755,879		180,000
Profit and loss account			(7,179)		(24,445)
EQUITY SHAREHOLDERS' FUNDS			<u>748,700</u>		<u>155,555</u>

These financial statements were approved by the Board of Directors on 6 February 1998.
Signed on behalf of the Board of Directors

S Bowen
Director

NOTES TO THE ACCOUNTS
Year ended 30 April 1997

1. ACCOUNTING POLICIES

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

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 the Companies Act 1985.

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

	1997 £	1996 £
Directors' emoluments:		
Fees	-	2,917

Other than the directors, the company has no employees.

3. OPERATING LOSS

	1997 £	1996 £
Operating loss is stated after charging:		
Auditors' remuneration		
- Audit fees	1,400	1,200
- Other services	1,600	1,550

4. INTEREST PAYABLE

	1997 £	1996 £
Interest due on loans from a director's family trust	-	34,990
Bank interest	741	-

NOTES TO THE ACCOUNTS
Year ended 30 April 1997

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997 £	1996 £
Group relief payable	7,757	-
	<u>7,757</u>	<u>-</u>

6. INVESTMENTS

Shares in subsidiary undertakings:

	1997 £	1996 £
Cost		
At 1 May 1996	472,703	-
Additions	877	472,703
	<u>473,580</u>	<u>472,703</u>
At 30 April 1997		

Details of subsidiary undertakings:

	Country of registration and operation	Share Capital £	Profit and loss account £	Activity	Proportion of ordinary shares held
Arena Transmissions Limited	United Kingdom	180,300	67,631	Satellite transmissions facility	100%
Klones Limited	United Kingdom	30	99,434	Dubbing facility	100%
Teddington Studios Limited (formerly ATX Limited)	United Kingdom	2	66,108	Television production studios	100%

7. DEBTORS

	1997 £	1996 £
Amounts owed by a subsidiary company	310,981	278,566
Other debtors	-	11,909
	<u>310,981</u>	<u>290,475</u>

NOTES TO THE ACCOUNTS
Year ended 30 April 1997

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997 £	1996 £
Amounts owed to a director's family trust	-	274,000
Group relief payable	7,757	-
Accruals and deferred income	4,369	5,317
	<u>12,126</u>	<u>279,317</u>

The amounts owed to a director's family trust were converted to share capital in the year.

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

	1997 £	1996 £
Amounts owed to a director's family trust	34,990	335,993

The amounts owed to a director's family trust were converted to share capital in the year.

10. CALLED UP SHARE CAPITAL

	Authorised No.	Issued No.
£1 ordinary shares:		
At 1 May 1996	500,000	180,000
Authorised/issued in year (see Note 8)	500,000	575,879
At 30 April 1997	<u>1,000,000</u>	<u>755,879</u>

11. ULTIMATE PARENT COMPANY

The immediate parent company is Barnes Trust Media Limited which does not prepare group accounts. The company's ultimate parent company and controlling entity 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, an intermediate parent company which is registered in Great Britain. The accounts of Barnes Trust Television Limited may be obtained from Broom Road, Teddington Lock, Teddington, Middlesex, TW11 9NT.

**NOTES TO THE ACCOUNTS****Year ended 30 April 1997****12. RELATED PARTY TRANSACTIONS**

During the year Bandler Limited incurred interest of £38,509 in respect of loans of £575,003 from a director's family trust. These loans have been fully repaid at the year end. The total interest outstanding at the year end amounted to £84,499.

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 1997, the group's overdraft was £959,125. At the same date bank loan balances of £3,502,940 and loan notes of £2,225,239 were outstanding in respect of the group.