

CONNECT TELEVISION LIMITED

Company No: 4268201

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2007

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COMPANIES HOUSE

CONNECT TELEVISION LIMITED

REPORT AND FINANCIAL STATEMENTS

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CONNECT TELEVISION LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

G K D Truman

Appointed 13/04/07

S Chambers

Appointed 13/04/07 and resigned 11/01/08

D J Williams

Resigned 16/04/07

SECRETARY

G K D Truman

Appointed 13/04/07

D J Bestwick

Resigned 16/04/07

REGISTERED OFFICE

Ludgate House

245 Blackfriars Road

LONDON

SE1 9UF

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 directors have pleasure in submitting the annual report together with the audited financial statements for the year ended 30th June 2007

Principal Activity

The Company did not trade during the period under review. The movements in the year relate to the intercompany loan waived as a result of the demerger of its networks business in April 2007

Results and Dividends

The results for the year ended 30th June 2007 are shown on page 5. No equity dividend was paid in the year ended 30th June 2007. No final dividend is proposed at the year end (2006 - £Nil)

Directors

The directors who served during the year were as follows

G K D Truman	Appointed 14/04/07
Stuart Chambers	Appointed 14/04/07 and resigned 11/01/08
D J Williams	Resigned 14/04/07

Directors' Interests

The Directors 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

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

On behalf of the Board

G K D Truman
Director
Ludgate House
245 Blackfriars Road
LONDON
SE1 9UF

Date 3 January 2008

CONNECT TELEVISION LIMITED

STATEMENT OF DIRECTORS' 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 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, and
prepare the financial statements on a 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 which disclose with reasonable accuracy at any time the financial position of the Company and 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.

Statement of disclosure to auditor

- (a) So far as the directors are aware there is no relevant audit information of which the company's auditors are unaware
- (b) The directors have taken all steps that they ought to have taken to make themselves aware of any audit information and to establish that the company's auditors are aware of that information

Signed on behalf of the board

3 January 2008

G K D Truman
Director

Ludgate House
245 Blackfriars Road
LONDON
SE1 9UF

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 2007 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 directors are 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 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 the 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 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 2007 and of the Company's profit 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 Directors' Report is consistent with the financial statements.

Devonshire House
60 Goswell Road
London EC1M 7AD


Kingston Smith LLP
Chartered Accountants
and Registered Auditors

Date 3 January 2008

CONNECT TELEVISION LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 June 2007

	Notes	Year ended 30 June 2007 £	Year ended 30 June 2006 £
Turnover		-	-
Cost of sales		-	-
Gross Profit		-	-
Administrative expenses		(128)	(52)
Operating Loss	3	(128)	(52)
Interest payable and similar charges		-	-
Exceptional Gain	2	8,426 8,298	- (52)
Profit on Ordinary Activities after Taxation		8,298	(52)
Taxation	5	-	-
Retained Profit transferred to Reserves	9	8,298	(52)

The profit and loss account has been prepared on the basis that all operations are continuing operations

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

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

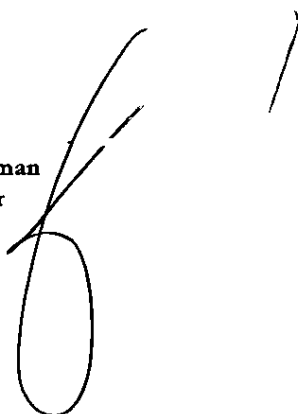
CONNECT TELEVISION LIMITED

BALANCE SHEET at 30 June 2007

	Note	30 June 2007 £	30 June 2006 £
Current Assets			
Debtors	6	19,500	19,500
Cash at bank and in hand		-	50,861
		<u>19,500</u>	<u>70,361</u>
Creditors: amounts falling due within one year	7	<u>(11,002)</u>	<u>(70,161)</u>
Net assets		<u>8,498</u>	<u>200</u>
 Capital and Reserves			
Called up share capital	8	-	-
Profit and loss account	9	<u>8,498</u>	<u>200</u>
		<u>8,498</u>	<u>200</u>

Approved by the board on 3 January 2008

G. Truman
Director



CONNECT TELEVISION LIMITED

NOTES TO THE ACCOUNTS Year ended 30 June 2007

1 Accounting Policies

Basis of Preparation

The financial statements of the company are prepared under the historical cost convention and in accordance with applicable UK accounting standards

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.

2 Exceptional item

The Exceptional item relates to the waiver of an intercompany loan as a result of the demerger of the network business in April 2007.

3 Operating loss

The charge for the auditors remuneration has been paid for by the parent company, Avanti Screenmedia Group plc. No specific recharge has been made for these services.

4 Employees and Directors' Emoluments

There were no employees of the company during the year (2006 - Nil).

No remuneration was paid to the directors during the year.

5 Taxation

	30 June 2007	30 June 2006
Corporation tax charge	-	-
Tax charge for the period		
Analysis of charge in the period		
Tax effect on ordinary activities at 30% (2006 - 30%)	2,489	(16)
Exceptional loan write off	(2,528)	-
Tax losses movement	39	16
Current tax charge for the period	-	-

CONNECT TELEVISION LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2007

6 Debtors

	30 June 2007 £	30 June 2006 £
Amounts owed by fellow subsidiaries	19,500	19,500
	<u>19,500</u>	<u>19,500</u>

7 Creditors, amounts falling due within one year

	30 June 2007 £	30 June 2006 £
Amounts owed to group undertakings	11,002	64,013
Social security and other taxes	-	6,148
	<u>11,002</u>	<u>70,161</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 2007

8 Share Capital

	30 June 2007 £	30 June 2006 £
Authorised 50,000 Ordinary shares of £0.01 each	<u>500</u>	<u>500</u>
Allotted, called up and unpaid 1 Ordinary share of £0.01 each	<u>-</u>	<u>-</u>

9 Shareholders' Funds

2007	Share Capital £	Profit and Loss £	Total £
At 1 July 2007	-	200	200
Profit for year	<u>-</u>	<u>8,298</u>	<u>8,298</u>
At 30 June 2007	<u>-</u>	<u>8,498</u>	<u>8,498</u>
2006	Share Capital £	Profit and Loss £	Total £
At 1 July 2006	-	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>

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 2007 can be obtained from the registered office at Ludgate House, 245 Blackfrairs Road London SE1 9UF.