

CNBC (UK) Limited

Directors' report and financial statements
For the year ended 31 December 2005
Registered number 1574907

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CNBC (UK) Limited

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1
Statement of directors' responsibilities in respect of the directors' report and the financial statements	2
Independent auditors' report to the members of CNBC (UK) Limited	3-4
Profit and loss account	5
Balance sheet	6
Notes	7-11

Directors' report

The directors present their report and audited financial statements of the company for the year ended 31 December 2005

Principal activity and business review

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

Results and dividend

The company made a loss before taxation for the year of £11,516,000 (2004 £4,127,000)

The directors paid a dividend of £nil during the year (2004 £572,000)

Directors and directors' interests

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

Mrs PA Green	(resigned 31 October 2005)
M Risinger	
RG Clark	(resigned 30 June 2006)
ZJ Citron	
WH Morris	(resigned 14 August 2006)
RA Falco	
PT Graham	(appointed 11 May 2005, resigned 19 September 2005)
SJ Dwyer	(appointed 30 June 2006)
GM Wheeler	(appointed 30 June 2006)
PR Hitchin	(appointed 30 June 2006, resigned 6 March 2007)

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

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

During the year the directors appointed KPMG Audit Plc as auditor under section 388 of the Companies Act 1985

On behalf of the board



Z Citron
Director

100 Barbirolli Square
Manchester
M2 3AB

26/6/2007

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards.

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 judgements 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, and
- 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 its 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.

KPMG Audit Plc

8 Salisbury Square
London
EC4Y 8BB

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 2005, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under 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 on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 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 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 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.

Independent auditors' report to the members of CNBC (UK) Limited *(continued)*

Opinion

In our opinion the financial statements

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended, and
- have been properly prepared in accordance with the Companies Act 1985

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

27 June 2007

CNBC (UK) Limited

Profit and loss account for the year ended 31 December 2005

	Note	2005 £000	2004 £000
Turnover	2	517	522
Administrative expenses		(241)	(239)
		<hr/>	<hr/>
Operating profit	3	276	283
Provision against investment in partnership undertaking	9	(11,498)	(4,349)
		<hr/>	<hr/>
Loss on ordinary activities before interest		(11,222)	(4,066)
Interest receivable and similar income	6	2	-
Interest payable and similar charges	7	(296)	(61)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(11,516)	(4,127)
Tax charge on loss on ordinary activities	8	(2)	-
		<hr/>	<hr/>
Loss on ordinary activities after taxation		(11,518)	(4,127)
		<hr/>	<hr/>
Loss for the financial year	14	(11,518)	(4,127)
		<hr/>	<hr/>

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

The results in the above profit and loss account relate entirely to continuing operations

The company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented

CNBC (UK) Limited

Balance sheet at 31 December 2005

	Note	2005		2004	
		£000	£000	£000	£000
Fixed assets					
Investments	9	-		6,571	
					6,571
Current assets					
Debtors	10	280		1,005	
Creditors amounts falling due within one year	11	(7,857)		(3,635)	
Net current liabilities			(7,577)		(2,630)
Net (liabilities)/assets			(7,577)		3,941
Capital and reserves					
Called up share capital	13		8,068		8,068
Profit and loss account	14		(15,645)		(4,127)
Shareholders' (deficit)/funds	14		(7,577)		3,941

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

The financial statements were approved by the board of directors on 26th June 2007 and signed on its behalf by



Z Citron
Director

CNBC (UK) 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 financial statements, except as noted below

In these financial statements the following new standards have been adopted for the first time

- FRS 21 'Events after the balance sheet date',
- FRS 28 'Corresponding amounts'

The accounting policies under these new standards are set out below together with an indication of the effects of their adoption. FRS 28 'Corresponding amounts' has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985

The corresponding amounts in these financial statements are restated in accordance with the new policies. Dividends paid in the year are no longer shown on the face of the profit and loss account

(a) Basis of preparation

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

(b) Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

(c) 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

(d) Investments

Investments in subsidiary and associate undertakings are stated at cost less provision for permanent diminution in value where necessary

(e) Taxation

The charge for taxation is based on the profit for the year. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Deferred tax assets are recognised to the extent that the directors consider those assets to be recoverable

(f) Cash flow statement

Under FRS 1 (Revised 1996) the company is exempt from the requirement to prepare a cash flow statement. Exemption is on the grounds that it is a wholly owned subsidiary undertaking and its cash flows appear in a consolidated cash flow statement in the financial statements of the ultimate parent company which are available to the public from the address given in note 15

CNBC (UK) Limited

Notes

(continued)

(g) Transactions with related parties

The company, as a wholly owned subsidiary undertaking of General Electric Company, has taken advantage of an exemption contained in FRS No 8, "Related Party Disclosures", in preparing its financial statements. This exemption allows the company not to disclose details of transactions with other group companies or investees of the group qualifying as related parties, as the consolidated financial statements of General Electric Company in which the company is included are available to the public from the address given in note 15.

2 Analysis of turnover

	2005 £000	2004 £000
By geographical market		
Rest of Europe	-	(25)
USA	-	509
Other	517	38
	<u>517</u>	<u>522</u>

3 Operating profit

Operating profit is stated after charging/(crediting)

	2005 £000	2004 £000
Auditors' remuneration - audit fees	13	28
Exchange gains	(1)	(23)
	<u>12</u>	<u>5</u>

4. Employee information

The company did not employ any staff during the current or preceding financial year.

5 Directors emoluments

No director received any remuneration in respect of services to the company during the current or preceding financial year.

6 Interest receivable and similar income

	2005 £000	2004 £000
Other interest	2	-
	<u>2</u>	<u>-</u>

CNBC (UK) Limited

Notes (continued)

7 Interest payable and similar charges

	2005 £000	2004 £000
On amounts owed to group undertakings	296	61

8 Tax charge on loss on ordinary activities

	2005 £000	2004 £000
a) Analysis of charge in the year		
UK corporation tax at 30% (2004 30%)	-	-
Adjustment in respect of prior periods	2	-
	<u>2</u>	<u>-</u>
Tax on loss on ordinary activities	2	-
	<u>2</u>	<u>-</u>
b) Factors affecting current tax charge in year		
Loss on ordinary activities before tax	(11,516)	(4,127)
	<u>(11,516)</u>	<u>(4,127)</u>
Tax credit on loss on ordinary activities at UK standard rate of 30% (2004 30%)	(3,455)	(1,238)
<i>Effects of</i>		
Provision against investments	3,449	1,305
Tax losses arising from interest in partnership	(1,405)	(937)
Expenses not deductible for tax purposes	7	-
Group relief not paid for	1,404	870
Adjustment in respect of prior periods	2	-
	<u>2</u>	<u>-</u>
Total current tax charge for the year	2	-

There was a potential deferred tax asset of £2,000 for the year ended 31 December 2005 (2004 £2,000) This has not been recognised due to uncertainty over its recoverability

CNBC (UK) Limited

Notes

(continued)

9 Fixed asset investments

	Investment in associated undertakings £000
Cost or valuation	
At beginning of year	6,571
Additions	4,927
Provision against investment	(11,498)
	<hr/>
At end of year	-
	<hr/>

The investment undertakings of the company are noted below

Undertaking	Country of registration	Percentage holding
Business News (Europe) Partnership <i>news broadcasting</i>	United States of America	50%
CNBC Brussels SA <i>news broadcasting</i>	Belgium	0.01%

On 17 June 2005 the company purchased a further 0.1% interest in Business News (Europe) Partnership from CNBC (International) Limited for £16,126 in cash

10 Debtors

	2005 £000	2004 £000
Amount falling due within one year		
Trade debtors	19	499
Amounts owed by group undertakings	5	311
Prepayments and accrued income	209	18
Other debtors	47	177
	<hr/>	<hr/>
	280	1,005
	<hr/>	<hr/>

11 Creditors amounts falling due within one year

	2005 £000	2004 £000
Trade creditors	-	10
Amounts owed to group undertakings	7,823	3,555
Accruals and deferred income	34	69
Other creditors	-	1
	<hr/>	<hr/>
	7,857	3,635
	<hr/>	<hr/>

CNBC (UK) Limited

Notes (continued)

12 Deferred taxation

	2005		2004	
	Provided £000	Potential asset £000	Provided £000	Potential asset £000
Accelerated capital allowances	-	2	-	2

The potential deferred tax asset is not recognized due to uncertainty over its recoverability

13 Called up share capital

	2005 £000	2004 £000
Authorised		
100,000,000 ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
8,068,286 ordinary shares of £1 each	8,068	8,068

14 Reconciliation of movements in shareholders' funds

	Share capital £000	Profit and loss account £000	2005 Shareholders' funds £000	2004 Shareholders' funds £000
At beginning of year	8,068	(4,127)	3,941	572
Issue of shares	-	-	-	8,068
Loss for the year	-	(11,518)	(11,518)	(4,127)
Dividend paid	-	-	-	(572)
At end of year	8,068	(15,645)	(7,577)	3,941

15 Parent undertakings

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