

# CNBC (UK) Limited

## Directors' report and financial statements

For the year ended 31 December 2006

Registered number 1574907



# CNBC (UK) Limited

## Contents

	Page
<b>Directors' report</b>	<b>1</b>
<b>Statement of directors' responsibilities</b>	<b>2</b>
<b>Independent auditors' report</b>	<b>3 - 4</b>
<b>Profit and loss account</b>	<b>5</b>
<b>Balance sheet</b>	<b>6</b>
<b>Cash flow statement</b>	<b>7</b>
<b>Notes to the financial statements</b>	<b>8 - 14</b>

# CNBC (UK) Limited

## Directors' report

The directors present their report and the financial statements for the year ended 31 December 2006

### Principal activities

The principal activity of the company is that of a holding company and holder of intellectual property rights

### Results and dividend

The profit for the year, after taxation, amounted to £139,000 (2005 - Loss £11,518,000)

The directors paid a dividend of £nil during the year (2005 £nil)

### Directors and directors' interests

The directors who held office during the year and up to the date of the directors' report were

ZJ Citron  
PR Hitchin (appointed 30 June 2006 & resigned 6 March 2007)  
RA Falco (resigned 3 July 2007)  
GM Wheeler (appointed 30 June 2006)  
SJ Dwyer (appointed 30 June 2006)  
T Popplewell (appointed 21 August 2007)  
M Risinger  
RG Clark (resigned 30 June 2006)  
WH Morris (resigned 14 August 2006)

Since the company meets the definition in s736 (2)(3) of the Companies Act 1985 of a wholly owned subsidiary of a body corporate incorporated outside Great Britain, the company has taken advantage of regulation 3 (1)(a) of Statutory Instrument 1985/802 exempting the company from the requirement to disclose directors' share interests and options in group companies

### Provision of information to auditors

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

### Auditors

The auditors, KPMG Audit Plc, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985

This report was approved by the board on 29 OCT 2007 and signed on its behalf

  
Director

100, Barbirolli Square  
Manchester  
M2 3AB  
United Kingdom

# CNBC (UK) Limited

## Statement of directors' responsibilities For the year ended 31 December 2006

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK 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 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.

# CNBC (UK) Limited

## Independent Auditors' report to the members of CNBC (UK) Limited

We have audited the financial statements of CNBC (UK) Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared in accordance with 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 auditors' 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

*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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.*

In addition we report to you if, in our opinion, 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 other transactions 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 audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

# CNBC (UK) Limited

## Independent Auditors' report to the members of CNBC (UK) Limited

### Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG Audit Plc

KPMG Audit Plc

8 Salisbury Square  
London  
EC4Y 8BB

Date 31 October 2007

# CNBC (UK) Limited

## Profit and loss account For the year ended 31 December 2006

	Note	2006 £000	2005 £000
<b>Turnover</b>		<b>724</b>	<b>517</b>
Administrative expenses		<u>(235)</u>	<u>(241)</u>
<b>Operating profit</b>	2	<b>489</b>	<b>276</b>
Amounts written off investments		-	(11,498)
Interest receivable and similar income	5	-	2
Interest payable and similar charges	6	<u>(350)</u>	<u>(296)</u>
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>139</b>	<b>(11,516)</b>
Tax on profit/(loss) on ordinary activities	7	<u>-</u>	<u>(2)</u>
<b>Profit/(loss) on ordinary activities after taxation</b>	13	<u><b>139</b></u>	<u><b>(11,518)</b></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2006 or 2005 other than those included in the profit and loss account

The notes on pages 8 to 14 form part of these financial statements

# CNBC (UK) Limited

## Balance sheet As at 31 December 2006

	Note	£000	2006 £000	£000	2005 £000
<b>Current assets</b>					
Debtors	9	450		280	
<b>Creditors</b> amounts falling due within one year	10	<u>(7,888)</u>		<u>(7,857)</u>	
<b>Net current liabilities</b>			<u>(7,438)</u>		<u>(7,577)</u>
<b>Total assets less current liabilities</b>			<u>(7,438)</u>		<u>(7,577)</u>
<b>Capital and reserves</b>					
Called up share capital	12		8,068		8,068
Profit and loss account	13		<u>(15,506)</u>		<u>(15,645)</u>
<b>Shareholders' deficit</b>	14		<u>(7,438)</u>		<u>(7,577)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

29 Oct 2007



Director

The notes on pages 8 to 14 form part of these financial statements

# CNBC (UK) Limited

## Cash flow statement

For the year ended 31 December 2006

	Note	2006 £000	2005 £000
Net cash flow from operating activities	15	489	274
Returns on investments and servicing of finance	16	(350)	(294)
Acquisitions and disposals	16	-	(4,927)
<b>Cash inflow/(outflow) before financing</b>		<b>139</b>	<b>(4,947)</b>
Financing	16	(139)	4,947
<b>Increase in cash in the year</b>		<b>-</b>	<b>-</b>

## Reconciliation of net cash flow to movement in net funds/debt

For the year ended 31 December 2006

	2006 £000	2005 £000
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	139	(4,947)
<b>Movement in net debt in the year</b>	<b>139</b>	<b>(4,947)</b>
Net debt at 1 January 2006	(7,577)	(2,630)
<b>Net debt at 31 December 2006</b>	<b>(7,438)</b>	<b>(7,577)</b>

The notes on pages 8 to 14 form part of these financial statements

# CNBC (UK) Limited

## Notes to the financial statements

### 1 Accounting policies

#### 1.1 *Basis of preparation of financial statements*

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

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 228A of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

#### 1.2 *Turnover*

Turnover represents amounts derived from providing products and services to customers during the year, net of value added tax. Revenue is recognised as services are provided.

All turnover arose within the rest of the world.

#### 1.3 *Investments*

Investments in subsidiaries and associated undertakings are valued at cost less provision for impairment.

#### 1.4 *Deferred taxation*

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

#### 1.5 *Foreign currencies*

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

#### 1.6 *Going Concern*

The financial statements have been prepared on a going concern basis since the parent company has indicated that it will provide such capital resources as are necessary in order for the company to meet its liabilities as they fall due.

# CNBC (UK) Limited

## Notes to the financial statements

### 2 Operating profit

The operating profit is stated after charging/(crediting)

	2006 £000	2005 £000
Difference on foreign exchange	76	(1)

### 3 Staff costs

The company had no employees, other than directors, who did not receive any remuneration (2005 - £NIL)

### 4 Auditors' remuneration

	2006 £000	2005 £000
Fees payable to the company's auditor for the audit of the company's annual accounts	12	13

### 5 Interest receivable and similar income

	2006 £000	2005 £000
Other interest receivable	-	2

### 6 Interest payable and similar charges

	2006 £000	2005 £000
On loans from group undertakings	350	296

### 7 Taxation

	2006 £000	2005 £000
Adjustments in respect of prior periods	-	2
<i>Tax on profit on ordinary activities</i>	-	2

# CNBC (UK) Limited

## Notes to the financial statements

### 7 Taxation (continued)

#### *Factors affecting tax charge for the year*

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below

	2006 £000	2005 £000
Profit/(loss) on ordinary activities before tax	139	(11,516)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 - 30%)	42	(3,455)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	7
Provision against investments	-	3,449
Tax losses arising from interest in partnership	(600)	(1,405)
Group relief not paid for	558	1,404
Adjustments to tax charge in respect of prior periods	-	2
<b>Current tax charge for the year (see note above)</b>	-	2

Any future tax charges may be impacted by the announced change in the rate of corporation tax from 30% to 28%, effective from 1 April 2008. The impact of this has not been quantified in the financial statements, as the directors do not consider it practicable to do so.

### 8 Fixed asset investments

	Investment in associated under-takings £000
<b>Cost or valuation</b>	
At 1 January 2006 and 31 December 2006	15,847
<b>Provision</b>	
At 1 January 2006 and 31 December 2006	15,847
<b>Net book value</b>	
At 31 December 2006	-
At 31 December 2005	-

# CNBC (UK) Limited

## Notes to the financial statements

### 8 Fixed asset investments (continued)

The investment undertakings of the company are noted below

Name and nature of business	Country of registration	Percentage holding
Business News (Europe) Partnership - news broadcasting	United States of America	50%
CNBC Brussels SA - news broadcasting	Belgium	0.01%

### 9 Debtors

	2006 £000	2005 £000
Trade debtors	417	19
Amounts owed by group undertakings	-	5
Other debtors	33	47
Prepayments and accrued income	-	209
	<u>450</u>	<u>280</u>

### 10 Creditors Amounts falling due within one year

	2006 £000	2005 £000
Amounts owed to group undertakings	7,465	7,823
Other creditors	6	-
Accruals and deferred income	417	34
	<u>7,888</u>	<u>7,857</u>

### 11 Deferred taxation

The amounts of unprovided deferred taxation were as follows

	2006 £000	2005 £000
Capital allowances for year in excess of depreciation	<u>1</u>	<u>2</u>

There were no amounts of provided deferred taxation as at 31 December 2006 or 31 December 2005

# CNBC (UK) Limited

## Notes to the financial statements

### 12 Share capital

	2006 £000	2005 £000
<b>Authorised</b>		
100,000,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called up and fully paid</b>		
8,068,286 ordinary shares of £1 each	<u>8,068</u>	<u>8,068</u>

### 13 Reserves

	Profit and loss account £000
At 1 January 2006	(15,645)
Profit retained for the year	<u>139</u>
At 31 December 2006	<u>(15,506)</u>

### 14. Reconciliation of movement in shareholders' deficit

	2006 £000	2005 £000
Opening shareholders' deficit	(7,577)	3,941
Profit/(loss) for the year	<u>139</u>	<u>(11,518)</u>
Closing shareholders' deficit	<u>(7,438)</u>	<u>(7,577)</u>

### 15 Net cash flow from operations

	2006 £000	2005 £000
Operating profit	489	276
(Increase)/decrease in debtors	(170)	724
Increase/(decrease) in creditors	<u>170</u>	<u>(726)</u>
<b>Net cash inflow from operations</b>	<u>489</u>	<u>274</u>

# CNBC (UK) Limited

## Notes to the financial statements

### 16 Analysis of cash flows for headings netted in cash flow statement

	2006 £000	2005 £000
<b>Returns on investments and servicing of finance</b>		
Interest received	-	2
Interest paid	(350)	(296)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(350)</b>	<b>(294)</b>
	2006 £000	2005 £000
<b>Acquisitions and disposals</b>		
Purchase of fixed asset investments	-	(4,927)
	2006 £000	2005 £000
<b>Financing</b>		
Other new loans	-	4,947
Repayment of other loans	(139)	-
<b>Net cash (outflow)/inflow from financing</b>	<b>(139)</b>	<b>4,947</b>

### 17 Analysis of changes in net debt

	1 January 2006 £000	Cash flow £000	Other non-cash changes £000	31 December 2006 £000
<b>Debt:</b>				
Debts due within one year	(7,577)	139	-	(7,438)
<b>Net debt</b>	<b>(7,577)</b>	<b>139</b>	<b>-</b>	<b>(7,438)</b>

# CNBC (UK) Limited

## Notes to the financial statements

### 18 Related party transactions

	Activity 2006 £000	Balance 2006 £000	Activity 2005 £000	Balance 2005 £000
<b><i>IGE Treasury Services Limited</i></b>				
Cash pooling arrangement	(350)	(7,292)	(296)	(7,715)
<b><i>Business News (Europe) Partnership</i></b>				
Recharge of net expenses	-	(172)	-	5
<b><i>CNBC Inc</i></b>				
Recharge of staff cost	-	-	-	(102)

### 19 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is NBC (UK) Holdings Limited, a company registered in England and Wales

The smallest and largest group in which the results of the company are consolidated is that headed by the company's ultimate parent undertaking, General Electric Company, a company incorporated in the United States of America. The consolidated financial statements of this company are available to the public and may be obtained from 3135 Easton Turnpike, Fairfield, Connecticut 06828, USA or at [www.ge.com](http://www.ge.com)