

# **Eurobell (South West) Holdings Limited**

## **Directors' report and financial statements**

**31 December 1997**

Registered number 3006948



# Eurobell (South West) Holdings Limited

## Directors' report and financial statements

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# Eurobell (South West) Holdings Limited

## Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 1997.

### Principal activities

The company is a holding company for Eurobell (South West) Limited. This company is engaged in the installation, operation and maintenance of broadband telecommunication networks in the South West of England.

### Directors and directors' interests

The following were directors of the company during the period up to the date of this report:

A Cornish  
M Laqua  
TJB Jaggard  
R N Barnes (appointed 19 March 1997)  
MJ Ridley (resigned 17 February 1997)

The directors who held office at the end of the financial year did not have any interest in the share capital of any group company at any time in the year.

### Auditors

Pursuant to Sections 366A and 386 of the Companies Act 1985, elective resolutions were passed on 7 August 1996 dispensing with the requirements to hold an Annual General Meeting and to re-appoint the company's auditors annually. KPMG will continue as the company's auditors.

By order of the board



**A Cornish**  
Director

Eurobell House  
Churchill Court  
Manor Royal  
Crawley  
West Sussex  
RH10 2PN

6 February 1998

## Eurobell (South West) Holdings 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 profit or loss 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;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# Eurobell (South West) Holdings Limited

## Auditors' report to the members of Eurobell (South West) Holdings Limited

We have audited the financial statements on pages 4 to 6.

### **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 group'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 affairs of the company as at 31 December 1997 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG**

**KPMG**

*Chartered Accountants*

*Registered Auditors*

1 Forest Gate  
Brighton Road  
Crawley  
West Sussex RH11 9PT

6 February 1998

# Eurobell (South West) Holdings Limited

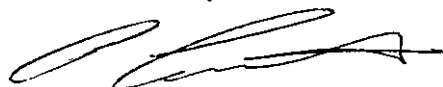
## Balance sheet

at 31 December 1997

	Note	1997 £000	1996 £000
<b>Fixed assets</b>			
Investments	2	4,500 =====	600 =====
<b>Capital and reserves</b>			
Called up share capital	3	4,500 -----	600 -----
<b>Equity shareholders' funds</b>		4,500 =====	600 =====

During the year the Company did not trade and received no income and incurred no expenditure. Consequently, during the year the Company made neither a profit nor a loss. The Company has no other recognised gains or losses in the year.

These financial statements were approved by the board of directors on 6 February 1998 and were signed on its behalf by:



**A Cornish**  
Director

# Eurobell (South West) Holdings Limited

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### Basis of preparation

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards and on a going concern basis as the ultimate parent company has undertaken to provide sufficient finance to enable the company to continue to trade.

In accordance with Section 230 (4) of the Companies Act 1985 Eurobell (South West) Holdings Limited is exempt from the requirement to present its own profit and loss account.

#### Cash Flow Statement

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of a UK parent undertaking.

### 2 Fixed asset investments

Company	Shares in group undertaking £000
Cost	
At beginning of year	600
Additions	3,900
At end of year	<u>4,500</u> =====

Shares in group undertaking comprise £4,500,000 (1996: £600,000) in respect of shares held in a subsidiary undertaking. The subsidiary undertaking is an unlisted investment.

No provision for diminution in the value of shares in the group undertaking is deemed necessary.

The company's only subsidiary undertaking is Eurobell (South West) Limited, a company registered in England and Wales, whose principal activity is the construction, operating and running of a broadband telecommunications network. Eurobell (South West) Holdings Limited holds 100% of the ordinary issued share capital in its subsidiary undertaking.

# Eurobell (South West) Holdings Limited

## Notes (continued)

### 3 Called up share capital

	1997 £000	1996 £000
<b>Authorised:</b>		
420,100 'E' ordinary shares of £1 each	-	420
180,042 'S' ordinary shares of £1 each	-	180
4,500,000 ordinary shares of £1 each	4,500	-
	<u>4,500</u>	<u>600</u>
	=====	=====
<b>Allotted, called up and fully paid:</b>		
420,100 'E' ordinary shares of £1 each	-	420
180,042 'S' ordinary shares of £1 each	-	180
4,500,000 ordinary shares of £1 each	4,500	-
	<u>4,500</u>	<u>600</u>
	=====	=====

On 18 March 1997 the company issued £4,500,000 of £1 ordinary shares in cancellation of the 'E' and 'S' ordinary shares at par and for cash consideration of £3,900,000 for the purpose of investment in the subsidiary company.

### 4 Reconciliation of movements in shareholders' funds

	1997 £000	1996 £000
Opening shareholders' funds	600	600
Share capital raised	3,900	-
	<u>4,500</u>	<u>600</u>
	=====	=====
Closing shareholders' funds		

### 5 Ultimate parent undertaking

The immediate parent undertaking is Eurobell (Holdings) PLC.

Deutsche Telepost Consulting GmbH is the ultimate parent undertaking of the group of undertakings of which Eurobell (South West) Holdings Limited is a member.

Copies of the consolidated financial statements of Eurobell (Holdings) PLC are available from Eurobell House, Churchill Court, Manor Royal, Crawley, West Sussex, RH10 2PN.