

MUKBL Radio Services Limited

Registered number 3823436
(formerly ntl Radio Services Limited)

Financial Statements

For the Year Ended 31 December 2004

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| COMPANIES HOUSE | 28/14/06 | |
| A58 | *ALQ93FCQ* | 399 |
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MUKBL Radio Services Limited

Financial Statements - Year Ended 31 December 2004

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MUKBL Radio Services Limited

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Directors' Report

The Directors of MUKBL Radio Services Limited ("the Company") submit the following report in respect of the year ended 31 December 2004.

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

Principal activities and results

The principal activity of the company is digital radio broadcasting.

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

Dividends and transfers to reserves

The directors do not propose to pay a dividend for the year (2003: £nil). The loss for the year of £1,831,000 (2003: £478,000) was set against reserves.

Future developments

It is the intention of the Company to continue operating in digital radio broadcasting.

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 24 March 2004, Gillian James was appointed joint Company Secretary but resigned the position on 31 January 2005.

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

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

Auditors

Ernst & Young LLP will not be seeking re-appointment as the Company's auditors, and it is anticipated that PricewaterhouseCoopers LLP will be appointed in their place.

By order of the Board



Thomas O'Connor
Secretary

26 April 2006
Crawley Court
Winchester
Hampshire
SO21 2QA

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. 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 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 MUKBL Radio Services Limited

We have audited the Company's financial statements for the year ended 31 December 2004, which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes 1 to 10. These financial statements have been prepared on the basis of 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

As described in the Statement of Directors' Responsibilities the Company's directors are responsible for the preparation of the financial statements in accordance with United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 transactions with the Company 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 United Kingdom 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 affairs of the Company as at 31 December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

27 April 2006

MUKBL Radio Services Limited

Financial Statements – Year Ended 31 December 2004

Profit and Loss Account

| | Note | 2004 £000 | 2003 £000 |
|--|------|--------------|--------------|
| Operating expenses | 2 | (1,831) | (478) |
| Operating loss and loss on ordinary activities before taxation | 3 | (1,831) | (478) |
| Tax on loss on ordinary activities | 4 | - | - |
| Loss for the financial year | 8 | (1,831) | (478) |

All operations are continuing.

The Company had no recognised gains or losses other than those reflected in the profit and loss account for the years ended 31 December 2004 and 31 December 2003.

The accounting policies and notes on pages 7 to 9 form part of these financial statements.

MUKBL Radio Services Limited

Financial Statements – Year Ended 31 December 2004

Balance Sheet as at 31 December 2004

| | Note | 2004 £'000 | 2003 £'000 |
|--|------|-----------------------|-----------------------|
| Current Assets | | | |
| Debtors | 5 | 15 | 842 |
| Cash at bank and in hand | | 133 | 143 |
| | | <u>148</u> | <u>985</u> |
| Creditors: amounts falling due within one year | 6 | <u>(4,307)</u> | <u>(3,313)</u> |
| Net Current Liabilities | | (4,159) | (2,328) |
| Net Liabilities | | <u>(4,159)</u> | <u>(2,328)</u> |
| Capital and Reserves | | | |
| Called up share capital | 7 | 1 | 1 |
| Profit and loss account | 8 | (4,160) | (2,329) |
| Equity Shareholders' Deficit | 8 | <u>(4,159)</u> | <u>(2,328)</u> |

The accounting policies and notes on pages 7 to 9 form part of these financial statements.

These financial statements were approved by the Board of Directors on 26 April 2006 and were signed on its behalf by:



Director

MUKBL Radio Services Limited

Financial Statements – Year Ended 31 December 2004

Cash Flow Statement

| | 2004 | 2003 |
|--|-------------|------------|
| | £000 | £000 |
| Reconciliation of operating loss to net cash flow from operating activities | | |
| Operating loss | (1,831) | (478) |
| Decrease / (increase) in debtors | 827 | (81) |
| Increase in creditors | 994 | 599 |
| Net cash (outflow) / inflow from operating activities | (10) | 40 |
| Reconciliation to net cash | | |
| Net (decrease) / increase in cash | (10) | 40 |
| Cash at bank and in hand at 1 January | 143 | 103 |
| Cash at bank and in hand at 31 December | 133 | 143 |

The accounting policies and notes on pages 7 to 9 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

| | 2004 | 2003 |
|--------------------------------|-------|-------|
| | £'000 | £'000 |
| Audience and transmission fees | 1,831 | 478 |

3 Loss on ordinary activities before taxation

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

The directors' and auditors' remuneration is paid by ntl Group Limited and disclosed in the financial statements of ntl (UK) Group, Inc.

ntl Group Limited, a fellow Group undertaking, employs most of the employees of the ntl Group. Details of staff numbers and staff costs for the group are disclosed in the financial statements of ntl Group Limited. The Company does not have any directly employed associates.

4 Taxation

There is no corporation taxation charge in the year due to losses incurred (2003: £nil).

| | 2004 | 2003 |
|--|-------|-------|
| | £'000 | £'000 |

(a) Factors affecting the current tax charge for the year are as follows:

| | | |
|---|----------|----------|
| Loss on ordinary activities before taxation | (1,831) | (478) |
| Loss before taxation multiplied by standard rates of corporation tax in the United Kingdom of 30% | (549) | (143) |
| Unrelieved tax losses | 549 | - |
| Group relief surrendered for nil payment | - | 143 |
| Total current tax | - | - |

MUKBL Radio Services Limited

Financial Statements – Year Ended 31 December 2004

(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

| | 2004 | 2003 |
|--------------------------------|-------|-------|
| | £'000 | £'000 |
| Prepayments and accrued income | 15 | 842 |

6 Creditors: amounts falling due within one year

| | 2004 | 2003 |
|------------------------------------|-------|-------|
| | £'000 | £'000 |
| Trade creditors | 492 | 160 |
| Amounts owed to group undertakings | 2,238 | 1,576 |
| Other creditors | 1,577 | 1,577 |
| | 4,307 | 3,313 |

Amounts owed to group undertakings and other creditors at 31 December 2003 have been reclassified in these financial statements; they were previously disclosed as falling due after more than one year.

7 Share capital

| | 2004 | 2003 |
|--|-------|-------|
| | £'000 | £'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 |

8 Reconciliation of shareholders' deficit and movements on reserves

| | Share capital | Profit and loss account | Total |
|---------------------|---------------|-------------------------|---------|
| | £'000 | £'000 | £'000 |
| At 1 January 2003 | 1 | (1,851) | (1,850) |
| Loss for the year | - | (478) | (478) |
| At 1 January 2004 | 1 | (2,329) | (2,328) |
| Loss for the year | - | (1,831) | (1,831) |
| At 31 December 2004 | 1 | (4,160) | (4,159) |

9 Related party transactions

During the year the Company purchased services to the value of £1,831,000, (2003: £478,000), from Digital One Limited, a Company in which the Company's parent undertaking has a 36.7% interest. At 31 December 2004 the Company owed Digital One Limited £492,000, (2003: £160,000).

MUKBL Radio Services Limited

Financial Statements – Year Ended 31 December 2004

10 Parent undertaking and controlling party

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).

Up to 31 January 2005 MUKBL Digital Radio Limited's ultimate parent undertaking was NTL Incorporated. Copies of the group financial statements of NTL Incorporated, which include the results of the Company, are available from The Secretary, NTL Incorporated, ntl House, Bartley Wood Business Park, Hook, Hampshire RG27 9UP.

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).

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.