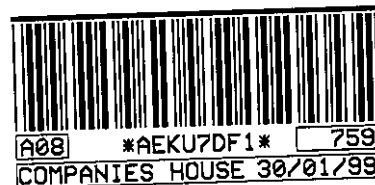


3177758

**SPORTS NEWS TELEVISION MANAGEMENT LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 DECEMBER 1997**



**Sports News Television Management Limited**

**Financial Statements**

**For The Year Ended 31 December 1997**

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Company Registration Number: 3177758

Registered Office: 23 Eyot Gardens  
London  
W6 9TR

Directors: S. Claypole (Resigned 10th August 1998)  
M. Liebreich (Resigned 24th April 1998)  
E. Drossart  
W. Sinrich  
A. Selwyn (Appointed 14th October 1998)  
D. Taylor (Appointed 14th October 1998)

Secretary: B. Clark

Bankers: Barclays Bank PLC  
54 Lombard Street  
London  
EC3V 9EX

Auditors: Price Waterhouse  
No. 1 London Bridge  
London  
SE1 9QL

**Sports News Television Management Limited**

**Financial Statements**

**For The Year Ended 31 December 1997**

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## **Sports News Television Management Limited**

### **REPORT OF THE DIRECTORS**

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The directors present their report together with the audited financial statements for the period ended 31 December 1997.

#### **Principal activity**

The company is principally engaged in the general management of Sports News Television (Limited Partnership) ("SNTV"), a partnership involved in the production and distribution of television sports news programmes.

#### **Review of the period**

There was a loss for the period before taxation of £5,102. The directors do not recommend payment of a dividend and the loss has therefore been used to write down the value of the investment in SNTV.

#### **Fixed Assets**

Details of the fixed assets of the company are set out in note 3 to the financial statements.

#### **Directors**

The directors in office at the end of the year are listed below.

S Claypole  
M Liebreich  
E Drossart  
W Sinrich

None of the directors received any emoluments from the company or had any interest in the shares of the company during the period.

#### **Directors' responsibilities for the financial statements**

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 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 are responsible for maintaining 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 taking reasonable steps for the prevention of fraud and other irregularities.

**Sports News Television Management Limited**

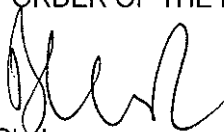
**REPORT OF THE DIRECTORS**

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**Auditors**

Price Waterhouse were appointed as auditors on 27 February 1997. On 1st July 1998 Price Waterhouse merged with Coopers and Lybrand. The merged firm, PricewaterhouseCoopers, offers itself for appointment.

BY ORDER OF THE BOARD



B Clark  
Secretary

26 / 1 / 1998

## REPORT OF THE AUDITORS TO THE MEMBERS OF

### Sports News Television Management Limited

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We have audited the financial statements on pages 4 to 7 which have been prepared under the accounting policies set out in note 1 to the financial statements.

#### Respective responsibilities of directors and auditors

As described on page 1, 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 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 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 affairs of the Company as at 31 December 1997 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Price Waterhouse*

Price Waterhouse  
Registered Auditors  
Chartered Accountants  
London

*26 January 1998*

**Sports News Television Management Limited**

**PROFIT AND LOSS ACCOUNT**

**FOR THE PERIOD ENDED 31 DECEMBER 1997**

		Year Ended 31 December 1997	4 Months to 31 December 1996
	Note	£	£
Interest Income		155	-
Share of partnership losses	2	(5,074)	(18,871)
Administrative expenses		(3)	-
Interest payable		(180)	-
<b>Operating (loss) and (loss) before taxation</b>	3	<b>(5,102)</b>	<b>(18,871)</b>
Taxation		-	-
<b>(Loss) retained for the period</b>		<b>(5,102)</b>	<b>(18,871)</b>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE PERIOD ENDED 31 DECEMBER 1997**

The company had no recognised gains or losses during the period other than those reflected in the above profit and loss account.

**NOTE OF HISTORICAL COST PROFITS AND LOSSES  
FOR THE PERIOD ENDED 31 DECEMBER 1997**

There is no difference between the reported loss for the period and the loss that would be reported under the historical cost convention.

The accompanying accounting policies and notes form an integral part of these financial statements

**Sports News Television Management Limited**

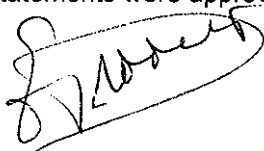
**BALANCE SHEET AT 31 DECEMBER, 1997**

	<u>Note</u>	<b>1997 £</b>	<b>1996 £</b>
<b>Fixed assets</b>			
Investments	4	21,457	13,269
<b>Current assets</b>			
Cash		5,152	5,000
<b>Creditors: amounts falling due within one year</b>	5	<u>(45,582)</u>	<u>(32,140)</u>
<b>Net current liabilities</b>		<u>(40,430)</u>	<u>(27,140)</u>
<b>Total assets less current liabilities</b>		<u>(18,973)</u>	<u>(13,871)</u>
<b>Capital and reserves</b>			
Share capital	6	5,000	5,000
Profit and loss account	7	<u>(23,973)</u>	<u>(18,871)</u>
<b>Shareholders' funds</b>	8	<u>(18,973)</u>	<u>(13,871)</u>

The financial statements were approved by the Board of Directors on

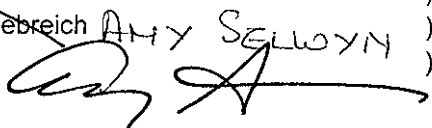
1998

E Drossart



)  
)  
) Directors

M Liebreich



The accompanying accounting policies and notes form an integral part of these financial statements

# Sports News Television Management Limited

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD TO 31 DECEMBER 1997

### 1 PRINCIPAL ACCOUNTING POLICIES

#### Basis Of Preparation

The financial statements have been prepared under the historic cost convention in accordance with applicable accounting standards

#### Financial support

It is the present intention of the shareholders to provide the financial support necessary to meet it's liabilities as they fall due. It is therefore appropriate to prepare the accounts on a going concern basis.

#### Investments

Investments are stated at cost less any provisions for a permanent diminution in value.

#### Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.

Any exchange differences are dealt with through the profit and loss account.

### 2 SHARE OF PARTNERSHIP RESULTS

The company takes 5% of the profits or losses of Sports News Television Limited Partnership for the corresponding period in accordance with the Partnership Agreement.

### 3 OPERATING EXPENSE

### 4 5% INVESTMENT IN SNTV (LIMITED PARTNERSHIP)

	1997	1996
	£	£
Investment at cost	43,986	32,140
Less: provision	(22,529)	(18,871)
	<u>21,457</u>	<u>13,269</u>

The investment represents the company's capital contributions to the partnership. Since the partnership is currently loss making the carrying value of the investment is reduced to the value of 5% of net assets of the part balance sheet date.

### 5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997	1996
	£	£
As at 1st January	32,140	-
Movement during year	13,442	32,140
As at 31 December	<u>45,582</u>	<u>32,140</u>

This amount is due in equal parts to Trans World International (US) and The Associated Press (US), the company's parent undertakings.

### 6 SHARE CAPITAL

	1997	1996
	£	£
Authorised		
5,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
Allotted, called up and paid		
5,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>

# Sports News Television Management Limited

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD TO 31 DECEMBER 1997

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#### 7 RESERVES

	1997 £	1996 £
At 1st January 1997	(18,871)	-
(Loss) for the year ended 31 December, 1997	<u>(5,102)</u>	<u>(18,871)</u>
Balance at 31 December 1997	<u><u>(23,973)</u></u>	<u><u>(18,871)</u></u>

#### 8 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Shareholders' fund at 1st January 1997	(13,871)	-
(Loss) for the period	<u>(5,102)</u>	<u>(18,871)</u>
Movement in Share Capital	-	5,000
Shareholders' funds at 31 December, 1997	<u><u>(18,973)</u></u>	<u><u>(13,871)</u></u>

#### 9 CASHFLOW STATEMENT

The company qualifies as a "small company" and has therefore taken advantage of the dispensation not to prepare a cash flow.

#### 10 CAPITAL COMMITMENTS

The company had no capital commitments at 31 December, 1997

#### 11 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December, 1997

#### 12 FINANCIAL SUPPORT

The directors of Trans World International and The Associated Press have confirmed that it is their present intention to provide the financial support necessary to enable Sports News Television Management Limited to carry on its business and meet its liabilities as they fall due.

#### 13 ULTIMATE CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

Sports News Television Management Limited is a 50:50 joint venture between Trans World International (US) and The Associated Press (US).

Balances due to related parties are given in note 5 to the financial statements.

#### 14 SPORTS NEWS TELEVISION (Limited Partnership)

The company has a 5% investment in Sports News Television (Limited Partnership) a UK limited partnership. A copy of the latest accounts of the partnership is to be appended to the copy of the company's accounts sent to the Registrar of Companies.