

Registered number:  
3328124

**BROADCAST INVESTMENTS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2003**



# **BROADCAST INVESTMENTS LIMITED**

**ACCOUNTS FOR THE YEAR ENDED 31 JULY 2003**

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**BROADCAST INVESTMENTS LIMITED**  
**COMPANY INFORMATION**

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<b>DIRECTORS</b>	P Loomes
<b>SECRETARY</b>	N Roche
<b>INDEPENDENT AUDITORS</b>	French Associates Swan Centre Fishers Lane Chiswick London W4 1RX
<b>REGISTERED OFFICE</b>	37 Jewry Street London EC3N 2ER
<b>REGISTERED NUMBER</b>	3328124

# BROADCAST INVESTMENTS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2003

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The directors present their annual report together with the audited financial statements of the company for the year ended 31 July 2003.

### PRINCIPAL ACTIVITY

The principal activity of the company throughout the year continued to be that of a holding company.

### REVIEW OF BUSINESS

The results for the year are set out in the annexed profit and loss account.

On 25 July 2003 £1,430,624 of loan stock held by Kalos Stiftung, the company's ultimate parent company, was repaid at par consideration. On redemption accrued interest on redeemed loan stocks was waived, as was the interest accrued on monies loaned. For further information see notes 5 and 6 to the financial statements.

### DIVIDENDS

The directors do not recommend the payment of a dividend for the year.

### DIRECTORS

The directors who held office during the year and their beneficial interest in the issued share capital of the company were as follows:

	Ordinary shares of £1 each	
	31 July 2003	1 August 2002
P Loomes	-	-

The director also has no interest in shares or debentures of any company within the group.

### REDEMPTION OF PREFERENCE SHARES

The terms of preference shares held in the subsidiary company Vistek Electronics Limited and to be redeemed on 9 October 2002 were varied by special resolution on the 3rd September 2002 so that they neither attracted a premium on redemption nor a payment of any dividend.

On 9 October 2002 833,500 of the £1 redeemable preference shares held in Vistek Electronics Limited were redeemed at par value and accrued dividends no longer receivable were waived.

**BROADCAST INVESTMENTS LIMITED**  
**DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2003**  
**(continued)**

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**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;  
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 enable them to ensure that the financial statements comply with the Companies Act. It is also their responsibility to safeguard the assets of the company and hence to take reasonable steps to prevent and detect fraud and other irregularities.

**AUDITORS**

The auditors, French Associates, will be proposed for re-election in accordance with Section 384 of the Companies Act 1985.

**APPROVAL BY THE BOARD**

Approved by the board of directors on 14 May

2004 signed on their behalf by:



N Roche  
Secretary

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF BROADCAST INVESTMENTS LIMITED

We have audited the financial statements of Broadcast Investments Limited for the year ended 31 July 2003 set out on pages 5 to 11. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Companies Act 1985. 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 with the company is not disclosed.

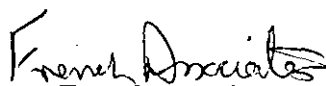
We read the directors report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **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 July 2003 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**French Associates**  
**Registered Auditors and**  
**Chartered Accountants**

Swan Centre  
Fishers Lane  
Chiswick  
London W4 1RX

19 May 2004

# BROADCAST INVESTMENTS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2003

	Note	2003	2002
		£	£
TURNOVER	2	-	-
Administration expenses		45,115	29,018
		45,115	29,018
OPERATING LOSS	3	(45,115)	(29,018)
Income from shares in group undertakings	4	(286,295)	222,267
Other interest receivable and similar income	5	(53,268)	50,851
Interest payable and similar charges	6	369,929	(424,420)
LOSS on ordinary activities before taxation		(14,749)	(180,320)
TAXATION on profit on ordinary activities	7	-	-
LOSS on ordinary activities after taxation		(14,749)	(180,320)
DEFICIT BROUGHT FORWARD		(471,891)	(291,571)
DEFICIT CARRIED FORWARD		(£486,640)	(£471,891)

None of the company's activities were acquired or discontinued during the above two periods.

There were no recognised gains nor losses other than those included in the profit and loss account.

The notes on pages 7 to 11 form part of these financial statements.

**BROADCAST INVESTMENTS LIMITED****BALANCE SHEET - 31 JULY 2003**

	Note	2003	2002
		£	£
<b>FIXED ASSETS</b>			
Investments	8	1,956,500	2,790,000
<b>CURRENT ASSETS</b>			
Debtors	9	359,889	1,580,991
<b>CURRENT LIABILITIES</b>			
Creditors falling due within one year	10	2,803,028	2,052,881
<b>NET CURRENT LIABILITIES</b>		(2,443,139)	(471,890)
<b>CURRENT LIABILITIES LESS TOTAL ASSETS</b>		(486,639)	2,318,110
<b>CREDITORS: amounts falling due after more than one year</b>	11	-	2,790,000
		<u>(£486,639)</u>	<u>(£471,890)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	1	1
Deficit on profit and loss account		(486,640)	(471,891)
<b>SHAREHOLDER'S FUNDS</b>	13	<u>(£486,639)</u>	<u>(£471,890)</u>

Approved by the board of directors on 14 MAY

2004 and signed on its behalf.

  
 P Loomes  
 Director

The notes on pages 7 to 11 form part of these financial statements.



# BROADCAST INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2003

### 1 ACCOUNTING POLICIES

The principal accounting policies which are adopted consistently in the preparation of the financial statements are set out below.

#### Going concern

The accounts have been prepared under the going concern concept on the basis of continued support from the company's creditors.

#### Basis of accounting

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

The company has taken advantage of the exemption, conferred by Financial Reporting Standard 1, from presenting a cash flow statement as it qualifies as a small company.

#### Group accounts

The company and its subsidiary comprise a small sized group within the meaning of section 249 of the Companies Act 1989 and satisfies the further requirements for eligibility under section 248 of that Act.

The company has accepted the exemption conferred by section 248 of the Companies Act 1989 and group accounts have not been prepared. Accordingly these accounts present information about the company as an individual undertaking and not about its group.

#### Deferred taxation

Provision is made to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. The net liability or asset arising is provided for in full unless, in the case of deferred tax assets, recoverability is likely to be relatively uncertain.

### 2 TURNOVER

The turnover and loss before taxation is attributable to the one principal activity of the company.

No exports were made by the company during the year.

### 3 OPERATING LOSS

The operating loss is stated after charging:

	2003	2002
	£	£
Auditors' remuneration	3,500	3,525

### 4 INCOME FROM FIXED ASSET INVESTMENTS

	2003	2002
	£	£
Unlisted investments - group undertakings:		
Preference dividends receivable	47,205	222,267
Preference dividends waived	(333,500)	-
	(286,295)	222,267

# BROADCAST INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2003 (continued)

### 5 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2003	2002
	£	£
Accrued interest receivable on other loans	131,685	50,851
Interest waived on other loans	(184,953)	-
	<u>(53,268)</u>	<u>50,851</u>

### 6 INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
On loans repayable within five years:		
Accrued interest on loan stocks	(276,256)	(372,000)
Accrued interest on loan stocks waived	694,800	-
Accrued interest on other loans	(48,615)	(52,420)
	<u>369,929</u>	<u>(424,420)</u>

### 7 TAXATION

#### a) Analysis of charge in the period

There is no current or deferred tax charged or credited in the period.

#### b) Circumstances affecting current and future tax charges

##### i) Current tax

	2003	2002
	£	£
Loss on ordinary activities multiplied by the standard small companies rate of corporation tax in the UK of 19%	(2,802)	(34,261)
Effect of:		
Expenses not deductible for tax purposes (primarily loan stock interest not yet paid)	(72,948)	74,011
Investment income not taxable	54,396	(42,231)
Tax losses utilised or carried forward	21,354	2,481
	<u>-</u>	<u>-</u>

##### ii) Deferred tax

Deferred tax assets of £127,718 have not been recognised as the expectation of recovery is likely to be relatively uncertain. These would be recoverable to the extent that loan interest provided for is paid and that suitable profits are available to offset the loan interest payments made and relieve the excess management charges carried forward.

# BROADCAST INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2003 (continued)

### 8 INVESTMENTS

	2003	2002
	£	£
Group investments at cost		
At 1 August 2002	2,790,000	2,790,000
Preference shares redeemed in period	(833,500)	-
At 31 July 2003	<u>1,956,500</u>	<u>2,790,000</u>

The investment represents the acquisition of shares in subsidiaries as follows:

Name	Class of shares	Shareholding acquired	Proportion of nominal value of issued shares of the class
Vistek Electronics Ltd	£1 A Ordinary	1,123,000	100% (93.74% of total Ordinary shares)
	£1 Preference	833,500	100%

Vistek Electronics Limited is registered in the United Kingdom and is principally active in the design and production of video and broadcasting equipment and systems. At 31 July 2003 it held capital and reserves of £2,325,764 and showed a loss of £307,846 for the year then ended. This information is as extracted from the individual company's accounts for the year ended 31 July 2003.

### 9 DEBTORS

	2003	2002
	£	£
Amounts owed from group undertakings and undertakings in which the company has a participating interest:		
Fixed cumulative dividends receivable on subsidiary shares	359,889	646,185
Loans to holding company	-	741,539
Provision for interest on holding company loan	-	32,809
	<u>359,889</u>	<u>1,420,533</u>
Non group balances:		
Other loans	-	140,000
Prepaid expenses and accrued income	-	20,458
	<u>359,889</u>	<u>1,580,991</u>

# BROADCAST INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2003 (continued)

### 10 CREDITORS: amounts falling due within one year

	2003	2002
	£	£
Amounts owed to group undertakings and undertakings in which the company has a participating interest:		
Loan stock	1,109,376	-
Loans from subsidiary company	651,371	910,498
Accrued interest on loan stock	540,910	984,453
Accrued interest on loan from subsidiary company	103,452	54,837
	<u>2,405,109</u>	<u>1,949,788</u>
Non group balances:		
Loan stock	250,000	-
Accrued interest on loan stock	121,894	96,895
Accruals	26,025	6,198
	<u>2,803,028</u>	<u>2,052,881</u>

The loan stock is cumulative unsecured fixed rate loan stock on which interest accrues at the rate of 10% per annum. The latest date for redemption of the stock is 31 December 2003. Note that the loan stock is immediately redeemable in the event of a listing, sale or winding up of either the company or its subsidiary Vistek Electronics Limited.

### 11 CREDITORS: amounts falling due after more than one year

	2003	2002
	£	£
Loan stock	-	2,790,000

### 12 CALLED UP SHARE CAPITAL

	2003	2002
	£	£
Authorised		
Ordinary shares of £1 each	10,000,000	10,000,000
Allotted, called up and fully paid		
Ordinary shares of £1 each	1	1

### 13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2003	2002
	£	£
Loss for the year	(14,749)	(180,320)
Shareholder's funds at 1 August 2002	(471,890)	(291,570)
Shareholder's funds at 31 July 2003	<u>(486,639)</u>	<u>(471,890)</u>
Analysis of shareholder's funds		
Equity interests		
Ordinary shares of £1 each	1	1
Profit and loss account	(486,640)	(471,891)
	<u>(486,639)</u>	<u>(471,890)</u>

**BROADCAST INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2003**  
**(continued)**

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**14 PARENT AND ULTIMATE HOLDING COMPANY**

The company's immediate controlling party at 31 July 2003 was Kalerator Limited, a company registered in Jersey. In the opinion of the directors, the ultimate parent company and ultimate controlling party of Broadcast Investments Limited is Kalos Stiftung, a company incorporated in Liechtenstein.