

**Flextech Satellite Investments Limited**

**Directors' report and financial  
statements**

**Registered number 2710978**

**31 December 2009**

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## Directors' report

The directors present their annual report and the financial statements of Flextech Satellite Investments Limited (the 'Company') for the year ended 31 December 2009

### Principal activities

The principal activity of the company is to hold investments

### Business review

The results for the year ended 31 December 2009 and the financial position of the company at that date are set out on pages 5 and 6 of the financial statements

The Company has met the requirements within Companies Act 2006 to obtain exemption from the presentation of an enhanced business review

### Going Concern

The financial statements have been prepared on a going concern basis which the directors consider appropriate as the Company continues to hold investment in UK Gold Television Limited

### Directors and directors' interests

The directors who held office during the year and subsequent to year end were as follows

K E Burns	(appointed 2 July 2010)
D Childs	
N Chugani	(resigned 25 June 2010)
J Gooze-Zijl	(appointed 1 April 2009, resigned 22 January 2010)
A L Grace	(appointed 22 January 2010, resigned 2 July 2010)
S R Holmes	(resigned 21 September 2009)
J V Lloyd-Jones	(resigned 31 March 2009)
R M Mackenzie	(appointed 1 June 2009)
E O'Hare	(appointed 2 July 2010)
M A Schweitzer	(appointed 21 September 2009, resigned 2 July 2010)
P J Vincent	(appointed 10 May 2010)
M R Wall	(resigned 5 April 2009)

### Dividends

The directors do not propose to pay a dividend in respect of the year to 31 December 2009 (2008 £nil)

### Political and charitable contributions

The Company did not make any political or charitable contributions during the year (2008 £nil)

### Disclosure of information to auditors

The directors who held office at the date of approval of the 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 steps that they ought to have taken as director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

**Auditors**

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



**GE James**  
*Secretary*

160 Great Portland Street  
London  
W1W 5QA

28 September 2010

## **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 and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of their profit or loss for the 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; 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

## **Independent auditors' report to the members of Flextech Satellite Investments Limited**

We have audited the financial statements of Flextech Satellite Investments Limited for the year ended 31 December 2009 set out on pages 5 to 9. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its result for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

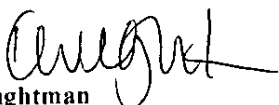
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**K Wightman**

**For and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

8 Salisbury Square

London EC4Y 8BB

28 September 2010

Registered number 2710978 / 31 December 2009

## **Profit and loss account**

*for the year ended 31 December 2009*

During the financial year and the preceding financial year the company did not trade and therefore, received no income and incurred no expenditure

Consequently, the Company made neither a profit nor a loss in both the years

## **Statement of total recognised gains and losses**

There are no recognised gains or losses attributable to the shareholders for the year ended 31 December 2009 (2008 *£nil*)

## Balance sheet

at 31 December 2009

	Note	2009		2008	
		£	£	£	£
<b>Fixed assets</b>					
Investments	4		5,832,821		5,832,821
<b>Current assets</b>					
Debtors: amounts due after more than one year	5	-		28,132,938	
<b>Net current assets</b>			-		28,132,938
<b>Total assets less current liabilities</b>			5,832,821		33,965,759
<b>Creditors: amounts falling due after more than one year</b>	6		(1)		(28,132,939)
<b>Net assets</b>			5,832,820		5,832,820
<b>Capital and reserves</b>					
Called up share capital	7		3,828,932		3,828,932
Other reserve	8		2,003,888		2,003,888
<b>Equity shareholders' funds</b>	9		5,832,820		5,832,820

These financial statements were approved by the board of directors on 28<sup>th</sup> September 2010 and were signed on its behalf by

  
RM Mackenzie  
Director



## 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 Company's financial statements

#### *Basis of preparation*

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

#### *Accounting convention*

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

#### *Going concern*

The financial statements have been prepared on a going concern basis which the directors consider appropriate as the Company continues to hold investment in UK Gold Television Limited.

#### *Cash flow statement*

The Company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement on the grounds that the ultimate parent undertaking includes the company in its own published consolidated financial statements.

#### *Investments*

Investments held as fixed assets are stated at cost less any provision for permanent diminution in value.

#### *Related parties*

As the company is a wholly owned subsidiary of UK Gold Holdings Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard No 8 and has therefore not disclosed transactions or balances with entities which are fully owned by UK Gold Holdings Limited. The consolidated financial statements of UK Gold Holdings Limited, within which this company is included, are available to the public and may be obtained from the address given in note 10.

### 2 Staff numbers and costs

The company had no employees other than the directors during the current and prior year (2008 £nil)

### 3 Remuneration of directors

None of the directors of the company received any remuneration during the year (2008 £nil)

**Notes (continued)**

**4 Fixed asset investments**

	Subsidiary undertakings £
<i>Cost and net book value</i>	
At 1 January 2009 and 31 December 2009	<b>5,832,821</b>

	Country of registration or incorporation	Principal activity	Class and percentage of shares held	Capital and reserves at 31 December 2009
<i>Subsidiary undertakings</i>				
UK Gold Television Limited	England and Wales	Investment holding company	100% ordinary	£9,863,001

The directors are of the opinion that the investments held by the Company are worth at least the amounts at which they are stated in the balance sheet of the Company

**5 Debtors. amounts due after more than one year**

	2009 £	2008 £
Amounts owed by ultimate joint venture parent and its subsidiaries	-	28,132,938

**6 Creditors: amounts falling due after more than one year**

	2009 £	2008 £
Amounts owed to ultimate joint venture parent and its subsidiaries	1	28,132,939

## Notes (continued)

### 7 Called up share capital

	2009 £	2008 £
<i>Allotted, called up and fully paid:</i>		
Ordinary shares of £1 each	3,828,932	3,828,932

On 18 October 1999, 8,310,352 shares were redeemed at a market value of £23,542,222 (£2 83 per share)

### 8 Reserves

	Other Reserve £
At 1 January 2009 and 31 December 2009	2,003,888

### 9 Reconciliation of movements in equity shareholders' funds

	2009 £	2008 £
Shareholders' funds at beginning and end of the year	5,832,820	5,832,820

### 10 Ultimate parent company

The company is a wholly owned subsidiary of UK Gold Holdings Limited, which in turn is a joint venture owned by BBC Worldwide Limited (a wholly owned subsidiary of the BBC) and Flextech Broadband Limited (a wholly owned subsidiary of Virgin Media Inc, a company incorporated in the state of Delaware, United States of America) each holding 50% respectively

The accounts of all of these companies are available to the public and may be obtained from the following addresses

The Company Secretary  
 Virgin Media  
 160 Great Portland Street  
 London  
 W1W 5QA

BBC Trust  
 180 Great Portland Street  
 London  
 W1W 5QZ