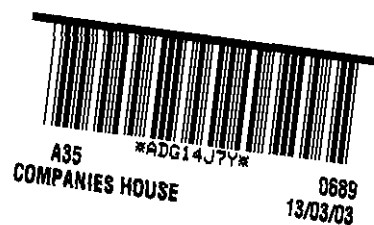


Parliamentary Broadcasting Unit Limited

(Registered Number: 2402768)

**Directors' Report and Financial Statements
for the Year Ended 30 September 2002**



Parliamentary Broadcasting Unit Limited

Directors' Report and Financial Statements

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Parliamentary Broadcasting Unit Limited

Directors' Report

The Directors present their report together with the financial statements of the Company for the year ended 30 September 2002.

Directors

The Directors during the year ended 30 September 2002 are listed below:

Rt. Hon. Sir Alan Haselhurst M.P.	Chairman
Steven Anderson	
Norman Baker	(Ceased to be a Director 9.1.2002)
Rt. Hon. Margaret Beckett M.P.	(Ceased to be a Director 9.1.2002)
Rt. Hon. Lord Burnham	
Eric Clarke M.P.	(Ceased to be a Director 9.1.2002)
Rt. Hon. Robin Cook M.P.	(Appointed 9.1.2002)
Sir Patrick Cormack M.P.	(Appointed 9.1.2002)
Angela Frier	(Ceased to be a Director 20.2.2002)
Roger Gale M.P.	(Ceased to be a Director 9.1.2002)
Nigel Jones M.P.	(Appointed 9.1.2002)
David Lloyd	
Barbara Long	
Peter Lowe	
Paul Mathews	
Roger Mosey	
Julia Nelson	
Rt. Hon. Lord Paul of Marylebone	
Peter Phillips	
James Scorer	(Appointed 20.2.2002, ceased to be a Director 1.10.2002)
Chris Shaw	
Anne Sloman	
Clive Soley M.P.	(Appointed 9.1.2002)
Rt. Hon. Lord Thomson of Monifieth, K.T.	
Rt. Hon. Lord Tordoff	
Sarah Tweddell	(Appointed 5.9.2002)

There have been no Directors appointed since 30 September 2002

Principal Activities

The principal activity of the Company is the making of arrangements for the televising of the Parliament of the United Kingdom of Great Britain and Northern Ireland by means of live relay and by recordings.

Results and Review of Business

During the year under review the Company, which is non profit making, derived the major part of its income from UK broadcasters for a clean feed of the proceedings of the House of Commons, House of Lords and coverage of certain committees of each House. The Directors foresee the Company continuing in this manner for the foreseeable future. The income received by the Company is used to finance the operation of the technical equipment installed in the Houses of Parliament and the supply of the clean feed signals.

Parliamentary Broadcasting Unit Limited

Directors' Report (Continued)

Dividend

The Company is a non-profit making organisation and therefore no dividends will be paid.

Directors

One of the Directors receives remuneration from the Company. As at 30 September 2002 no Director had interests in the shares of the Company.

Employees

The Company has one employee (2001: one).

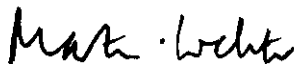
Fixed Assets

The Company has no fixed assets.

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, a resolution to appoint the new firm, PricewaterhouseCoopers LLP, as auditors to the company will be proposed at the Annual General Meeting.

By order of the board



Martin Webster
Secretary

S. March 2003

Parliamentary Broadcasting Unit Limited

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 results 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;
- State that all applicable accounting standards have been followed, save as disclosed in the notes to the accounts;
- Prepare the 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.

Independent Auditors' Report to the Members of Parliamentary Broadcasting Unit Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective Responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and 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 issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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. The other information comprises only the Directors' Report.

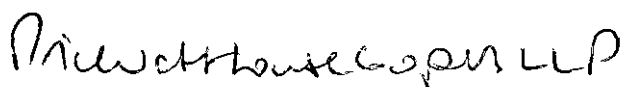
Basis of Audit Opinion

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 30 September 2002 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

 2003

Parliamentary Broadcasting Unit Limited

Profit and Loss Account for the Year Ended 30 September 2002

	Note	2002 £	2001 £
Turnover	2	886,528	952,051
Cost of sales		(803,508)	(876,201)
Gross profit		83,020	75,850
Administrative expenses		(88,078)	(85,406)
Operating loss		(5,058)	(9,556)
Bank interest receivable		5,058	7,962
Profit on ordinary activities before taxation	4	-	(1,594)
Taxation	5	-	1,594
Retained profit for the financial year		-	-

The Company has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented.

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

All of the results above arise from continuing operations.

The notes on pages 7 to 9 form part of these financial statements.

Parliamentary Broadcasting Unit Limited

Balance Sheet as at 30 September 2002

	Note	2002 £	2001 £
Current assets			
Trade debtors		69,740	146,901
Cash at bank		60,378	229,055
		130,118	375,956
Creditors:			
Amounts falling due within one year	6	(129,938)	(375,776)
Net assets		180	180
Share capital	7	180	180
Equity shareholders' funds		180	180

The financial statements set out on pages 5 to 9 were approved by the Board of Directors on 5 March 2003 and signed on their behalf by:



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Director(s)

Parliamentary Broadcasting Unit Limited

Notes to the Financial Statements for the Year Ended 30 September 2002

1 Accounting Policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom which have been consistently applied.

The company has adopted Financial Reporting Standard 18 "Accounting Policies" and Financial Reporting Standard 19 "Deferred Tax" during the 2002 financial year. Neither of these had any impact on the amounts presented.

Turnover represents invoiced revenues and amounts receivable from shareholders in respect of costs incurred during the year, excluding VAT.

Costs in respect of operating leases are charged on a straight line basis over the lease term. All of the leases which the Company has entered into as lessee are operating leases.

The Company qualifies as a small company under the terms of Section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cashflow statement.

2 Turnover

	2002 £	2001 £
Turnover comprises:		
Fees and contributions from shareholders	609,024	678,053
External income	277,504	253,671
Donation from House of Commons	-	20,327
Total	886,528	952,051

Shareholders contribute to any shortfalls in revenue in order to ensure the Company makes neither a profit nor a loss after taxation.

3 Directors' Emoluments

	2002 £	2001 £
Aggregate emoluments	19,848	18,479

Parliamentary Broadcasting Unit Limited

Notes to the Financial Statements for the Year Ended 30 September 2002 (Continued)

4 Profit on Ordinary Activities Before Taxation

	2002 £	2001 £
Profit on ordinary activities before taxation is stated after charging:		
Operating lease rentals	594,600	581,173
Auditors' remuneration	6,000	5,800

Remuneration of the company's auditors for provision of non-audit services to the company was £1,000 (2001: £950).

5 Taxation

	2002 £	2001 £
Corporation tax for the year at 30%	-	-
Overprovision in respect of prior year	-	(1,594)
Tax credit	-	(1,594)

6 Creditors

	2002 £	2001 £
Amounts falling due within one year:		
Trade creditors	59,768	316,848
Accrued charges	70,170	58,928
Total	129,938	375,776

7 Share Capital

	2002 £	2001 £
9 authorised, issued and fully paid ordinary shares of £20 each	180	180

Parliamentary Broadcasting Unit Limited

Notes to the Financial Statements for the Year Ended 30 September 2002 (Continued)

8 Reconciliation of Movements In Equity Shareholders' Funds

	2002 £	2001 £
Profit for the financial year	-	-
Opening equity shareholders' funds	180	160
New shareholding	-	20
Closing equity shareholders' funds	180	180

9 Financial Commitments

The operating lease commitment for the supply of services amounts to an annual cost of £594,600 (2001: £539,600), which subject to earlier termination in certain circumstances will continue until 31 July 2006.

10 Related Parties Disclosure (Financial Reporting Standard 8)

The shareholders of the Company and the Company are parties to a Shareholders' Agreement under which the shareholders agree to make good any shortfall in the Company's income, and have rights to the return of any surplus, in proportion to their respective shareholdings, so that the profit after taxation of the Company is nil. Most turnover transactions occur with shareholders.