

2746573

MAINSTREAM NETWORK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003



MAINSTREAM NETWORK LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

<u>Contents</u>	<u>Page number</u>
Officers and professional advisers	2
Directors' Report	3-4
Report of the Auditors	5
Profit and Loss Account	6
Balance sheet	7
Notes to the accounts	8-9

MAINSTREAM NETWORK LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors

Mr. M.S. Ellice
Mr. P.M. Ashford

Secretary

Mr. M.S. Ellice

Company Number

2744573 (England)

Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Registered Office

The Northern & Shell Tower
City Harbour
London E14 9GL

MAINSTREAM NETWORK LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2003

The directors present their report and the audited financial statements for the year ended 31 December 2003.

PRINCIPAL ACTIVITIES

The Company did not trade during the year. However, following the agreement of the Company's corporation tax affairs for earlier periods a corporation tax repayment of £1,000 plus interest of £510 was received.

REVIEW OF THE PERIOD AND FUTURE PROSPECTS

The profit and loss account is set out on page 6.

The directors consider the result for the year to be satisfactory.

The Company is currently dormant.

RESULTS AND DIVIDENDS

The Company recorded a profit before taxation of £510 (2002 : £nil).

The directors do not recommend the payment of a dividend (2002 - £nil).

DIRECTORS

The present membership of the board is set out on page 2. These directors, and no others, held office throughout the whole year.

POST BALANCE SHEET EVENT

The Company was transferred to Portland Investments Limited, another group company, on 1 March 2004.

MAINSTREAM NETWORK LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2003

STATEMENT OF 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 and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

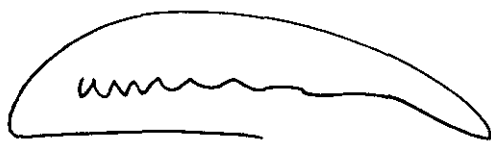
The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2003 and that applicable accounting standards have been followed.

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.

AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the annual general meeting.

Approved by the Board of Directors and signed on behalf of the Board



Mr. M.S. Ellice

Secretary

Dated : 29th April 2004

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

MAINSTREAM NETWORK LIMITED

For the year ended 31 December 2003

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom auditing standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 United Kingdom 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 is not disclosed.

BASIS OF AUDIT 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 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

Dated : 29 April 2004

MAINSTREAM NETWORK LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2003

	Notes	2003 £	2002 £
Interest receivable and similar income	3	<u>510</u>	<u>-</u>
Profit on ordinary activities before taxation		<u>510</u>	<u>-</u>
Taxation on profit on ordinary activities	4	<u>1,000</u>	<u>-</u>
Profit on ordinary activities after taxation		<u><u>1,510</u></u>	<u><u>-</u></u>

The Company has no significant recognised gains or losses other than the profit stated above and therefore no separate statement of total recognised gains or losses has been presented.

There is no difference between the profit on ordinary activities and the retained profit for the year stated above, and their historical cost equivalents.

Turnover and operating profits are wholly attributable to dormant operations.

MAINSTREAM NETWORK LIMITED

BALANCE SHEET

As at 31 December 2003

	<u>Note</u>	<u>2003</u> £	<u>2002</u> £
CURRENT ASSETS			
Debtors	5	<u>46,246</u>	<u>44,736</u>
EQUITY CAPITAL AND RESERVES			
Called up share capital	6	2	2
Profit and loss account	7	<u>46,244</u>	<u>44,734</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS	8	<u>46,246</u>	<u>44,736</u>

Approved by the Board of Directors :



Mr. M.S. Ellice

29th April 2004
Dated

The notes on pages 8 to 9 form part of these accounts.

MAINSTREAM NETWORK LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2003

1. ACCOUNTING POLICIES

(a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors' emoluments are borne by Northern & Shell Plc, a group company. There are no other employee costs as the company has no employees.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2003 £	2002 £
Other interest receivable	<u>510</u>	<u>-</u>

4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2003 £	2002 £
Current tax:		
Adjustment in respect of previous periods	<u>1,000</u>	<u>-</u>
Total current tax	<u>1,000</u>	<u>-</u>

The tax assessed for the period differs from the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2003 £	2002 £
Profit on ordinary activities before tax	<u>510</u>	<u>-</u>
Profit on ordinary activities multiplied by standard rate of corporation tax (30%)	153	-
Effects of:		
Non taxable repayment supplement	(153)	-
Adjustment in respect of previous periods	<u>(1,000)</u>	<u>-</u>
Current tax (credit) / charge for the period	<u>(1,000)</u>	<u>-</u>

5. DEBTORS

	2003 £	2002 £
Amounts owed by group company	<u>46,246</u>	<u>44,736</u>

MAINSTREAM NETWORK LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2003

6. SHARE CAPITAL

	2003	2002
	£	£
Ordinary shares £1 each :		
Authorised	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid	<u>2</u>	<u>2</u>

7. RESERVES

Profit and loss account

	£
Balance at 1 January 2003	44,734
Retained profit for the financial year	<u>1,510</u>
At 31 December 2003	<u>46,244</u>

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003	2002
	£	£
Profit for the financial year	1,510	-
Opening shareholders' funds	44,736	44,736
	<u> </u>	<u> </u>
Closing shareholders' funds	<u>46,246</u>	<u>44,736</u>

9. IMMEDIATE HOLDING COMPANY

The company is a wholly owned subsidiary of Fantasy Publications Limited, a company incorporated in England. Copies of Fantasy Publications Limited financial statements can be obtained from :
The Northern & Shell Tower, 4 Selsdon Way, London E14 9GL.

10. ULTIMATE HOLDING COMPANY

The company regards Northern & Shell Network Limited, a company incorporated in England, as its ultimate holding company. Copies of the group financial statements can be obtained from :
Ludgate House, 245 Blackfriars Road, London, SE1 9UX.

11. POST BALANCE SHEET EVENT

The Company was transferred to Portland Investments Limited, another group company, on 2 February 2004.