

ABS-CBN EUROPE LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2003
Company number 4757516



ABS-CBN EUROPE LIMITED

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ABS-CBN EUROPE LIMITED

Directors

Jose Cuenca Nolan
Rafael Lao Lopez

Secretary

Jose Cuenca Nolan

Registered Office

The Old Dairy
Peper Harow Park
Godalming
Surrey
GU8 6BQ

Company Registration

4757516

ABS-CBN EUROPE LIMITED
DIRECTORS' REPORT
FOR THE PERIOD FROM 8 MAY 2003 to 31 DECEMBER 2003

The company was incorporated on 8th May 2003 and commenced trading on that date. The directors present their first report and financial statements for the period from 8 May 2003 to 31 December 2003. During the period, the company's principle activity was the provision of satellite broadcasting services.

Review of the business and future developments

Results are set out on page 3 of the financial statements. The directors are confident in the prospects for the coming year.

Directors

The directors who served during the period and their interests in the £1 ordinary shares of the company were:-

	Appointed	Resigned	2003 No
Mr R L Encarnacion	07/05/04	19/07/04	-
Mr J C Nolan	07/05/04		-
Mr R L Lopez	19/07/04		-

Directors' interests

None of the directors had any beneficial interest in the issued share capital of the company at any time during the year.

The company is a wholly owned subsidiary of an ultimate parent company incorporated outside Great Britain and, as permitted by statutory instrument, no disclosure is made of any interest of the directors in the shares or share options of that company.

Overseas branches

During the year the company operated a branch in Italy.

Statement of directors' responsibilities

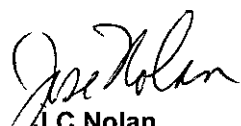
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for the period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements 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 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.

In preparation of the directors' report, advantage has been taken of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.


J C Nolan
Director
Date:

ABS-CBN EUROPE LIMITED
PROFIT & LOSS ACCOUNT
FOR THE PERIOD FROM 8 MAY 2003 to 31 DECEMBER 2003

	Notes	2003 £
Turnover	2	75,502
Cost of sales		279,291
Gross loss		<hr/> (203,789)
Administrative expenses		653,832
Operating loss		<hr/> (857,621)
Interest receivable and similar income		251
Loss on ordinary activities before taxation	3	<hr/> (857,370)
Taxation	6	-
Retained loss carried forward	13	<hr/> <hr/> (857,370)

The company's results are derived entirely from continuing activities.

The company has no recognised gains and losses other than the losses above and therefore no separate statement of total recognised gains and losses has been prepared

There is no difference between the profit on ordinary activities before taxation and the retained profit for the years stated above and their historical cost equivalents.

**ABS-CBN EUROPE LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2003**

	Note	2003 £	£
Fixed assets			
Tangible assets	6	60,406	60,406
Current assets			
Stock	8	58,405	
Debtors	9	64,198	
Cash at bank and in hand		208,938	
		<u>331,541</u>	
Creditors			
Amounts falling due within one year	10	499,317	
Net current assets			(167,776)
Total assets less current liabilities			<u>(107,370)</u>
Capital and reserves			
Called up share capital	12		750,000
Profit and loss account	13		(857,370)
Shareholders ' funds			<u>(107,370)</u>

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985
- (b) No notice has been deposited under Section 249B(2) of that act
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company at the end of the financial year and of its profit and loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

In preparing the company's annual financial statements:

- (a) The accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985, and with the Financial Reporting Standard for Smaller Entities (effective June 2002)
- (b) In the directors' opinion the company is entitled to these exemptions as a small company.

The financial statements were approved by the Board on 2004 and signed on its behalf by:


J. C. Nolan
Director

ABS-CBN EUROPE LIMITED
NOTES TO THE ACCOUNTS
FOR THE PERIOD FROM 8 MAY 2003 to 31 DECEMBER 2003

1 Principal accounting policies

Basis of accounting

These financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards. The principal accounting policies are set out below.

The financial statements have been prepared on a going concern basis, which assumes the company will continue in operational existence for the foreseeable future.

During the year the company met its working capital requirements through continued financial support received from its parent Lopez Inc.

The parent has agreed to continue to provide such financial support so as to allow Lopez Inc to meet its liabilities as they fall due and to carry on its business without any significant curtailment of operations during the period of 12 months from the date of the approval of these financial statements.

Cash flow statement

The company has adopted the provisions of FRS 1 (revised 1996) 'Cash Flow Statements' and has taken advantage of the exemption for small companies contained therein. Accordingly a cash flow statement has not been included in these financial statements.

Related party transactions

Transactions between the company and other group companies, including their associates and joint ventures, have not been disclosed in accordance with the exemption in FRS 8 'Related Party Disclosures'.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, on a straight-line basis over the the expected useful economic lives of the assets concerned. The principal rates used for this purpose are:

Office furniture & fixtures	33%
Computer equipment	33%

Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken within Europe.

Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

Stock

Stocks are valued at the lower of cost or net realisable value.

ABS-CBN EUROPE LIMITED
NOTES TO THE ACCOUNTS
FOR THE PERIOD FROM 8 MAY 2003 to 31 DECEMBER 2003

1 Principal accounting policies (continued)

Foreign currencies

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rates ruling when the transactions were entered into. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date. All foreign exchange differences are taken to the profit and loss account in the year in which they arise.

Deferred taxation

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2 Turnover

The turnover of the company is attributable to the one principal activity of the company and is entirely generated from within the United Kingdom and Europe.

3 Loss on ordinary activities before taxation

2003
£

Loss on Ordinary activities before taxation is stated after charging:

Depreciation charge for the period:

Tangible owned fixed assets

3,799

Operating lease charges:

Land and buildings

13,783

4 Directors' emoluments

2003
£

Remuneration

-

5 Tax on profit on ordinary activities

2003
£

Current tax

UK corporation tax at 30% for the year

-

Deferred tax

Origination and reversal of timing differences

-

ABS-CBN EUROPE LIMITED
NOTES TO THE ACCOUNTS
FOR THE PERIOD FROM 8 MAY 2003 to 31 DECEMBER 2003

6 Tangible assets	Office Furn. & Fixtures	Computer Equipment	Total
Cost	£	£	£
At 08 May 2003	-	-	-
Additions	27,388	36,817	64,205
At 31 December 2003	<u>27,388</u>	<u>36,817</u>	<u>64,205</u>
Accumulated depreciation			
At 08 May 2003	-	-	-
Charge for the year	1,996	1,803	3,799
At 31 December 2003	<u>1,996</u>	<u>1,803</u>	<u>3,799</u>
Net book amount			
At 31 December 2003	<u>25,392</u>	<u>35,014</u>	<u>60,406</u>
At 08 May 2003	<u>-</u>	<u>-</u>	<u>-</u>
7 Stock			2003
			£
Finished goods for resale			58,405
8 Debtors			2003
			£
Trade debtors			44,542
Other Debtors			17,919
Prepayments and accrued income			1,737
			<u>64,198</u>
Amounts owed by group undertakings are unsecured, interest free and have no fixed repayment terms.			
9 Creditors – Amounts falling due within one year			2003
			£
Trade creditors			109,003
Other creditors			59,259
Amounts owed to group undertakings			326,601
Corporation tax			-
Other tax and social security			524
Accruals			3,930
			<u>499,317</u>

ABS-CBN EUROPE LIMITED
NOTES TO THE ACCOUNTS
FOR THE PERIOD FROM 8 MAY 2003 to 31 DECEMBER 2003

12 Called-up share capital	2003
	£
Authorised	
750,000 ordinary share of £1 each	750,000
	<hr/>
Allotted, called-up and fully paid	
750,000 ordinary share of £1	750,000
	<hr/>
14 Reserves	2003
	£
At 8 May 2003	-
Retained loss for the financial year	(857,370)
At 31 December 2003	(857,370)
	<hr/>
15 Reconciliation of movements in shareholders' funds	2003
	£
Loss for the year	(857,370)
Net proceeds of issue of ordinary share capital	750,000
Net addition to shareholders' funds	(107,370)
	<hr/>
Opening shareholders' funds	-
Closing shareholders' funds	(107,370)
	<hr/>
16 Operating Lease Commitments	
At 31 December 2003 the company had annual commitments under operating leases as follows:	
	2003
	£
Land & buildings	42,374
Expiry date: Within one year	<hr/>

17 Ultimate parent undertaking

The ultimate parent undertaking and controlling party is Lopez Inc. Copies of Lopez Inc consolidated financial statements can be obtained by writing to the Company Secretary, ABS-CBN Europe Ltd, 109 Gloucester Road, London SW7 4SS.