

Showtime UK Holdings Limited

(Formerly Viacom Networks Europe Limited)

(Registered number: 3038061)

Directors' Report and Financial Statements

Year Ended 31 December 2000



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Showtime UK Holdings Limited
(Formerly Viacom Networks Europe Limited)

Contents

	Pages
Directors' report	2-3
Report of the auditors	4
Balance sheet	5
Notes to the financial statements	6-9

Showtime UK Holdings Limited

(Formerly Viacom Networks Europe Limited)

Directors' Report

For the Year Ended 31 December 2000

The directors present their report and the audited financial statements for the year ended 31 December 2000.

Principal Activity

The company was non trading in 1999. On 20 December 2000 it acquired an 83% investment in Zonevision Broadcasting Showtime Turkey Limited, a company incorporated on 18 December 2000. The principal activity of Zonevision Broadcasting Showtime Turkey Limited is to broadcast television channels in Turkey. The principal activity of Showtime UK Holdings Limited will be to continue to hold this investment.

On 1 March 2001 and 1 May 2001, Zonevision Broadcasting Showtime Turkey Limited issued new shares to the minority shareholding, reducing Showtime UK Holdings Limited's shareholding to 51%.

Results and Dividends

The company was non trading in 1999, and the group received no income and incurred no expenditure during the period, and accordingly no profit and loss account or statement of total recognised gains and losses is presented. There was no trading activity in 2000, apart from the prepayment of programming costs. The net assets of the group as at 31 December 2000 were \$200,000. Zonevision Broadcasting Showtime Turkey Limited began trading in 2001.

Business Review

The directors are satisfied that the financial statements give a fair review of the business developments of the company and the group during the year and of its position at the year end. The directors are confident that the results of the group will improve in future years.

On 6 February 2001, Viacom International Netherlands BV transferred its 100% shareholding in Showtime UK Holdings Limited to Viacom UK Limited for the nominal value of the shares issued.

Directors

The directors who held office during the year, and subsequent changes, were:

T Ellis	(appointed 21 November 2000)
D Geoghegan	(appointed 24 April 2001)
J Jorritsma	(resigned 1 May 2001)
J Shaw	

No director had, at any time during the financial year, an interest in any contract or arrangement (apart from contracts of service) to which the company or any subsidiary was a party.

None of the directors had any interests in the shares of the company or its fellow subsidiaries during the year, which requires disclosure by the company in accordance with Section 324 of the Companies Act 1985.

Showtime UK Holdings Limited
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Directors' Report
For the Year Ended 31 December 2000 (Continued)

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 and the group and of the profit or loss of the group 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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. 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

On 11 October 2001 PricewaterhouseCoopers were appointed as auditors, as the company had ceased to be dormant under section 250 (5) of the Companies Act. PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next annual general meeting.

By Order of the Board.



T Ellis
Director

180 Oxford Street
London
W1D 1NN

15 October 2001

Auditors' Report To The Members Of Showtime UK Holdings Limited (Formerly Viacom Networks Europe Limited)

We have audited the financial statements on pages 5 to 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board, the Listing Rules of the Financial Services Authority and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 or the Listing Rules regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 2000 and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

15 October 2001

Showtime UK Holdings Limited
(Formerly Viacom Networks Europe Limited)

Balance Sheet At 31 December 2000

		Group		Company	
	Note	2000	1999	2000	1999
		\$'000	\$'000	\$'000	\$'000
Fixed Assets					
Investments	3	-	-	1,020	-
Current Assets					
Debtors	4	72	-	-	-
Cash at bank and in hand		1,220	-	-	-
		1,292	-	-	-
Creditors: amounts falling due within one year	5	(1,092)	-	(1,020)	-
Net Assets		200	-	-	-
Capital and Reserves					
Called up share capital	6	-	-	-	-
Profit and loss account	7	-	-	-	-
Total Shareholders' Funds	7	-	-	-	-
Equity minority interest		200	-	-	-
Total Capital and Reserves		200	-	-	-

The financial statements on pages 5 to 9 were approved by the board of directors on 15 October 2001 and signed on its behalf by:



T Ellis
Director

Showtime UK Holdings Limited
(formerly Viacom Networks Europe Limited)

Notes to the Financial Statements
For The Year Ended 31 December 2000

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.

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention.

The functional currency of the group is US Dollars.

b) Basis of Consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertaking. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertaking acquired in the period are included in the consolidated profit and loss account from the date of acquisition.

c) Cash Flow Statement

The company and its subsidiaries are subsidiaries of Viacom Inc. and are included in Viacom Inc.'s consolidated financial statements, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a consolidated cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

d) Current Taxation

Corporation tax is provided on taxable profits at the current rate.

e) Investments

The investment in the subsidiary undertaking is stated in the balance sheet at cost.

Showtime UK Holdings Limited
(formerly Viacom Networks Europe Limited)

Notes to the Financial Statements
For The Year Ended 31 December 2000

2 Profit and Loss Account

The group received no income and incurred no expenditure during the year, and accordingly no profit and loss account or statement of total recognised gains and losses has been presented.

The directors received no fees or emoluments with respect to qualifying services during the year (1999: nil). The company had no employees during the year (1999: nil).

Auditors remuneration and certain other administrative costs have been borne by another group undertaking.

3 Investments - Shares in Group Undertakings

Company

Cost	\$'000
At 1 January 2000	-
Purchase of investment in Zonevision Broadcasting Showtime Turkey Limited	1,020
At 31 December 2000	1,020

As at 31 December 2000, Showtime UK Holdings Limited owned 89% of Zonevision Broadcasting Showtime Turkey Limited.

4 Debtors

	Group		Company	
	2000	1999	2000	1999
	\$'000	\$'000	\$'000	\$'000
Prepayments and accrued income	72	-	-	-

5 Creditors: amounts falling due within one year

	Group		Company	
	2000	1999	2000	1999
	\$'000	\$'000	\$'000	\$'000
Amounts owed to fellow group undertakings	72	-	-	-
Accruals and deferred income	1,020	-	1,020	-
	1,092	-	1,020	-

Showtime UK Holdings Limited
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Notes to the Financial Statements
For The Year Ended 31 December 2000

6 Share Capital

	2000 \$'000	1999 \$'000
Authorised – Group and Company 1,100 ordinary share capital of £1 each	-	-
Issued and fully paid - Group and Company 2 share of £1 each	-	-

7 Reconciliation of Movement in Shareholders' Funds

(a) Group	Ordinary Share Capital \$'000	Profit and Loss Account \$'000	Shareholders' Funds Total \$'000
At 1 January 2000 and 31 December 2000	-	-	-
(b) Company	Ordinary Share Capital \$'000	Profit and Loss Account \$'000	Shareholders' Funds Total \$'000
At 1 January 2000 and 31 December 2000	-	-	-

8 Ultimate Parent Undertaking

The company's ultimate parent company is Viacom Inc., incorporated in the USA. The ultimate controlling party of Showtime UK Holdings Limited is National Amusements Inc., the beneficial owner of the majority of Viacom Inc. voting shares.

The only group in which the results of Showtime UK Holdings Limited and its subsidiary undertaking are consolidated is Viacom Inc. The consolidated financial statements for this group are available to the public and may be obtained from 1515 Broadway, New York, N.Y., 10036, USA.

Showtime UK Holdings Limited
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Notes to the Financial Statements
For The Year Ended 31 December 2000

9 Related Party Transactions

The group is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Viacom Inc. group.

10 Post Balance Sheet Events

On 6 February 2001, Viacom International Netherlands BV transferred its 100% shareholding in Showtime UK Holdings Limited to Viacom UK Limited for the nominal value of the shares issued.

On 1 March 2001 and 1 May 2001, Zonevision Broadcasting Showtime Turkey Limited issued new shares to the minority shareholding, reducing Showtime UK Holdings Limited's shareholding to 51%.