

TEAMtalk Broadcast Limited

**Directors' report and financial
statements**

Registered number 4004291

31 December 2005



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Company information

Company number: 4004291

Directors

M Woodhead
AM Galvin
P Dubens
D Annat

Secretary

C Kennedy	Resigned 13 January 2005
AM Galvin	Appointed 13 January 2005

Registered office

Apsley House
Wellington Street
Leeds
LS1 2EQ

Auditor

KPMG Audit Plc
1 The Embankment
Neville Street
Leeds
LS1 4DW

Directors' report

The directors submit their report and the audited financial statements for the year ended 31 December 2005.

Results and dividends

The profit on the ordinary activities before taxation of the Company amounted to £359,000 (2004: £198,000). The directors do not recommend payment of a dividend (2004: nil).

Principal activity and business review

The principal activity of the company is that of the production and sale of in-store radio programming.

Directors and their interests

The directors who served during the period and the post balance sheet period and their beneficial interests in the share capital of the company were as follows:

Mr M Woodhead

Mr AM Galvin

Mr P Dubens

Mr D Annat

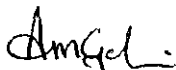
None of the directors serving at the period end have any interest in the share capital of the company.

AM Galvin, P Dubens and D Annat are also directors of the company's ultimate parent company, ukbetting plc. Their interests in the shares of the ultimate parent company are disclosed in the financial statements of the ultimate parent.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the board



AM Galvin
Director

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards.

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 enable them to ensure that its 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.



KPMG Audit Plc

1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditors' report to the members of TEAMtalk Broadcast Limited

We have audited the financial statements of TEAMtalk Broadcast Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account and the Balance Sheet and the related notes. 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 auditor's 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 on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK 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).

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.

Independent auditors' report to the members of TEAMtalk Broadcast Limited *(continued)*

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

16 October 2006.

Profit and loss account
for the year ended 31 December 2005

Note

		2005	2004
		£000	£000
Turnover	<i>1</i>	2,009	1,988
Cost of sales		(558)	(740)
		<hr/>	<hr/>
Gross profit		1,451	1,248
Administrative expenses		(1,092)	(1,050)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	<i>3</i>	359	198
Tax on profit on ordinary activities	<i>5</i>	66	(66)
		<hr/>	<hr/>
Profit for the financial year	<i>13</i>	425	132
		<hr/>	<hr/>

The company had no recognised gains and losses other than those stated in the profit and loss account, and therefore no separate statement of total recognised gains and losses has been presented.


There is no difference between the result on ordinary activities before taxation and the result for the year stated above and their historical cost equivalents.

All of the trading during the year related to continuing operations as defined by Financial Reporting Standard No. 3.

Balance sheet
at 31 December 2005

	<i>Note</i>	2005 £000	2004 £000
Fixed assets			
Tangible assets	6	33	40
Investments	7	-	-
		<hr/>	<hr/>
		33	40
Current assets			
Stock	8	8	6
Debtors	9	1,398	958
Cash at bank and in hand		149	45
		<hr/>	<hr/>
		1,555	1,009
Creditors: amounts falling due within one year	10	(1,030)	(916)
		<hr/>	<hr/>
Net current assets		525	93
		<hr/>	<hr/>
Net assets		558	133
		<hr/>	<hr/>
Capital and reserves			
Called up equity share capital	12	-	-
Share premium account	13	930	930
Profit and loss account	13	(372)	(797)
		<hr/>	<hr/>
Equity shareholders' funds	14	558	133
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 16 October 2006 and were signed on its behalf by:

AM Galvin 
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

In these financial statements the following new standards have been adopted for the first time:

- FRS 21 'Events after the balance sheet date'. The adoption of FRS 21 had no effect on the company's profit or net assets;
- the presentation requirements of FRS 25 'Financial instruments: presentation and disclosure'. The adoption of the presentational requirements of FRS 25 had no effect on the company's profit and net assets; and
- FRS 28 'Corresponding amounts'. The adoption of FRS 28 had no material effect on the company's profit or net assets as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985.

Basis of preparation

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

As the company is a wholly owned subsidiary of a UK parent company (note 17) it has taken advantage of the exemption permitted by Section 228 of the Companies Act 1985 and consolidated accounts of the company and its subsidiaries have not been prepared.

Cash flow statement

In accordance with Financial Reporting Standard Number 1, the company is exempt from the requirement to prepare a cashflow statement on the grounds that it is a wholly owned subsidiary undertaking.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of services supplied to customers.

Tangible fixed assets

The cost of fixed assets is their purchase cost, together with any incidental expenses of acquisition. Software and development costs are capitalised where they relate to separately identifiable projects of ongoing commercial value to the Company and are depreciated over their estimated useful economic lives.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Equipment	20% to 33%
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Investments

Investments are included at cost less any required provision for impairment.

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Deferred tax

Deferred tax is recognised, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Notes (continued)

1 Accounting policies (continued)

Pension costs

The ultimate parent company, ukbetting plc, operates a defined contribution pension scheme in which the employees of the company participate. The pension cost under this scheme is the amount of contributions payable in respect of the accounting period. The ukbetting plc group provides no other post-retirement benefits to employees.

2 Segmental analysis

The company operated in one area of activity, the production and sale of in-store radio content. It operates within the United Kingdom.

3 Profit on ordinary activities before taxation

	2005 £000	2004 £000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Auditor's remuneration	7	7
Depreciation of tangible fixed assets	19	23
Exceptional reorganisation costs	3	6
	<u> </u>	<u> </u>

4 Directors and employees

	2005 £000	2004 £000
Staff costs during the period were as follows:		
Wages and salaries	365	338
Social security costs	38	35
Other pension costs	13	13
	<u> </u>	<u> </u>
	416	386
	<u> </u>	<u> </u>

The average number of employees, including directors, during the year was 14 (2004: 13).

During the period, directors' emoluments were borne by other group undertakings.

Notes (continued)

5 Tax on profit on ordinary activities

	2005 £000	2004 £000
Corporation tax:		
Charge in respect of current year	-	66
Adjustment in respect of prior years	(66)	-
	<u>(66)</u>	<u>66</u>

	2005 £000	2004 £000
Reconciliation of current tax charge		
Profit on ordinary activities before tax	359	198
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK (30%)	107	59
<i>Effects of:</i>		
Depreciation in excess of capital allowances	6	7
Utilisation of tax losses	(113)	-
Adjustment in respect of prior years	(66)	-
Current tax (credit)/charge for the year	<u>(66)</u>	<u>66</u>

6 Tangible fixed assets

	Equipment £000
Cost	
At 1 January 2005	90
Additions	12
At 31 December 2005	<u>102</u>
Depreciation	
At 1 January 2005	50
Charged in the year	19
At 31 December 2005	<u>69</u>
Net book value at 31 December 2005	<u>33</u>
Net book value at 31 December 2004	<u>40</u>

Notes (continued)

7 Investments

	Interests in subsidiary undertakings £000
<i>Cost</i>	
At 31 December 2004 and 31 December 2005	2,214
<i>Impairment provision</i>	
At 31 December 2004 and 31 December 2005	(2,214)
Net book value at 31 December 2004 and 31 December 2005	-

The cost and provision relates fully to the investment in Radio Tara Limited, a dormant company resident in the Republic of Ireland.

8 Stock

	2005 £000	2004 £000
Receiver equipment for installation	8	6

9 Debtors

	2005 £000	2004 £000
Trade debtors	163	366
Amounts owed by parent company	152	443
Amounts owed by fellow subsidiary undertakings	957	139
Prepayments and accrued income	126	10
	1,398	958

Notes (continued)

10 Creditors: amounts falling due within one year

	2005 £000	2004 £000
Trade creditors	109	305
Amounts owed to fellow and subsidiary undertakings	390	248
Taxation and social security	15	-
Accruals and deferred income	516	363
	<u>1,030</u>	<u>916</u>

11 Deferred taxation

No deferred taxation is provided for in the financial statements. The unprovided deferred tax asset is as follows:

Tax effect on timing differences because of:

	2005 £000	2004 £000
Difference between capital allowance and depreciation	(22)	(16)
Losses	(86)	(265)
	<u>(108)</u>	<u>(281)</u>

12 Share capital

	2005 £000	2004 £000
<i>Authorised</i>		
1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>
<i>Allotted, called up and fully paid</i>		
932 Ordinary shares of £1 each	<u>-</u>	<u>-</u>

13 Share premium and reserves

	Share premium account £000	Profit and loss account £000
At 1 January 2005	930	(797)
Profit for the financial year	-	425
	<u>930</u>	<u>(372)</u>
At 31 December 2005		

Notes (continued)

14 Reconciliation of movement in shareholders' funds

	2005 £000	2004 £000
Profit for the financial year	425	132
Opening shareholders' funds	133	1
	<hr/>	<hr/>
Closing shareholders' funds	558	133
	<hr/>	<hr/>

15 Operating lease commitments

	2005		2004	
	Land & Buildings £000	Other £000	Land & buildings £000	Other £000
Expiring:				
Within two to five years	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

16 Related party transactions

Financial Reporting Standard No. 8 gives an exemption that transactions which eliminate upon consolidation do not require disclosure. The company has taken advantage of this exemption.

17 Ultimate parent undertaking

The company's ultimate parent undertaking is ukbetting plc, a company registered in England and Wales.

The accounts of ukbetting plc are available from the company's registered office at Apsley House, 78 Wellington Street, Leeds, LS1 2EQ.