

**Registered Number: 3977488**

**UBMI Galaxy Limited  
(formerly Megastar.co.uk Limited)**

**Financial statements  
For the period from incorporation on 20 April 2000 to 31  
December 2000**



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**(formerly Megastar.co.uk Limited)**

**Financial statements**  
**For the period ended 31 December 2000**

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## **Directors' report**

### **For the period ended 31 December 2000**

The directors present their report and the audited financial statements of the Company for the period ended 31 December 2000.

#### **Principal activities**

The principal activity of the Company is the hosting of an internet website.

The results for the period are set out in the profit and loss account on page 4.

#### **Review of business**

The results of the Company are in line with expectations. Due to the ongoing restructuring of the United Business Media Group the company may become dormant, although no decisions have been taken in this regard.

#### **Results and dividends**

The directors do not recommend payment of a dividend. The retained loss for the period of £6,041,247 has been transferred from reserves.

#### **Directors and Directors' interests**

The following directors held office during the period:

JM Campbell	(Appointed 16/6/00)	
Crosswall Nominees Limited	(Appointed 16/6/00)	
AJ Nugee	(Appointed 16/6/00)	(Resigned 30/6/2001)
UNM Investments Limited	(Appointed 16/6/00)	
Alnery Incorporations No.2 Limited	(Appointed 16/5/00)	(Resigned 16/6/2000)
Alnery Incorporations No.1 Limited	(Appointed 16/5/00)	(Resigned 16/6/2000)
Instant Companies Limited	(Appointed 20/4/00)	(Resigned 16/5/2000)

The directors have no interests in the shares of the Company.

#### **Laying of reports and accounts**

The Company has passed an elective resolution dispensing with the requirement to lay reports and accounts before the Company in general meeting.

Under the provisions of Section 253(2) of the Companies Act 1985, a member has the right to require the reports and accounts to be laid before the company in general meeting. The member must deposit notice of intention to exercise such right at the registered office of the Company within twenty-eight days of the date of this report.

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**Change of name**

On the 30 April 2001, the name of the company changed from Megastar.co.uk Limited to UBMI Galaxy Limited.

**Auditors**

The Company has passed an elective resolution dispensing with the requirement to appoint auditors annually. PricewaterhouseCoopers therefore continue in office.

**Statement of Directors' responsibilities**

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the year.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the period ended 31 December 2000. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**By order of the board**



**Secretary**

17 JULY 2001

## **Auditors' report to the members of UBMI Galaxy Limited**

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the annual report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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. 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.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

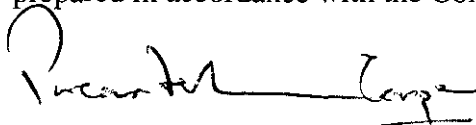
### **Basis of audit opinion**

We conducted our audit in accordance with 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 at 31 December 2000 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
Chartered Accountants and Registered Auditors  
London

17 JULY 2001

**Profit and loss account**  
**For the period ended 31 December 2000**

	Notes	2000 £
Turnover		209,353
Administrative expenses		(3,383,102)
Impairment of Goodwill	6	<u>(3,818,615)</u>
Operating loss	2	(6,992,364)
Interest payable and similar charges	3	<u>(1,440)</u>
Loss on ordinary activities before taxation		(6,993,804)
Tax on loss on ordinary activities	5	952,557
Retained loss for the period		<u><u>(6,041,247)</u></u>

The operating loss for the period relates to the incorporated business, which is a continuing operation.

There have been no discontinued operations during the period.

The Company has no recognised gains and losses other than those reflected in the above profit and loss statement.

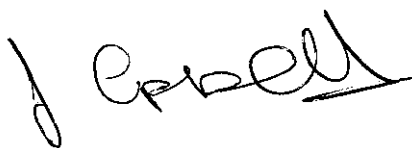
There is no difference between the loss on ordinary activities before taxation and the retained loss for the period above, and the historical cost equivalents.

The notes on pages 6 to 11 form part of these financial statements.

**Balance sheet**  
**As at 31 December 2000**

	Notes	2000 £
<b>Fixed assets</b>		
Intangible assets	6	50,000
<b>Current assets</b>		
Debtors: amounts falling due within one year	7	<u>1,207,086</u>
Creditors: amounts falling due within one year	8	<u>(5,609,333)</u>
<b>Net current liabilities</b>		<u>(4,402,247)</u>
<b>Net liabilities</b>		<u>(4,352,247)</u>
<b>Capital and reserves</b>		
Called-up share capital	9	3
Share premium account	10	1,688,997
Profit and loss account	10	<u>(6,041,247)</u>
<b>Total shareholders' funds</b>	11	<u>(4,352,247)</u>

The financial statements on pages 4 to 11 were approved by the Board of Directors on 17 JULY 2001 and were signed on its behalf by:



**Director**

**Notes to the financial statements**  
**For the period ended 31 December 2000**

**1 Principal accounting policies**

**(a) Basis of preparation**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently throughout the period, is set out below.

**(b) Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention.

The Company is a wholly-owned subsidiary of United Business Media Plc and is included in the consolidated financial statements of United Business Media Plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

**(c) Turnover**

Turnover represents the invoiced value of goods and services and is stated exclusive of VAT. Turnover arose wholly from operations within the UK.

**(d) Pension scheme arrangements**

The company participates in the MAI plc group money purchase pension scheme. Contributions have been paid in the period of £4,030.

The company provides no other post retirement benefits to its employees.

**(d) Intangible fixed assets**

In accordance with FRS10 (Goodwill and Intangible Assets) goodwill arising on acquisition is capitalised. The goodwill has been amortised over a period of 20 years.



**Notes to the financial statements**  
**For the period ended 31 December 2000 (continued)**

**2 Net operating costs**

The auditors' remuneration has been borne by United Business Media International Services Limited.

**3 Interest payable and similar charges**

	<b>Period ended 31 December 2000 £</b>
Bank interest payable	<b><u>1,440</u></b>

**4 Employees and directors**

**(a) Employee information**

	<b>Period ended 31 December 2000 £</b>
Salaries	241,437
Social security costs	19,240
Pension costs	4,036
<b>Staff costs</b>	<b><u>264,713</u></b>

The average monthly number of persons (including Executive Directors) employed by the Company during the year was 8.

**(b) Directors' emoluments**

The directors received no remuneration from the company.

**Notes to the financial statements**  
**For the period ended 31 December 2000 (continued)**

**5 Tax on profit on ordinary activities**

	Period ended 31 December 2000 £
UK Corporation tax credit	<u>952,557</u>

**6 Intangible fixed assets**

**Purchased Goodwill**

	£
<b>Cost :</b>	
At incorporation	-
Additions during the period	3,868,615
At 31 December 2000	<u>3,868,615</u>

**Accumulated amortisation :**

At incorporation	-
Impairment of Goodwill	(3,721,900)
Amortisation during the period	(96,715)
At 31 December 2000	<u>(3,818,615)</u>

**Net book value:**

At incorporation	-
At 31 December 2000	<u>(3,771,900)</u>

The company purchased the Megastar website business from National Newspapers Limited on 26 June 2000, as part of the internal reorganisation of United Business Media Limited. The goodwill represents the value paid in excess of the assets fairly valued at that date.

**Notes to the financial statements**  
**For the period ended 31 December 2000 (continued)**

**7 Debtors : amounts falling due within one year**

	<b>Period ended 31 December 2000 £</b>
Trade debtors	161,086
VAT receivable	75,091
Other debtors	18,352
Corporation tax	952,557
	<b><u>1,207,086</u></b>

**8 Creditors : amounts falling due within one year**

	<b>Period ended 31 December 2000 £</b>
Trade creditors and accruals	1,145,786
Other creditors	23,434
Amounts owed to group undertakings	4,440,113
	<b><u>5,609,333</u></b>

**9 Called up share capital**

	<b>Period ended 31 December 2000 £</b>
<b>Authorised share capital</b>	
1,000 ordinary £1 shares	1,000
<b>Allotted, called up and fully paid</b>	
3 ordinary £1 shares	3

**Notes to the financial statements**  
**For the period ended 31 December 2000 (continued)**

**10 Reserves**

	<b>Share Premium £</b>	<b>Profit and Loss £</b>
At incorporation	-	-
Premium on share issue	1,688,997	-
Retained loss for the period	-	(6,041,247)
<b>At 31 December 2000</b>	<b>1,688,997</b>	<b>(6,041,247)</b>

**11 Reconciliation of movements in shareholders' funds**

	<b>Period ended 31 December 2000 £</b>
Loss for the period	(6,041,247)
Premium on share issue	1,688,997
Issue of ordinary shares of £1 each	3
Net increase in shareholders' funds	<b>(4,352,247)</b>
Opening equity shareholders' funds	0
<b>Closing equity shareholders' funds</b>	<b>(4,352,247)</b>

## **12 Related party transactions**

In accordance with Financial Reporting Standard 8 : Related Party Disclosures, the Company is exempt from disclosing transactions with entities that are part of the group or entities of the group qualifying as related parties, as it is a wholly owned subsidiary of United Business Media plc, a company which publishes consolidated financial statements.

During the period the company carried out transactions with the following related party in the normal course of business and on an arm's length basis:

<b>Ex-group undertaking</b>	<b>Transaction</b>	<b>Value of Transactions</b>	<b>Balance owed by /(to)</b>
			<b>31 December 2000</b>
		<b>£</b>	<b>£</b>
Express Newspapers Limited	Provision of editorial and website related services	(115,570.87)	(115,570.87)

## **13 Ultimate parent company**

The ultimate parent company at year end is United Business Media plc, and the immediate parent company is UBMI Galaxy Holdings Limited. United Business Media plc is registered in England and copies of their accounts may be obtained from the secretary at Ludgate House, 245 Blackfriars Road, London SE1 9UY.

## **14 Post balance sheet events**

On 27 April 2001 the intellectual property and servers of Megastar.co.uk Limited was sold to Modelspirit Limited, a subsidiary of Sports.com Limited for £50,000. Megastar.co.uk Limited was retained within the United Business Media Group and renamed UBMI Galaxy Limited.