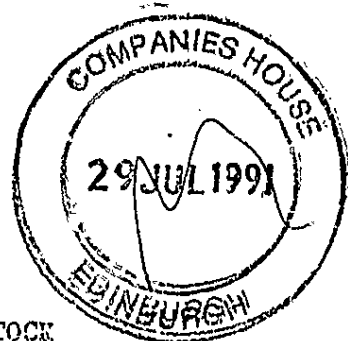


80891

CABLEVISION (SCOTLAND) plc
Registered Number 80891

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 1990



KPMG PEAT MARWICK McLINTOCK
1 Puddle Dock, Blackfriars, London EC4V 3PD.

CABLEVISION (SCOTLAND) plcDIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the year ended 31st December, 1990.

REVIEW OF THE BUSINESS

The company holds the franchise to provide cable television services in the City of Edinburgh. Construction of the cable system is expected to commence in 1992.

RESULT AND DIVIDENDS

The result for the year ended 31st December, 1990 and the financial position of the company are shown in the annexed financial statements. The directors do not recommend the payment of a dividend in respect of the year.

DIRECTORS

The directors who served during the year were:

The Rt. Hon. Lord Salfour of Burleigh	(chairman)
R. Findlay	(resigned 26th September, 1990)
E. Jamieson	(resigned 26th September, 1990)
E.F. Sanderson	
A.F. Thomson	
D.H. Waters	(resigned 26th September, 1990)
J.E. Dovey	(appointed 26th September, 1990)
J. Cohen	(appointed 26th September, 1990)
W.L. Gowen	(appointed 26th September, 1990)
G.S. Bryson	(appointed 26th September, 1990)

None of the directors had any beneficial interest in the issued share capital of the company.

AUDITORS

During the year Coopers & Lybrand Deloitte resigned as auditors of the company. The directors appointed KPMG Peat Marwick McLintock to fill this vacancy. In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick McLintock as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

G. BROADEST

Secretary

REPORT OF THE AUDITORS, KPMG PEAT MARWICK McLINTOCK,
TO THE MEMBERS OF CABLEVISION (SCOTLAND) plc

We have audited the financial statements on pages 3 to 6 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December, 1990 and its loss for the year then ended and have been prepared in accordance with the Companies Act 1985.

London

16 July 1991

Alma Pat Maria McIntosh

Chartered Accountants

CABLEVISION (SCOTLAND) plcPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER, 1990

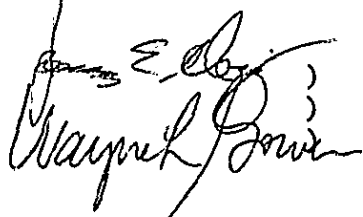
	<u>Note</u>	<u>1990</u> <u>£</u>	<u>1989</u> <u>£</u>
Interest receivable		4,097	1,999
Administrative expenses		(87,020)	(3,801)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(82,923)	(1,802)
Tax on loss on ordinary activities	4	(1,085)	(497)
LOSS FOR THE FINANCIAL YEAR	9	(84,008)	(2,299)
Accumulated deficit brought forward		(369,851)	(367,552)
ACCUMULATED DEFICIT CARRIED FORWARD		(453,859)	(369,851)

The attached notes form part of these financial statements.

CABLEVISION (SCOTLAND) plcBALANCE SHEET AT 31ST DECEMBER, 1990

	<u>Note</u>	<u>1990</u> <u>£</u>	<u>1989</u> <u>£</u>
FIXED ASSETS			
Investments in subsidiaries	5	217	217
CURRENT ASSETS			
Debtors	6	181,492	-
Cash		<u>40,728</u>	<u>13,537</u>
		222,220	13,537
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Corporation tax	4	(1,085)	(489)
Accruals		(8,680)	(903)
Amount owed to related company		(186,318)	-
Amount owed to subsidiary company		<u>(213)</u>	<u>(213)</u>
NET CURRENT ASSETS		<u>25,924</u>	<u>11,932</u>
NET ASSETS		<u>26,141</u> =====	<u>12,149</u> =====
CAPITAL AND RESERVES			
Called up share capital	7	480,000	382,000
Profit and loss account		<u>(453,859)</u>	<u>(369,851)</u>
		<u>26,141</u> =====	<u>12,149</u> =====

These financial statements were approved by the board
of directors on 16th July 1991



Directors

The attached notes form part of these financial statements.

CABLEVISION (SCOTLAND) plcNOTES TO THE FINANCIAL STATEMENTS1. BASIS OF FINANCIAL STATEMENTS

The financial statements have been prepared on a going concern basis which assumes that the company will continue to trade, as its ultimate holding company, Tele-communications, Inc. USA, has prepared business plans indicating the provision of such funds as are necessary for the foreseeable future.

2. 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.

(a) Basis of accounting

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

(b) Consolidated accounts

Consolidated accounts have not been prepared as each of the subsidiaries is dormant.

(c) Deferred taxation

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

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1990</u> £	<u>1989</u> £
The loss is stated after charging:		
Auditors' remuneration	1,000	750
	=====	===

4. TAXATION

	<u>1990</u> £	<u>1989</u> £
Corporation tax at 25% (1989 - 25%)	1,085	489
Under provision in prior years	-	8
	-----	-----
	1,085	497
	=====	===

CABLEVISION (SCOTLAND) plcNOTES TO THE FINANCIAL STATEMENTS5. INVESTMENTS IN SUBSIDIARIES

	<u>1990</u> £	<u>1989</u> £
Investments at cost	239,909	239,909
Less: Amounts written off	(239,692)	(239,692)
	217	217
	=====	=====

At 31st December, 1990 the company had the following wholly owned subsidiaries which were incorporated in Great Britain and registered in Scotland:

Capital City Cablevision Limited
Edinburgh Cablevision Limited
Hieronymous Limited

The investments in these subsidiaries have been written down to the net book value of the underlying assets, thereby writing off all goodwill. At 31st December, 1990 the net assets were represented by cash at bank.

6. DEBTORS

	<u>1990</u> £	<u>1989</u> £
Amount owed by related company	172,736	-
Accrued income	254	-
Other debtors	8,502	-
	181,492	-
	=====	=====

7. CALLED UP SHARE CAPITAL

	<u>1990</u> £	<u>1989</u> £
Authorised:		
Ordinary shares of £1 each	20,000,000	20,000,000
	=====	=====
Allotted, called up and fully paid	480,000	382,000
	=====	=====