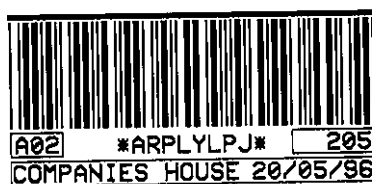


VIDEOTRON THAMESMEAD LIMITED

Report and Financial Statements

31 August 1995



DIRECTORS' REPORT

The directors present their annual report and the financial statements for the year ended 31 August 1995.

PRINCIPAL ACTIVITIES AND REVIEW OF DEVELOPMENTS

The company holds a licence under the Telecommunications Act 1984 which authorises the running of telecommunications systems in the cable franchise area of Thamesmead.

The company holds a prescribed diffusion services licence under the Cable and Broadcasting Act 1984 which licence continues in effect under the Broadcasting Act 1990. The licence authorises the company to deliver television and radio programme services in the above mentioned cable franchise area.

The company did not trade during the year,

RESULTS AND DIVIDENDS

The company has made neither profit nor loss for either of the years ended 31 August 1995 and 1994.

The directors do not recommend the payment of a dividend (1994 - £nil).

DIRECTORS

The directors who held office during the year and to date are:

L Brunel	(resigned 1 April 1995; reappointed 4 July 1995)
N J Kane	(resigned 4 July 1995)
J M Riches	(appointed 30 March 1995; resigned 31 March 1995)
J Cavalancia	(appointed 1 April 1995; resigned 12 September 1995)
D Colley	(appointed 12 September 1995)

At no time during the year did any of the directors have any interests in the share capital of the company. The interests of the directors who are also directors of Videotron Holdings Plc are as disclosed in the accounts of that company.

The directors of the company who are not directors of Videotron Holdings Plc, held the the following interests in the shares of the parent undertaking:

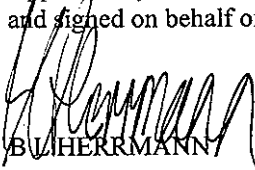
	At 31 August 1995 Ordinary share options (£0.05 ordinary shares)
J Cavalancia	180,000

Directors' and officers' liability insurance has been purchased by the company during the year.

AUDITORS

On 1 February 1996, our auditors changed their name under which they practise to Deloitte & Touche. A resolution in accordance with Section 386 of the Companies Act 1985 to dispense with the obligation to appoint auditors annually was passed on 22 July, 1994 and accordingly Deloitte & Touche are reappointed as auditors.

Approved by the Board of Directors
and signed on behalf of the Board of Directors


B. HERRMANN
Company Secretary

7 MAY 1996

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;
- state whether applicable accounting standards have been followed;
- 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. 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' REPORT TO THE MEMBERS OF VIDEOTRON THAMESMEAD LIMITED

We have audited the financial statements on pages 4 and 5 which have been prepared under the accounting policy set out on page 5.

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.

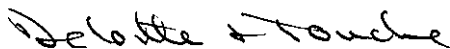
Basis of opinion

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 31 August 1995 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors
Hill House
1 Little New Street
London EC4A 3TR

7 May 1996

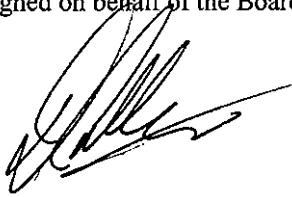
BALANCE SHEET
31 August 1995

	Note	1995 £	1994 £
CURRENT ASSETS			
Amount owed by fellow subsidiary undertaking		10	10
NET ASSETS		10	10
CAPITAL AND RESERVES			
Called up share capital	3	10	10
EQUITY SHAREHOLDERS' FUNDS		10	10

The company was dormant throughout the year.

The balance sheet was approved by the Board of Directors on 7 May, 96

Signed on behalf of the Board of Directors



D COLLEY

Director

NOTES TO THE ACCOUNTS

Year ended 31 August 1995

1. ACCOUNTING POLICY

The balance sheet has been prepared in accordance with applicable accounting standards. The balance sheet has been prepared under the historical cost convention.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors did not receive any remuneration in respect of their services to the company in either of the years ended 31 August 1995 or 1994.

There were no employees other than the directors in either of the years ended 31 August 1995 and 1994.

Auditors remuneration was borne by a fellow subsidiary undertaking.

3. CALLED UP SHARE CAPITAL

	1995	1994
	£	£
Authorised:		
100 ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
Allotted and fully paid:		
10 ordinary shares of £1 each	10	10
	<u> </u>	<u> </u>

4. TRADING RESULTS

The company has not traded either during the year ended 31 August 1995 or during the year ended 31 August 1994, and has made neither profit nor loss in either year, and accordingly no profit and loss account has been presented. Auditors' remuneration has been borne by a fellow subsidiary company.

5. CHARGE ON ASSETS

During the year a fellow subsidiary undertaking entered into a senior loan facility with a syndicate of financial institutions. As security the syndicate have been granted a fixed and floating charge over all the assets of the company. £20 million had been drawn under this facility as of the date of these financial statements.

6. ULTIMATE PARENT COMPANY

The parent company of the smallest group for which group accounts are prepared is Videotron Holdings Plc a company registered in England and Wales. The ultimate parent company is Le Groupe Vidéotron Ltée, a public company registered in Canada.

The financial statements of Videotron Holdings Plc are available from the company secretary, Videotron House, 76 Hammersmith Road, London W14 8UD. The financial statements of Le Groupe Vidéotron Ltée are available from the secretary, 300 avenue Viger Est, Montréal, Québec, H2X 3W4, Canada.