

MUKBL Radio Services Limited

**Registered number 3823436
(formerly ntl Radio Services Limited)**

Financial Statements

For the period from 1 January 2005 to 30 June 2005



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MUKBL Radio Services Limited (formerly ntl Radio Services Limited)

Financial Statements – Period Ended 30 June 2005

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Directors' Report

The Directors of MUKBL Radio Services Limited ("the Company") submit the following report in respect of the six month period ended 30 June 2005. The Company changed its accounting reference date from 31 December to 30 June to be consistent with other group companies following the change in its parent undertaking (note 10)

The Company changed its name from ntl Radio Services Limited on 31 January 2005.

Principal activities

The Company owns a Digital Service Provider Licence to operate a digital radio service and in conjunction with third parties operates the Planet Rock radio station. The service is transmitted on the Digital One multiplex, the cost of which is borne by the company. The shareholders have agreed to ensure that the company is adequately funded; accordingly no charge has been made for the right to use the licence.

In the opinion of the Directors, there were no significant developments that occurred during the period under review.

Dividends, transfers to reserves, and results

The directors do not propose to pay a dividend for the period (2004: £nil). The loss for the period of £511,000 (year to 31 December 2004: £1,831,000) was set against reserves.

Future developments

The company intends to hold the licence for the foreseeable future. A UK parent undertaking has given assurances such that sufficient resources will be made available for the foreseeable future so that the Company can meet its liabilities as and when they fall due.

Financial risk management

Given the size of the Company and its levels of activity, its exposure to price, credit, liquidity and interest rate risks is limited, and accordingly no specific risk management policies have been adopted. The Company is not currently subject to credit risks in respect of third party customers. It is funded by group and parent undertakings on an interest free basis and accordingly has minimal liquidity and interest rate risks. Exposure to price risk is not significant.

Directors and their interests

The following persons held office as Directors of the Company during the year and up to the date of this report:

- Dirk Anthony
- Robert Mackenzie (resigned 31 January 2005)
- Thomas O'Connor (appointed 31 January 2005)

The Directors had no interests in the share capital of the company requiring disclosure under the Companies Act 1985.

Company Secretary

On 31 January 2005 Gillian James resigned as joint Company Secretary.

On 31 January 2005 Robert Mackenzie resigned as joint Company Secretary.

On 31 January 2005 Thomas O'Connor was appointed Company Secretary.

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Auditors

Ernst & Young LLP resigned as the Company's auditors on 27 April 2006. PricewaterhouseCoopers LLP were appointed in their place and have indicated their willingness to continue in office.

By order of the Board



Thomas O'Connor
Secretary

28 April 2006
Crawley Court
Winchester
Hampshire
SO21 2QA

Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the period and of the profit or loss of the Company for that period. In preparing those 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 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 to 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.

Independent Auditors' Report to the Shareholders of MUKBL Radio Services Limited

We have audited the financial statements of MUKBL Radio Services Limited for the period ended 30 June 2005 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom 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). 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 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 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.

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 30 June 2005 and of its loss and cash flows for the period then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Southampton
28 April 2006

MUKBL Radio Services Limited (formerly ntl Radio Services Limited)

Financial Statements – Period Ended 30 June 2005

Profit and Loss Account

| | Note | Six Month Period Ended 30 June 2005 £000 | Year Ended 31 December 2004 £000 |
|--|------|--|--|
| Operating expenses | 2 | (511) | (1,831) |
| Operating loss and loss on ordinary activities before taxation | 3 | (511) | (1,831) |
| Tax on loss on ordinary activities | 4 | - | - |
| Loss for the financial period / year | 8 | (511) | (1,831) |

All operations are continuing.

The Company had no recognised gains or losses other than those reflected in the profit and loss account for the period ended 30 June 2005 and year ended 31 December 2004.

The accounting policies and notes on pages 8 to 10 form part of these financial statements.

MUKBL Radio Services Limited (formerly ntl Radio Services Limited)

Financial Statements – Period Ended 30 June 2005

Balance Sheet as at 30 June 2005

| | Note | 30 June 2005 £000 | 31 December 2004 £000 |
|---|------|----------------------|--------------------------|
| Current Assets | | | |
| Debtors | 5 | 21 | 15 |
| Cash at bank and in hand | | 1,152 | 133 |
| | | <u>1,173</u> | <u>148</u> |
| Creditors: amounts falling due within one year | | | |
| | 6 | <u>(5,843)</u> | <u>(4,307)</u> |
| Net Current Liabilities | | (4,670) | (4,159) |
| Net Liabilities | | (4,670) | (4,159) |
| Capital and Reserves | | | |
| Called up share capital | 7 | 1 | 1 |
| Profit and loss account | 8 | <u>(4,671)</u> | <u>(4,160)</u> |
| Equity Shareholders' Deficit | 8 | (4,670) | (4,159) |

The accounting policies and notes on pages 8 to 10 form part of these financial statements.

These financial statements were approved by the Board of Directors on 28 April 2006 and were signed on its behalf by:



Director

MUKBL Radio Services Limited (formerly ntl Radio Services Limited)

Financial Statements – Period Ended 30 June 2005

Cash Flow Statement

| | Six Month Period Ended 30 June 2005 £000 | Year Ended 31 December 2004 £000 |
|--|--|--|
| Reconciliation of operating loss to net cash flow from operating activities | | |
| Operating loss | (511) | (1,831) |
| (Increase) / Decrease in debtors | (6) | 827 |
| Increase in creditors | 1,536 | 994 |
| Net cash inflow / (outflow) from operating activities | 1,019 | (10) |
| Reconciliation to net cash | | |
| Net increase / (decrease) in cash | 1,019 | (10) |
| Cash at bank and in hand at 1 January 2005 / 1 January 2004 | 133 | 143 |
| Cash at bank and in hand at 30 June 2005 / 31 December 2004 | 1,152 | 133 |

The accounting policies and notes on pages 8 to 10 form part of these financial statements.

Notes to the Financial Statements

1 Principal accounting policies

(a) **Fundamental accounting concept**

The financial statements have been prepared on the going concern basis because MUKBL Digital Limited (note 10), a UK parent undertaking has given the necessary assurances such that sufficient resources will be made available for the foreseeable future so that the Company can meet its liabilities as and when they fall due.

(b) **Basis of preparation**

The financial statements are prepared under the historical cost convention, in accordance with applicable United Kingdom accounting standards.

(c) **Deferred taxation**

The charge for taxation is based on the result for the period and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided fully in respect of all timing differences between the accounting and tax treatment of income and expenses at the reporting date, the anticipated reversal of which will result in a change in future liability to tax. The provision is calculated using the rates expected to be applicable when the asset or liability crystallises based on current tax rates and law measured on a non-discounted basis. A 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 against which to recover carried forward tax losses* and from which the future reversal of timing differences can be deducted.

2 Operating expenses

| | Six Month Period Ended 30 June 2005 | Year Ended 31 December 2004 |
|--------------------------------|--|--------------------------------|
| | £'000 | £'000 |
| Audience and transmission fees | 511 | 1,831 |

3 Loss on ordinary activities before taxation

The Company's audit fee was borne by another Group company.

None of the Directors are employees of the Company and no Director received any remuneration from the Company during the period. The Company has no employees (2004: nil).

There have been no direct recharges made to the Company in respect of the services provided by any of the Directors, as their services as a Director to the Company are considered to be incidental to their other services.

MUKBL Radio Services Limited (formerly ntl Radio Services Limited)

Financial Statements – Period Ended 30 June 2005

4 Taxation

There is no corporation taxation charge in the period due to losses incurred (2004; £nil).

| | Six Month Period Ended 30 June 2005 £'000 | Year Ended 31 December 2004 £'000 |
|---|---|---|
| (a) Factors affecting the current tax charge for the year are as follows: | | |
| Loss on ordinary activities before taxation | (511) | (1,831) |
| Loss before taxation multiplied by standard rates of corporation tax in the United Kingdom of 30% | (153) | (549) |
| Unrelieved tax losses | 153 | 549 |
| Total current tax | - | - |

(b) Factors that may affect future tax charges

Deferred tax assets have not been recognised in respect of tax losses as there is insufficient certainty as to the availability of future taxable profits.

5 Debtors: amounts falling due within one year

| | 30 June 2005 £'000 | 31 December 2004 £'000 |
|--------------------------------|-----------------------|---------------------------|
| Prepayments and accrued income | 21 | 15 |

6 Creditors: amounts falling due within one year

| | 30 June 2005 £'000 | 31 December 2004 £'000 |
|---|-----------------------|---------------------------|
| Trade creditors | 1,087 | 492 |
| Amounts owed to parent and other group undertakings | 3,179 | 2,238 |
| Other creditors | 1,577 | 1,577 |
| | 5,843 | 4,307 |

Amounts owed to parent and other group undertakings are unsecured, carry no interest, and are repayable on demand.

7 Share capital

| | 30 June 2005 £'000 | 31 December 2004 £'000 |
|-------------------------------------|-----------------------|---------------------------|
| Authorised: | | |
| 1,000 Ordinary shares of £1 each | 1 | 1 |
| Allotted, called up and fully paid: | | |
| 1,000 Ordinary shares of £1 each | 1 | 1 |

MUKBL Radio Services Limited (formerly ntl Radio Services Limited)

Financial Statements – Period Ended 30 June 2005

8 Reconciliation of shareholders' deficit and movements on reserves

| | Share capital | Profit and loss account | Total |
|---------------------|---------------|-------------------------|---------|
| | £'000 | £'000 | £'000 |
| At 1 January 2005 | 1 | (4,160) | (4,159) |
| Loss for the period | - | (511) | (511) |
| At 30 June 2005 | 1 | (4,671) | (4,670) |

9 Related party transactions

During the year the Company purchased services to the value of £511,000, (2004: £1,831,000), from Digital One Limited, a Company in which the Company's 75% shareholder has a 36.7% interest, and the 25% shareholder has a 63.3% interest. At 30 June 2005 the Company owed Digital One Limited £1,087,000, (2004: £492,000).

10 Parent undertakings and controlling parties

The Company is owned 75% by MUKBL Digital Radio Limited (formerly ntl Digital Radio Limited), which is itself owned by MUKBL Digital Limited (formerly ntl Digital Limited). On 31 January 2005, MUKBL Digital Limited was purchased by Macquarie UK Broadcast Limited, whose ultimate UK parent undertaking is Macquarie UK Broadcast Holdings Limited. Copies of both companies' consolidated financial statements can be obtained from the company secretary at each company, at Level 30, Citypoint, 1 Ropemaker Street, London, EC2Y 9HD.

Up to 31 January 2005 MUKBL Digital Radio Limited's ultimate parent undertaking was NTL Incorporated. From 1 February 2005 onwards, MUKBL Digital Radio Limited's ultimate controlling parties became the entities comprising Macquarie Communications Infrastructure Group ("MCG") which is quoted on the Australian Stock Exchange (ASX code: MCG). Copies of the MCG consolidated financial statements can be obtained from 1 Martin Place, Sydney, NSW 2000, Australia, or from the website www.macquarie.com.au/au/mcg

The Company is owned 25% by GCAP Media Digital Limited (formerly GWR Digital Ltd). GCAP Media Digital Limited was owned by GWR Group plc until the merger on 31 March 2005 of GWR Group plc and Capital Radio plc, now GCAP Media plc.