

CONNECT TELEVISION LIMITED

Company No: 4268201

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2006

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CONNECT TELEVISION LIMITED
REPORT AND FINANCIAL STATEMENTS

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CONNECT TELEVISION LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

D J Williams

SECRETARY

D J Bestwick

REGISTERED OFFICE

74 Rivington Street
London
EC2A 3AY

BANKERS

HSBC Bank Plc
70 Pall Mall
London
SW1Y 5EZ

AUDITORS

Kingston Smith LLP
Devonshire House
60 Goswell Road
London EC1M 7AD

CONNECT TELEVISION LIMITED

REPORT OF THE DIRECTOR

The director has pleasure in submitting the annual report together with the audited financial statements for the year ended 30th June 2006

Principal Activity

The Company did not trade under the period under review

Results and Dividends

The results for the year ended 30th June 2006 are shown on page 5. No equity dividend was paid in the year ended 30th June 2006 (2005 - £Nil). No final dividend is proposed at the year end (2005 - £Nil).

Director

The director who served during the year were as follows

D J Williams

Director's Interests

The Director had no interest, beneficial or non-beneficial, in the share capital of the company or a material interest during the year in any significant contract with the company or any subsidiary.

Auditors

On the 1st May 2006, Kingston Smith transferred their business to Kingston Smith LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The company's consent has been given to treating the appointment of Kingston Smith as extending to Kingston Smith LLP under the provisions of section 26(5) of the Companies Act 1989. Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed as auditors to the company for the ensuing year.

Approved by the sole Director
and signed on behalf of the Board



D J Williams
Director

74 Rivington Street
London EC2A 3AY

Date 6/3/07

CONNECT TELEVISION LIMITED

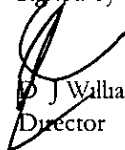
STATEMENT OF DIRECTOR'S RESPONSIBILITIES

United Kingdom company law requires the director 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 financial period and of the profit or loss for that period. In preparing these financial statements, the director is 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, and
prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 Company's 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.

Signed by the Sole Director


D J Williams
Director

74 Rivington Street
London EC2A 3AY

CONNECT TELEVISION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CONNECT TELEVISION LIMITED

We have audited the financial statements of Connect Television Limited for the year ended 30th June 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These have been prepared under the historical cost convention and 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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Director's and Auditors

As described in the Statement of Directors' Responsibilities, the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 Director's 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 the director's remuneration and transactions with the company is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

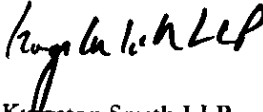
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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 in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30th June 2006 and of the Company's loss for the year then ended, the financial statements have been properly prepared in accordance with the Companies Act 1985, and the information given in the Director's Report is consistent with the financial statements.

Devonshire House
60 Goswell Road
London EC1M 7AD


Kingston Smith LLP
Chartered Accountants
and Registered Auditors

Date 6/3/07

CONNECT TELEVISION LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 June 2006

	Notes	Year ended 30 June 2006 £	Year ended 30 June 2005 £
Turnover	2	-	729,587
Cost of sales		-	(729,587)
Gross Profit		-	-
Administrative expenses		(52)	-
Operating Loss	3	(52)	-
Interest payable and similar charges		-	-
Loss on Ordinary Activities before Taxation		(52)	-
Taxation		-	-
Loss on Ordinary Activities after Taxation		(52)	-
Dividends		-	-
Retained Loss transferred to Reserves	9	(52)	-

There are no recognised gains or losses other than the loss for the financial year

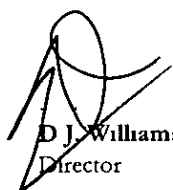
The notes on pages 7 to 9 form part of the financial statements

CONNECT TELEVISION LIMITED

BALANCE SHEET at 30 June 2006

	Note	30 June 2006 £	30 June 2005 £
Current Assets			
Debtors	6	19,500	495,963
Cash at bank and in hand		<u>50,861</u>	<u>50,955</u>
		<u>70,361</u>	<u>546,918</u>
Creditors amounts falling due within one year	7	<u>(70,161)</u>	<u>(546,666)</u>
Net assets		<u><u>200</u></u>	<u><u>252</u></u>
 Capital and Reserves			
Called up share capital	8	-	-
Profit and loss account	9	<u>200</u>	<u>252</u>
		<u><u>200</u></u>	<u><u>252</u></u>

Approved by the Sole Director on 6/3/07


D.J. Williams
 Director

NOTES TO THE ACCOUNTS
Year ended 30 June 2006

Basis of Preparation

The company is a wholly owned subsidiary of Avanti Screenmedia Group plc whose financial statements 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 No 1 (Revised 1996). The company is also exempt under the terms of Financial Reporting Standard No 8 from disclosing related party transactions (but not balances) with entities that are part of the Avanti Screenmedia Group plc Group.

Deferred tax is recognised, without discounting 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 FRS19

Turnover represents net invoiced sales of services provided and goods sold, net of value added tax.

Operating loss is arrived at after charging

		Year ended 30 June 2006 £	Year ended 30 June 2005 £
Operating loss is arrived at after charging			
Auditors' remuneration	- audit	-	-

There were no employees of the company during the year (2005 - Nil)

No remuneration was paid to the Director during the year

CONNECT TELEVISION LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2006

6 Debtors

	30 June 2006	30 June 2005
	£	£
Trade debtors	-	476,463
Amounts owed by fellow subsidiaries	19,500	19,500
	<u>19,500</u>	<u>495,963</u>

7 Creditors amounts falling due within one year

	30 June 2006	30 June 2005
	£	£
Trade Creditors	-	-
Amounts owed to group undertakings	64,013	540,518
Social security and other taxes	6,148	6,148
Other creditors	-	-
	<u>70,161</u>	<u>546,666</u>

An unlimited gross guarantee has been given by Connect Television Limited and its fellow subsidiaries and holding company to its bankers to secure all liabilities of each other. The bank also has a fixed and floating charge over the Company's assets, both present and future.

CONNECT TELEVISION LIMITED

NOTES TO THE ACCOUNTS Year ended 30 June 2006

8 Share Capital

	30 June 2006 £	30 June 2005 £
Authorised 50,000 Ordinary shares of £0.01 each	<u>500</u>	<u>500</u>
Allotted, called up and unpaid 1 Ordinary shares of £0.01 each	<u>-</u>	<u>-</u>

9 Shareholders' Funds

2006	Share Capital £	Profit and Loss £	Total £
At 30 June 2005	-	252	252
Loss for year	<u>-</u>	<u>(52)</u>	<u>(52)</u>
At 30 June 2006	<u>-</u>	<u>200</u>	<u>200</u>
2005	Share Capital £	Profit and Loss £	Total £
At 30 June 2004	-	252	252
Profit for year	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 2005	<u>-</u>	<u>252</u>	<u>252</u>

10 Ultimate Parent Undertaking

The ultimate parent undertaking is Avanti Screenmedia Group plc, a company incorporated and registered in England and Wales. The consolidated financial statements of Avanti Screenmedia Group plc for the period ended 30th June 2006 can be obtained from the registered office at 74 Rivington Street, London EC2A 3AY.