

NYNEX CableComms Derby Limited
(formerly Derby Cablevision Limited
and formerly Derbyshire Cablevision Limited)

Annual report

for the year ended 31 December 1992

Registered no: 2387713

**Annual report
for the year ended 31 December 1992**



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NYNEX CableComms Derby Limited

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Directors and advisers

Directors

G J McLean

E P Connell

R W Blackburn

M Brennan

Registered Auditors

Coopers & Lybrand

Abacus Court

6 Minshull Street

Manchester

M1 3ED

Secretary and registered office

G J McLean

Wimbledon Bridge House

1 Hartfield Road

Wimbledon

London

SW19 3RU

Solicitors

Simmons and Simmons

14 Dominion Street

London

EC2M 2RJ

Bankers

Barclays Bank PLC

**Directors' report
for the year ended 31 December 1992**

The directors present their report and the audited financial statements for the year ended 31 December 1992.

Principal activity

The principal activity of the company is that of providing cable television in the Derbyshire area.

Review of business

The results for the year are set out on page 5. The company commenced cable transmission in October 1991. Work is progressing with the installation of cable and equipment.

Change of name

On 24 March 1992 the company changed its name to Derby Cablevision Limited and on 6 July 1993 to NYNEX CableComms Derby Limited.

Change of ownership

The company and its parent, Derby Cablevision Holding Company Limited, were purchased on 19 March 1993 by NYNEX (UK) Telephone and Cable TV Holding Company Limited.

Changes in fixed assets

The movements in fixed assets during the year are set out in notes 8 and 9 to the financial statements.

Directors

The directors of the company at 31 December 1992 were as follows:

D N Sherwood
L J Woods
H W Y Sze

T M Cleary and F E Miller resigned as directors on 26 February 1992 and 4 June 1992 respectively.

D N Sherwood was appointed a director on 27 March 1992 and L J Woods was appointed a director on 12 June 1992.

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D N Sherwood, L J woods and H W Y Sze resigned as directors on 19 March 1993 prior to the sale of the company. On that date the directors listed on page 1 were duly appointed.

Directors' interests in shares of the company

According to the register kept under section 325 of the Companies Act 1985, no director had any beneficial interest in the shares of the company or any group company during the year. As permitted by statutory instrument, details of shareholdings in overseas companies are not disclosed.

Auditors

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

By order of the board



G J McLean
Secretary
6 October 1993

Report of the auditors to the members of NYNEX CableComms Derby Limited

We have audited the financial statements on pages 5 to 12 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1992 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

Coopers & Lybrand

Chartered Accountants and Registered Auditors
Manchester
6 October 1993

**Profit and loss account
for the year ended 31 December 1992**

	Notes	1992 £	1991 £
Turnover		270,652	6,340
Cost of sales		(166,989)	(6,711)
Gross profit/(loss)		103,663	(571)
Other operating expenses	2	(1,427,722)	(419,996)
Operating loss		(1,324,059)	(420,367)
Investment income	5	27,575	8,699
Loss on ordinary activities before taxation	6	(1,296,484)	(411,668)
Taxation	7	-	-
Loss for the financial year		(1,296,484)	(411,668)
Statement of deficit			
Deficit at 1 January 1992		(411,668)	-
Loss for the financial year		(1,296,484)	(411,668)
Deficit at 31 December 1992		(1,708,152)	(411,668)

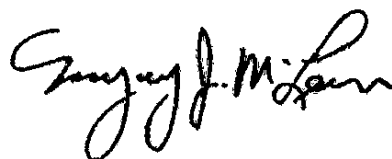
NYNEX CableComms Derby Limited

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Balance sheet at 31 December 1992

	Notes	1992 £	1991 £
Fixed assets			
Intangible assets	8	469,560	648,559
Tangible assets	9	3,943,449	1,404,378
		<u>4,413,009</u>	<u>2,048,247</u>
Current assets			
Debtors	10	153,823	255,194
Cash at bank and in hand		163,300	367,097
		<u>327,123</u>	<u>622,291</u>
Creditors: amounts falling due within one year	11	6,443,282	3,032,204
Net current liabilities		<u>(6,121,159)</u>	<u>(2,459,913)</u>
Total assets less current liabilities		<u>(1,708,150)</u>	<u>(411,666)</u>
Capital and reserves			
Called up share capital	13	2	2
Profit and loss account		(1,708,152)	(411,668)
		<u>(1,708,150)</u>	<u>(411,666)</u>

The financial statements on pages 5 to 12 were approved by the board of directors on 6 October 1993 and were signed on its behalf by:



G J McLean
Director

**Notes to the financial statements
for the year ended 31 December 1992****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.

Basis of accounting

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

Intangible fixed assets

Intangible fixed assets comprise start-up and franchise costs. Start-up costs are to be amortised evenly over a period of three years from the time the cable system becomes operational. Franchise costs are to be amortised evenly over the period from the time the cable system becomes operational to the end of the life of the franchise (15 years maximum).

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. The cost of work in progress includes staff costs relating to those employees directly employed in the development and construction of the cable network.

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

Plant and equipment	
Non-electronic element	40 years
Electronic element	7 years
Motor vehicles	5 years
Office equipment, fixtures and fittings	5 years

Plant and equipment is depreciated from the time that each section of the network becomes operational.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of cable transmissions supplied in the United Kingdom.

Deferred taxation

Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability will crystallise.

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Operating leases

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

2 Other operating expenses

	1992 £	1991 £
Administrative expenses	389,763	367,260
Distribution costs	1,037,959	52,786
	<u>1,427,722</u>	<u>419,996</u>

The company operates as part of a group of Cablevision companies for which central costs are shared. The company's share of these costs during the year amounted to £497,893 (1991: £441,227). £318,604 (1991: £193,831) has been charged to the profit and loss account as part of administrative expenses, £179,289 (1991: £37,696) has been capitalised as part of the production cost of plant and equipment and £Nil (1991: £209,700) has been capitalised as part of start-up costs.

3 Directors' emoluments

No emoluments were paid by the company to any director during the year (1991: £Nil).

4 Employee information

The average weekly number of persons (excluding non-executive directors) employed during the year was:

	1992 Number	1991 Number
By department		
Administration	3	4
Sales and marketing	17	4
Engineering	15	5
	<u>35</u>	<u>13</u>

	1992 £	1991 £
Staff cost (for the above persons)		
Wages and salaries	537,484	84,274
Social security costs	53,252	8,524
Less: amounts capitalised	(142,905)	(23,507)
	<u>447,761</u>	<u>70,391</u>

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5 Investment Income

	1992	1991
	£	£
Interest receivable	<u>27,575</u>	<u>3,689</u>

6 Loss on ordinary activities before taxation

	1992	1991
	£	£
Loss on ordinary activities before taxation is stated after charging:		
Depreciation charge for the year:		
Intangible fixed assets	174,309	44,001
Tangible fixed assets	207,109	32,153
Operating lease rentals - land and buildings	38,955	9,676
Auditors' remuneration	5,600	4,000
Loss on disposal of fixed assets	<u>4,308</u>	<u>-</u>

7 Taxation

No corporation tax has been charged as the company has made a loss for the financial year. The company has accumulated corporation tax losses to carry forward of approximately £2,900,000.

8 Intangible fixed assets

	Franchise costs	Start-up costs	Total
	£	£	£
Cost			
At 1 January 1992 and 31 December 1992	<u>212,430</u>	<u>475,440</u>	<u>687,870</u>
Amortisation			
At 1 January 1992	3,979	40,022	44,001
Charge for year	<u>15,445</u>	<u>158,864</u>	<u>174,309</u>
At 31 December 1992	<u>19,424</u>	<u>198,886</u>	<u>218,310</u>
Net book value			
At 31 December 1992	<u>193,006</u>	<u>276,554</u>	<u>469,560</u>
Net book value			
At 31 December 1991	<u>208,451</u>	<u>435,418</u>	<u>643,869</u>

9 Tangible fixed assets

	Plant and equipment	Work in progress	Motor vehicles	Office equipment, fixtures and fittings	Total
	£	£	£	£	£
Cost					
At 1 January 1992	755,384	403,605	95,849	181,693	1,436,531
Additions	587,132	2,048,751	68,383	45,308	2,749,574
Disposals	-	-	(16,100)	-	(16,100)
Transfers	2,302,062	(2,302,062)	12,995	2,105	15,100
At 31 December 1992	3,644,578	150,294	161,127	229,106	4,185,105
Depreciation					
At 1 January 1992	17,892	-	7,292	6,969	32,153
Charge for year	147,287	-	27,962	31,860	207,109
Disposals	-	-	(2,742)	-	(2,742)
Transfers	-	-	4,765	371	5,136
At 31 December 1992	165,179	-	37,277	39,200	241,656
Net book value					
At 31 December 1992	3,479,399	150,294	123,850	189,906	3,943,449
Net book value					
At 31 December 1991	737,492	403,605	88,557	174,724	1,404,378

10 Debtors

	1992 £	1991 £
Amounts falling due within one year		
Trade debtors	99,951	8,621
Amount owed by immediate parent undertaking	-	-
Amounts owed by other fellow subsidiary undertakings in the Pacific Telesis Group of companies	-	123,019
Other debtors	53,402	122,625
Prepayments and accrued income	5,470	929
	158,823	255,194

11 Creditors: amounts falling due within one year

	1992 £	1991 £
Bank loans and overdraft	59,768	197,177
Trade creditors	25,491	7,960
Amount owed to immediate parent undertaking	5,981,719	1,600,000
Amounts owed to other fellow subsidiary undertakings in the Pacific Televis Group of companies	120,322	1,167,868
Other taxation and social security	16,062	4,290
Other creditors	28,826	-
Accruals and deferred income (including inter-group)	259,204	104,914
	<u>6,448,282</u>	<u>3,082,209</u>

12 Provisions for liabilities and charges

Deferred taxation

	Amount provided		Total potential liability	
	1992 £	1991 £	1992 £	1991 £
Tax effect of timing differences because of:				
Accelerated capital allowances	366,848	32,081	366,848	32,081
Unutilised losses	(366,848)	(32,081)	(366,848)	(32,081)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

13 Called up share capital

	1992 £	1991 £
Authorized		
20,000,000 preference shares of £1 each	20,000,000	20,000,000
1,000 ordinary shares of £1 each	1,000	1,000
	<u>20,001,000</u>	<u>20,001,000</u>
Allotted, called up and fully paid		
2 (1991: 2) ordinary shares of £1 each	2	2

14 Financial commitments

At 31 December 1992 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	1992	1991	1992	1991
	£	£	£	£
On leases expiring:				
Between two and five years	-	-	17,586	-
After more than 5 years	38,387	38,398	-	927
	<u>38,387</u>	<u>38,398</u>	<u>-</u>	<u>927</u>

15 Capital commitments

At 31 December 1992, the company had expenditure committed but not provided for of £21,000 (1991: £403,307) to construct 3 miles (1991: 18.2) of cable network.

16 Ultimate parent company

Until 19 March 1993 the company was part of the Pacific Telesis Group of companies. On that date the company was acquired by NYNEX (UK) Telephone & Cable TV Holding Company Limited.

The directors regard NYNEX Corporation, a company incorporated in the United States of America as the company's ultimate parent company. Copies of the ultimate parent company's consolidated financial statements may be obtained from Investor Relations, NYNEX Corporation, 335 Madison Avenue, New York, NY 10017.