

Pantherwood Limited

**Financial statements
for the year ended 31 December 1999**

Registered Number: 2594283



Pantherwood Limited
Financial statements
for the year ended 31 December 1999

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Pantherwood Limited

Directors' report

for the year ended 31 December 1999

The directors present their report and the audited financial statements for the year ended 31 December 1999.

Principal activities

The principal activity of the Company is the provision of management and other services to group companies.

Review of business and post balance sheet event

As stated in Note 14, the Company has entered into bank cross guarantees and debentures with the Group's bankers. On 8 May 2000, pursuant to a substantial expansion of the Group's activities, the terms of the borrowings covered by the guarantees were renegotiated. The new credit facility is repayable in instalments up to 30 June 2006.

On 17 August 1999 the Company acquired the entire issued share capital of Cinevideo Limited from the Company's immediate parent undertaking, TeleCast Communications (UK) Limited, for a total cash consideration of £1.

The results of the Company continue to develop in line with expectations.

Proposed dividend and transfer to reserves

There was no interim dividend paid during 1999 (1998: £1,143,000). The directors do not recommend the payment of a final dividend (1998: £Nil). The retained profit for the financial year of £65,000 (1998: £80,000 loss) has been transferred to reserves.

Directors and directors' interests

The following directors held office during the year:

RK Ellis	(resigned 7 April 2000)
DJ Davies	(resigned 7 April 2000)

The following directors have been appointed after 31 December 1999:

J Delano	(appointed 7 April 2000; resigned 8 May 2000)
MS Gumienny	(appointed 7 April 2000; resigned 8 May 2000)
B Day	(appointed 8 May 2000)
N Marshall	(appointed 8 May 2000)

The directors who held office at the end of the financial year did not have any disclosable interests in the ordinary shares of the Company.

The interests of the directors in the share capital of Telecast Communications Limited, the Company's ultimate parent undertaking, are disclosed in the directors' report of that company's financial statements.

Pantherwood Limited

Directors' report (continued)

Year 2000

The Company has experienced no disruption or malfunctions since the turn of the year arising from its own computer systems or equipment with embedded date-reliant computer chips. The lack of disruption from the Company's own systems and equipment is attributed to the Group exercise carried out during 1998 and 1999 which included an analysis of significant risks to determine the impact of the issue on the Group's activities. From this, prioritised action plans were developed that were designed to address the key risks in advance of critical dates and without disruption to underlying business processes. Priority was given to those systems that could cause a significant financial or legal impact on the Group's business if they were to fail. The plan also included a requirement for testing of all critical systems.

The risk analysis also considered the impact on the Group of year 2000 related failures by significant suppliers and customers. At the date of signing this report, we are not aware of any year 2000 related disruption or malfunctions affecting the Company.

During 1998 and 1999 no significant expenditure was incurred to ensure that the Company's systems are year 2000 compliant.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Company and of the profit and 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, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that the financial statements conform to the above requirements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and 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.

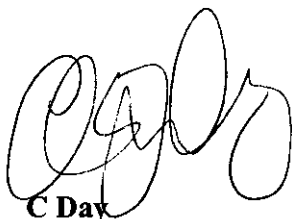
Pantherwood Limited

Directors' report (continued)

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in the office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the board

A handwritten signature in black ink, appearing to be 'C Day', written over the printed name.

C Day
Secretary
3 November 2000

Auditors' report to the members of Pantherwood Limited

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 2, 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 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 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.

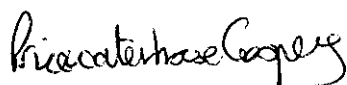
Basis of audit opinion

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 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

London

3 November 2000

Pantherwood Limited
Profit and loss account
for the year ended 31 December 1999

	<i>Note</i>	1999	1998
		£'000	£'000
Turnover – continuing operations	<i>1</i>	656	126
Cost of sales		-	-
Gross profit		656	126
Administrative expenses		(692)	(241)
Operating loss – continuing operations	<i>2</i>	(36)	(115)
Income from shares in group undertakings		65	1,143
Interest receivable and similar income	<i>5</i>	36	35
Profit on ordinary activities before taxation		65	1,063
Tax on profit on ordinary activities	<i>6</i>	-	-
Profit for the financial year		65	1,063
Dividends	<i>7</i>	-	(1,143)
Retained profit/(loss) for the financial year	<i>12</i>	65	(80)

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.

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

Notes on pages 7 to 12 form part of these financial statements.

Pantherwood Limited
Balance sheet
at 31 December 1999

	<i>Note</i>	1999	1998
		£'000	£'000
Fixed assets			
Investments	8	1,794	1,845
Current assets			
Debtors	9	660	445
Cash at bank and in hand		-	41
		<u>660</u>	<u>486</u>
Creditors: amounts falling due within one year	10	<u>(830)</u>	<u>(772)</u>
Net current liabilities		(170)	(286)
Net assets		<u>1,624</u>	<u>1,559</u>
Capital and reserves			
Called-up share capital	11	1,600	1,600
Profit and loss account	12	24	(41)
Equity shareholder's funds	13	<u>1,624</u>	<u>1,559</u>

The notes on pages 7 to 12 form part of these financial statements.

Approved by the board of directors on 3 November 2000



B Day
Director

Pantherwood Limited
Notes to the financial statements
for the year ended 31 December 1999

1. Principal accounting policies

Basis of preparing the financial statements

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 are prepared in accordance with the historical cost convention.

Basis of consolidation

The financial statements contain information about Pantherwood Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, TeleCast Communications Limited, a company registered in England and Wales.

Cash flow statement

The Company is a subsidiary undertaking where 90% or more of the voting rights are controlled within the group. The Company's ultimate parent undertaking is TeleCast Communications Limited, a company incorporated in England and Wales. The cash flows of the Company are included in the consolidated group cash flow statement of TeleCast Communications Limited. Consequently, the Company is exempt under the terms of FRS 1 (revised 1996) from publishing a cash flow statement.

Turnover

Turnover represents amounts (excluding value added tax) derived from the provision of management services to group undertakings during the year. The Company only undertakes one class of business and all income originates in the United Kingdom.

Foreign currencies

Trading results denominated in foreign currencies are translated into sterling at average rates of exchange during the year, except for material exceptional items which are translated at the rate on the date of the transaction. Monetary assets and liabilities are translated at the rates of exchange ruling at the year end except where rates of exchange are fixed under contractual arrangements. Non-monetary assets and liabilities are translated at the historic rate.

Pantherwood Limited

Notes to the financial statements (continued)

1. Principal accounting policies (continued)

Investments

Fixed asset investments are shown at cost less provision for impairment.

Deferred Tax

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences, to the extent that it is considered probable that the liability will crystallise in the foreseeable future.

2. Operating loss

	1999 £'000	1998 £'000
Operating loss is stated after charging:		
Wages and salaries	243	140
Social security costs	32	28
Pension costs	36	-
Staff costs	<u>311</u>	<u>168</u>
Other charges	<u>381</u>	<u>73</u>

Staff costs represent recharges from the ultimate parent undertaking for the services provided by its employees who worked for the Company during the period under review.

Other charges include £115,000 (1998: nil) paid to Lindmead Consultants Limited, a company controlled by a former director B Sheffield in relation to consultancy services provided by him to the Company (in 1998, such costs of £100,429 were borne by the immediate parent undertaking).

The fees for audit services are borne by the ultimate parent undertaking and are disclosed in the group consolidated financial statements.

3. Directors' emoluments

The emoluments of Mr RK Ellis and Mr DJ Davies were paid by the ultimate parent undertaking TeleCast Communications Limited and are disclosed in the financial statements of that entity. TeleCast Communications Limited did not make recharges to the Company in respect of these emoluments.

Pantherwood Limited

Notes to the financial statements (continued)

4. Employee information

The average monthly number of persons employed by the Company during the year was 2 (1998: 2).

5. Interest receivable and similar income

	1999 £'000	1998 £'000
Interest receivable from group undertakings	<u>36</u>	<u>35</u>

6. Tax on profit on ordinary activities

There is no tax charge in 1999 (1998: £nil) due to losses surrendered from other group companies without payment. There is no material provided or unprovided deferred taxation in the Company at the balance sheet date.

7. Dividends

	1999 £'000	1998 £'000
Ordinary shares - equity		
Interim paid: nil (1998: 71.431p) per £1 share	-	1,143
Final proposed: nil (1998: nil) per £1 share	-	-
	<u>-</u>	<u>1,143</u>

8. Fixed asset investments

	Shares in group undertakings £'000	Loan to group undertaking £'000	Total £'000
At 1 January 1999	1,416	429	1,845
Foreign exchange	-	(51)	(51)
At 31 December 1999	<u>1,416</u>	<u>378</u>	<u>1,794</u>

The loan with the group undertaking is unsecured, denominated in Deutsche Marks and repayable in full on 30 June 2000. Simple interest accrues on the outstanding loan on a daily basis at the rate of 8.75% per annum, payable monthly in arrears.

Pantherwood Limited

Notes to the financial statements (continued)

8. Fixed asset investments (continued)

On 17 August 1999 the Company acquired the entire issued share capital of Cinevideo Limited from the Company's immediate parent undertaking, TeleCast Communications (UK) Limited, for a total cash consideration of £1. There were no acquisition expenses.

The following information relates to the subsidiary undertakings of the Company:

Name of company	Proportion of ordinary shares held		Nature of business
	Directly	Indirectly	
<i>Companies registered in England and Wales</i>	%	%	
Cinevideo Limited	100	-	Hire of video, sound and other equipment to the TV broadcast industry
Charter Broadcast Limited	100	-	Hire of TV broadcast equipment and provision of technical services
Charter Broadcast Projects Limited	100	-	Dormant
Charter Murphil Limited	100	-	Non-trading
<i>Companies incorporated in the USA</i>		-	
Charter Broadcast North America, Inc.	100	-	Provision of technical services to the TV broadcast industry
<i>Companies incorporated in Germany</i>			
Charter Broadcast GmbH	99.9	0.1	Hire of TV broadcast equipment

There is only one class of share for each subsidiary undertaking. All the above companies operated principally in their country of incorporation or registration.

9. Debtors

	1999	1998
	£'000	£'000
Amounts owed by group undertakings	660	445

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

Pantherwood Limited
Notes to the financial statements (continued)

10. Creditors: amounts falling due within one year

	1999	1998
	£'000	£'000
Bank overdrafts	24	-
Amounts due to group undertakings	785	772
Accruals and deferred income	21	-
	<u>830</u>	<u>772</u>

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

11. Called up share capital

	1999	1998
	£'000	£'000
Authorised		
2,000,000 ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>
Allotted, called up and fully paid		
1,600,000 ordinary shares of £1 each	<u>1,600</u>	<u>1,600</u>

12. Reserves

	1999	1998
	£'000	£'000
Profit and loss account		
At 1 January	(41)	39
Retained profit/(loss) for the year	65	(80)
At 31 December	<u>24</u>	<u>(41)</u>

13. Reconciliation of movement in equity shareholder's funds

	1999	1998
	£'000	£'000
Profit for the financial year	65	1,063
Dividends	-	(1,143)
Net increase/(reduction) in equity shareholder's funds	<u>65</u>	<u>(80)</u>
Equity shareholder's funds at 1 January	1,559	1,639
Equity shareholder's funds at 31 December	<u>1,624</u>	<u>1,559</u>

Pantherwood Limited

Notes to the financial statements (continued)

14. Contingent liabilities

On 2 July 1998 the Company entered into a Guarantee and Debenture with National Westminster Bank Plc whereby any actual, contingent, present and/or future obligations and liabilities of the Company are secured by first fixed and floating charges over the assets of the Company.

TeleCast Communications Limited and its UK subsidiary undertakings have entered into bank cross guarantees and debentures with National Westminster Bank Plc secured by first fixed and floating charges over the assets of TeleCast Communications Limited and its UK subsidiary undertakings in respect of the UK group bank borrowings. At 31 December 1999 these bank borrowings amounted to £21,323,000 (1998: £22,748,000). On 8 May 2000, pursuant to a substantial expansion of the Group's activities, the directors of TeleCast Communications Limited renegotiated the terms of the credit facility relating to the UK group bank borrowings. The new credit facility is repayable in instalments up to 30 June 2006.

15. Related party transactions

As 100% of the Company's voting rights are controlled within the group headed by TeleCast Communications Limited, the Company has taken advantage of the exemption given in FRS 8 and therefore has not disclosed transactions or balances with entities within the group or investees in the group qualifying as related parties. Other than disclosed elsewhere in these financial statements, there are no other related party transactions.

16. Immediate and ultimate parent undertaking

The Company's immediate parent undertaking is TeleCast Communications (UK) Limited, a company registered in England and Wales.

The Company's ultimate parent undertaking is TeleCast Communications Limited, a company registered in England and Wales. The results of the Company are included in the group accounts of TeleCast Communications Limited for the period ended 31 December 1999. The accounts of TeleCast Communications Limited may be obtained from the company at its registered office: Unit 14, Perimeter Road, National Exhibition Centre, Birmingham, B40 1PJ.