

Company Registration No. 3324932

NGC Network (UK) Limited

Report and Financial Statements

31 December 2005

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NGC Network (UK) Limited

Report and financial statements 2005

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NGC Network (UK) Limited

Report and financial statements 2005

Shareholders and professional advisers

Directors

T Kelly

A Grima (appointed 7 August 2006))

E Prince (appointed 18 December 2006)

Shareholders

NGC Network UK Limited is a UK based company owned equally by the following

NGTV International Limited ("NGTV")	50% equity
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NBC UK Holdings Limited ('NBC UK Holdings')	50% equity
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Registered Office

Aquis Court

31 Fishpool Street

St Albans

Hertfordshire

AL3 4RF

Bankers

Barclays Bank PLC

54 Lombard Street

London EC3V 9DA

Auditors

Deloitte & Touche LLP

Chartered Accountants

London

NGC Network (UK) Limited

Directors' Report

The directors present their annual report on the affairs of the company together with the financial statements and auditors' report for the year ended 31 December 2005

Principal activity and business review

The company is a joint venture between NGTV International Limited ("NGTV") and NBC UK Holdings Limited ("NBC UK Holdings") formed for the purpose of holding an investment in NGC-UK Partnership ('National Geographic UK', 'the Partnership') The company is a non-operating entity through which the shareholders invest funds in, and receive returns from, the Partnership The Partnership operates and transmits the documentary programme channel, the National Geographic Channel

Future developments

The directors aim to maintain the management policies which have resulted in the company's growth in recent years

Results and dividends

During the year £346,000 was paid as a dividend (2004 £nil) The profit for the year is shown on page 7

Directors and directors' interests

The directors who held office during the year and subsequently (except as noted), were as follows

T Kelly
S Borke (resigned 27 August 2006)
K Ferguson (resigned 1 January 2006)
W S Moody (resigned 1 January 2006)
D Zaslav (resigned 19 December 2006)
R Burgess (resigned 7 November 2006)
B Campell (resigned 19 December 2006)
S Nardi resigned (appointed 1 January 2006, resigned 19 December 2006)
A Grima (appointed 7 August 2006))
E Prince (appointed 18 December 2006)

At no time during the year did any of the directors hold any interest requiring disclosure under Schedule 7 of the Companies Act 1985 in the shares of the company or shares in any other group company

NGC Network (UK) Limited

Directors' Report

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including credit risk and cash flow risk. The directors do not believe that the company is exposed to any price risk or liquidity risk. The company currently has sufficient cash to fund its activities, however in the event that additional liquidity was required sufficient funds are available for ongoing operations and future developments.

Cash flow risk

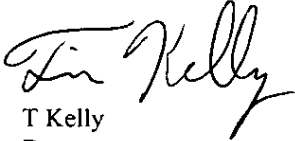
The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The company does not currently use financial derivatives or currency hedging on its financial activities. Foreign currency transactions are where possible kept to a minimum and are in stable currencies.

Credit risk

The company's principal financial assets are bank balances, trade and other receivables. The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

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



T Kelly
Director

13 September 2007

NGC Network (UK) Limited

Statement of directors' responsibilities

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 judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed,
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of NGC Network (UK) Limited

We have audited the financial statements of NGC Network (UK) Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet, the cash flow statement, and the related notes 1 to 23. 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 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 Annual Report and 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 United Kingdom 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, in accordance with the relevant financial reporting framework, 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 the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 circumstances of the company and the group, 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 NGC Network (UK) Limited (continued)

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 group's and the individual company's affairs as at 31 March 2007 and of the company's profit for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

13 September 2007

NGC Network (UK) Limited

Profit and loss account Year ended 31 December 2005

	Note	2005 £'000	2004 £'000
Turnover	2	16,438	15,240
Operating expenses, net	3	(12,099)	(10,877)
Operating profit		<u>4,339</u>	<u>4,363</u>
Interest receivable	4	116	139
Interest payable	5	-	(54)
Profit on ordinary activities before taxation	6	<u>4,455</u>	<u>4,448</u>
Taxation on profit on ordinary activities	7	(1,452)	(1,428)
Profit on ordinary activities after taxation and retained profit for the year	16	<u><u>3,003</u></u>	<u><u>3,020</u></u>

All activities relate to continuing operations

There are no recognised gains or losses in either year other than those shown above and as a result no statement of total recognised gains and losses is presented

NGC Network (UK) Limited

Balance sheet 31 December 2005

	Note	2005 £'000	2004 £'000
Fixed assets			
Tangible assets	8	339	132
Investments	9	-	-
		<u>339</u>	<u>132</u>
Current assets			
Stocks	10	6,033	5,577
Debtors	11	6,976	5,684
Cash at bank and in hand		4,252	9,398
		<u>17,261</u>	<u>20,659</u>
Creditors amounts falling due within one year	13	<u>(11,502)</u>	<u>(17,150)</u>
Net current assets		<u>5,759</u>	<u>3,509</u>
Total assets less current liabilities		<u>6,098</u>	<u>3,641</u>
Net assets		<u>6,098</u>	<u>3,641</u>
Capital and reserves			
Called up share capital	15	3,647	3,647
Profit and loss account	16	2,451	(6)
Shareholders' funds	17	<u>6,098</u>	<u>3,641</u>

These financial statements were approved by the Board of Directors on 13 September 2007

Signed on behalf of the Board of Directors



T Kelly
Director

NGC Network (UK) Limited

Cash flow statement **Year ended 31 December 2005**

	Note	2005 £'000	2004 £'000
Net cash inflow from operating activities	21	3,242	7,208
Returns on investments and servicing of finance			
Interest received		116	139
Taxation		(1,513)	(233)
Capital expenditure and financial investment			
Payments to acquire fixed assets		(355)	(142)
Sale of tangible fixed assets		3	-
Acquisitions and disposals			
Investment in associates		-	228
Equity dividends paid		(546)	-
Cash inflow before financing		947	7,200
Financing			
Loans repaid to shareholders		(6,093)	(2,568)
(Decrease)/increase in cash in the year	22	(5,146)	4,632

NGC Network (UK) Limited

Notes to the financial statements Year ended 31 December 2005

1 Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom laws and accounting standards. The particular accounting policies adopted are summarised below. They have all been applied consistently throughout the current and the preceding year.

Basis of preparation

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

In accordance with Financial Reporting Standard 9 "Associates and Joint Ventures" ("FRS 9"), the company's share of the income, expenditure, assets and liabilities and cash flows of NGC UK Partnership has been included in the financial statements of the company on a line by line basis.

The financial statements proportionally consolidate 50% of the results of NGC UK Partnership as at 31 December 2005.

Stocks

Stocks consist of television programme rights and programme versioning costs.

Television programme rights are stated at cost less accumulated amortisation. Programme rights, and the related liability, are recorded at cost when the programmes are available for transmission. Provisions are made for any programme rights which are excess to the Channel's requirements or which will not be shown for any reason.

Programme rights are amortised on a straight line basis over three years or the availability period if shorter or over five years if the rights are held in perpetuity. Contractual obligations for programme rights not yet available for transmission are not included in the cost of television programme rights, but are disclosed under financial commitments, authorised and contracted for, in note 18. Programme payments made in advance of the company having the ability to transmit the related programmes are treated as prepayments.

Programme versioning costs are the cost of re-invoicing or subtitling the programme into a relevant foreign language. These costs are amortised on a straight line basis in line with the associated programme.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on all timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

~~A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all~~
available evidence, 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.

NGC Network (UK) Limited

Notes to the financial statements Year ended 31 December 2005

1. Accounting policies (continued)

Foreign currency

Trading activities denominated in foreign currencies are recorded in sterling at actual exchange rates as of the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign exchange contract or other hedging instrument. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end or, if hedged, at the appropriate hedged rate. All differences are taken to the profit and loss account.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of advertising and pay channel subscriptions; advertising revenue is shown net of agency fees. Advertising revenues are recognised in the month of airing the advertisement and subscription revenue is recognised over the period to which it relates.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation, and provision for impairment. Depreciation is provided on all fixed assets at 33% per annum.

Fixed asset investments

Fixed asset investments are shown at cost less provision for impairment, if any.

2. Segmental information

Whilst deriving from one class of business, the company's turnover can be analysed as follows:

	2005 £'000	2004 £'000
Subscriber income	10,855	11,136
Advertising revenue	5,262	4,011
Other	321	93
	<u>16,438</u>	<u>15,240</u>

All turnover originates in the United Kingdom.

£1,959,500 (2004: £1,602,500) of advertising revenue was collected by British Sky Broadcasting Limited ('BSkyB'). BSkyB have charged sales commission on advertising revenue of £293,000 (2004: £296,000). Sales commission is included within operating expenses (net).

£975,000 (2004: £983,000) of advertising revenue was collected by NGC Netherlands BV, who have charged sales commission of £336,500 (2004: £344,000) on advertising revenue. Sales commission is included in operating expenses (net).

NGC Network (UK) Limited

Notes to the financial statements Year ended 31 December 2005

3 Operating expenses, net

	2005			2004		
	Gross expense £'000	Recharged £'000	Net expense £'000	Gross expense £'000	Recharged £'000	Net expense £'000
Programming and transmission costs	7,908	(626)	7,282	6,838	(556)	6,282
Marketing costs	1,850	(3)	1,847	2,139	(6)	2,133
Administrative expenses	3,768	(798)	2,970	3,633	(1,171)	2,462
	<u>13,526</u>	<u>(1,427)</u>	<u>12,099</u>	<u>12,610</u>	<u>(1,733)</u>	<u>10,877</u>

4. Interest receivable and similar income

	2005 £'000	2004 £'000
Bank interest receivable	<u>116</u>	<u>139</u>

5. Interest payable

	2005 £'000	2004 £'000
Interest payable on Senior Loan (see note 14)	<u>-</u>	<u>54</u>

6. Profit on ordinary activities before taxation

No director received remuneration during the year (2004 £nil) in respect of their services to the company or the Partnership. The company employs no staff (2004 none). A charge is made by British Sky Broadcasting Limited ('BSkyB') for the cost of staff provided in the operation of the Channel. This cost of £1,600,000 (2004 £1,849,000) is included within administrative expenses. Of this cost £144,500 (2004 £243,000) was recharged to other territories.

A charge is made by NGC Netherlands BV for the cost of staff provided in the operation of channels. This cost of £137,500 (2004 £112,000) is included within administrative expenses.

Audit fees for the company for the year ended 31 December 2005 were £67,000 (2004 £50,000). No other fees were paid to the auditors (2004 £nil).

Depreciation charges for the year were £144,500 (2004 £68,000).

NGC Network (UK) Limited

Notes to the financial statements Year ended 31 December 2005

7 Taxation

(a) Analysis of tax charge in the year

	2005 £'000	2004 £'000
<i>Current tax</i>		
Current year corporation tax	1,146	366
Adjustment in respect of prior years	201	-
Overseas withholding tax	239	206
	<u>1,586</u>	<u>572</u>
<i>Deferred tax</i>		
Deferred tax charge	13	1,060
Adjustment in respect of prior years	(147)	(204)
	<u>(134)</u>	<u>856</u>
Profit and loss account charge/(credit)	<u>1,452</u>	<u>1 428</u>

(b) Factors affecting the tax charge for the year

	2005 £'000	2004 £'000
Profit on ordinary activities before taxation	<u>4,456</u>	<u>4,448</u>
UK Corporation tax at 30% thereon	1,337	1,334
Utilisation of tax losses	-	(1,060)
Capital allowances in excess of depreciation	(4)	(7)
Additional taxable partnership profits	-	99
Additional non-taxable partnership profits	16	-
Double taxation relief	(203)	-
Overseas withholding tax	239	206
Prior year adjustment	201	-
	<u>1,586</u>	<u>572</u>

NGC Network (UK) Limited

Notes to the financial statements Year ended 31 December 2005

8 Tangible fixed assets

All fixed assets are IT equipment

	£'000
Cost	
At 1 January 2005	647
Additions	355
Disposals	(16)
	<hr/>
At 31 December 2005	986
Depreciation	
At 1 January 2005	515
Charge for the year	145
Disposals	(13)
	<hr/>
At 31 December 2005	647
Net book value	
At 31 December 2005	<hr/> 339 <hr/>
At 31 December 2004	<hr/> 132 <hr/>

9 Fixed asset investments

The company has one share, being 50% of the issued share capital, in NGC Overseas Limited, a company incorporated in Great Britain. Its principal activity is the operation and transmission of the National Geographic Channel in Australia.

Through its 50% interest in National Geographic UK Partnership, the company also has an interest in NGC Network Australia Pty Ltd, incorporated in Australia, all of the issued share capital of which is owned by National Geographic UK Partnership.

	2005 £'000	2004 £'000
Cost and net book value at 31 December	<hr/> -	<hr/> -

At 31 December 2003, National Geographic UK Partnership held all of the 1,000,012 ordinary shares at par value. On 14 April 2004, NGC Network (Australia) Pty Limited bought back 1,000,000 of the 1,000,012 fully paid ordinary shares from NGC UK Partnership for a consideration of AUD 1,000,000. The Partnership retains title of 12 ordinary shares of NGC Network (Australia) Pty Limited.

10 Intangible assets

	2005 £'000	2004 £'000
Television programme rights	<hr/> 6,033 <hr/>	<hr/> 5,577 <hr/>

At least 47.0% (2004: 42.5%) of the existing television programme rights at 31 December 2005 will be amortised within one year.

NGC Network (UK) Limited

Notes to the financial statements Year ended 31 December 2005

11. Debtors

	2005 £'000	2004 £'000
Accrued income – owed by BSkyB	480	866
Accrued income – owed by NGCI (NGC Network International LLC)	96	202
Accrued income – owed by NGC Israel Partnership	224	171
Accrued income – owed by NGC Netherlands BV	501	573
Accrued income – owed by NGC Network (Australia) Pty	308	233
Accrued income – owed by NGCI (UK)	110	24
Accrued Income – owed by NGC Asia	5	8
Accrued Income – owed by NGC Latin America	4	2
Accrued income – other	1,096	845
Trade debtors – owed by BSkyB	679	419
Trade debtors – other	1,077	988
Prepayments	196	53
Prepayments owed by BSkyB	2	-
Amounts owed by NGC Networks (Australia) Pty	-	2
Amounts owed by NGCI	770	316
Amounts owed by NGCI (UK)	325	268
Amounts owed by NGC Israel Partnership	520	250
Amounts owed by NGC Network Asia	95	268
Amounts owed by NGC Network Latin America	1	-
Amounts owed by NGC Network Netherlands	326	197
Amounts owed by Fox Spain	5	-
Amounts owed by Fox International Channels UK	22	-
Deferred tax asset (see note 12)	134	-
	<u>6,976</u>	<u>5,684</u>

12. Deferred tax asset

	2005 £'000	2004 £'000
At 1 January 2005	-	856
Prior year adjustment	147	204
Charged to profit and loss account	(13)	(1,060)
	<u>134</u>	<u>-</u>
At 31 December 2005		

NGC Network (UK) Limited

Notes to the financial statements Year ended 31 December 2005

13 Creditors: amounts falling due within one year

	2005 £'000	2004 £'000
Programme creditors	1,648	771
Shareholder loans (see note 14)	2,298	8,391
Other creditors and accruals	7,117	7,622
Corporation tax	439	366
	<u>11,502</u>	<u>17,150</u>

Included in trade creditors above is £80,000 (2004 £174,000) due to NGC Asia and £26,000 (2004 £12,500) due to NGC Australia. Included in other creditors above is £82,500 (2004 £231,500) due to NGC Asia, £18,500 (2004 £58,000) due to NGC Latin America, £54,500 (2004 £40,500) due to NGC USA and £14,000 (2004 £36,000) due to NGC Australia. Included in accruals above is £56,500 (2004 £143,500) due to NGC Asia, £384,500 (2004 £340,500) due to NGC Netherlands, £70,500 (2004 £58,000) due to NGC Australia and £15,500 (2004 £51,000) due to NGC USA.

Within the creditors listed above the related party balances include

	2005 £'000	2004 £'000
Programme creditors		
Owed to NGCI	1,579	685
Other creditors and accruals		
Accrued interest due to IGE (International General Electric (USA) (IGE)) (see note 14)	-	388
Amounts owed to NGCI	3,257	4,732
Amounts owed to BSkyB	1,022	2,536
	<u>5,858</u>	<u>8,341</u>

All balances with related parties are repayable on demand and are non-interest bearing.

14 Shareholder loans

	2005 £'000	2004 £'000
Shareholder loans comprise the following		
Senior loan IGE	2,298	3,903
Subordinated loan IGE	-	3,528
Subordinated loan NGTV	-	960
	<u>2,298</u>	<u>8,391</u>

The loans are unsecured and have no fixed repayment date. After £54,000 interest paid in 2004, the loan became non-interest bearing.

On 29 July 2004, IGE transferred all of their beneficial interest in the share capital of loans to and amounts due from the Company to NBC UK Holdings, another NBC group company.

NGC Network (UK) Limited

Notes to the financial statements Year ended 31 December 2005

15. Called up share capital

	2005 £'000	2004 £'000
Authorised:		
Equity 4,000,000 ordinary shares of £1 each (2004 4,000,000 ordinary shares of £1 each)	4,000	4,000
Allotted, called up and fully paid		
Equity 3,646,680 (2004 3,646,680) ordinary shares of £1 each	3,647	3,647

16 Reserves

	Profit and loss account £'000
At 1 January 2005	(6)
Retained profit for the year	3,003
Dividends paid	(546)
At 31 December 2005	2,451

17. Reconciliation of movements in shareholders' funds

	2005 £'000	2004 £'000
Profit for the financial year	3,003	3,020
Dividends paid	(546)	-
Net addition to shareholders' funds	2,457	3,020
Opening shareholders' funds	3,641	621
Closing shareholders' funds	6,098	3,641

18 Guarantees and other financial commitments

	2005 £'000	2004 £'000
Programming commitments, contracted for and authorised	2 488	1 479

All of the above commitments are payable in US dollars. At 31 December 2005, these commitments have been translated at the year end rate of \$1 7864 (2004 \$1 9195)

NGC Network (UK) Limited

Notes to the financial statements Year ended 31 December 2005

19 Transactions with related parties and major shareholders

National Geographic UK, the partnership in which the company has a 50% interest, conducts business transactions on a normal commercial basis with and receives a number of services from related parties

BSkyB and National Geographic Channels International ('NGCI'), a business partnership between Fox NBC Inc and National Geographic Television, provide services to National Geographic UK ('the Partnership')

The following table shows 50% of the charges levied during the year

	BSkyB 2005 £'000	BSkyB 2004 £'000	NGCI 2005 £'000	NGCI 2004 £'000
Transmission costs	872	811	-	-
Administrative expenses	1,657	2,189	474	515
Programming and related costs	50	118	-	-
Marketing costs	538	467	-	-
Total	3,117	3,585	474	515

In addition to the above NGCI provided all programming rights to the company. During the year £4 012,500 (2004 £3,152,000) programming rights were supplied and became available for broadcasting.

BSkyB collected advertising revenue on behalf of the Partnership (see note 2). In addition, the Partnership received revenue of £3,140,000 (2004 £4,557,000) from BSkyB in respect of direct to home subscriptions.

The company has taken advantage of the exemption afforded by FRS8, 'Related Party Disclosures', not to disclose transactions between the Partnership and its wholly owned subsidiary, NGC Network (Australia) Pty Limited.

20 Shareholders

At 31 December 2005 the company was equally owned by NGTV International Limited ('NGTV') and NBC UK Holdings Limited ('NBC UK Holdings').

21 Reconciliation of operating profit to net cash inflow from operating activities

	2005 £'000	2004 £'000
Operating profit	4,339	4,363
Depreciation	145	68
Increase in stocks	(456)	(19)
(Increase)/decrease in debtors	(1,158)	5,749
Increase/(decrease) in creditors	172	(2,933)
Net cash inflow from operating activities	3,242	7,208

NGC Network (UK) Limited

Notes to the financial statements Year ended 31 December 2005

22 Analysis of changes in net debt

	As at 1 January 2005 £'000	Cash flow £'000	As at 31 December 2005 £'000
Cash at bank and in hand	9,398	(5,146)	4,252
Debt due within one year	(8,391)	6,093	(2,298)
Net debt	1,007	947	1,954
	2005 £'000	2004 £'000	
Decrease/(increase) in cash in year	5,146	4,632	
(Cash outflow) in respect of partner loans	(6,093)	(2,568)	
Change in net debt resulting from cash flows	(947)	7,200	
Net funds/(debt) at 1 January	1,007	(6,193)	
Net funds/(debt) at 31 December	60	1 007	

The directors and shareholders consider it more appropriate to define net debt on a basis consistent with note 14 and as shown above

23. Post balance sheet events

In December 2006, Fox Entertainment Group (Fox) acquired NBC UK Holding's (NBC) share of NGC Network (UK) Limited. In this transaction, Fox also acquired NBC's voting rights and inherited NBC's outstanding senior loan obligation of £2,298k at 31 December 2005.