

**UTV-EMAP Digital (B&H) Limited**  
**(formerly TWG-EMAP Digital (B&H) Limited)**

Annual report and accounts  
For the year ended 31 December 2005

Registered number: 04404178



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COMPANIES HOUSE 31/10/2006

## Directors' report

The directors present their report on the affairs of the company, together with accounts and auditors' report, for the year ended 31 December 2005.

### Principal activity

The principal activity of the company during the period was the operation of a digital radio multiplex under a licence regulated by Ofcom.

### Business review

On 13 June 2005 The Wireless Group plc was acquired by UTV plc (formerly Ulster Television plc), see note 16.

On the 28 February 2006 the company changed name from TWG-Emap Digital (B&H) Limited to UTV-EMAP Digital (B&H) Limited.

### Results and dividends

The profit for the period, after taxation, amounted to £120,494 (2004: £119,486).

The directors do not recommend the payment of a dividend (2004: £nil).

### Directors

The directors who served during the period were as follows:

D Embley	
S Gregory	
MG Franklin	(Resigned 24 June 2005)
KC MacKenzie	(Resigned 24 June 2005)
J McCann	(Appointed 24 June 2005)
S Taunton	(Appointed 24 June 2005)

### Directors' interests

The interests of Mr J McCann and Mr S Taunton in the shares of the ultimate parent company UTV plc (formerly Ulster Television plc) are disclosed in the accounts of that company.

There are no other interests required to be disclosed under Section 234 of the Companies Act 1985.

By order of the Board,

Director

27 Oct 2006

## Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice.

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 year. 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;
- 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 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Independent auditors' report

to the members of UTV EMAP Digital (B&H) Limited

We have audited the company's financial statements for the year ended 31 December 2005 which comprise the primary financial statements such as the Profit and Loss Account, Statement of Total Recognised Gains and Losses, the Balance Sheet, the and the related notes 1 to 16. 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 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

The directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

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, are properly prepared in accordance with the Companies Act 1985 and that the information given in the Directors' Report is consistent with the financial statements.

We also report to you if, in our opinion, 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.

### 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.

### 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 31 December 2005 and of its profit for the year then ended and 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.

Registered auditor  
Belfast

*Ernst & Young LLP*  
*27 October 2006*

## Profit and loss account

For the year ended 31 December 2005

	Notes	2005 £	2004 £
<b>Turnover</b>	2	527,900	498,815
Operating expenses	3	(355,765)	(328,124)
<b>Operating profit</b>		172,135	170,691
Other interest receivable and similar income		-	3
<b>Profit on ordinary activities before taxation</b>	4	172,135	170,694
Tax on profit on ordinary activities	7	(51,641)	(51,208)
<b>Retained profit for the period</b>	11	120,494	119,486

All of the company's activities are continuing.

The company has no recognised gains and losses other than the profit stated above, and therefore no separate Statement of total recognised gains and losses has been presented.

The accompanying notes are an integral part of this profit and loss account.

ERNST & YOUNG

# Balance sheet

As at 31 December 2005

	Notes	2005 £	2004 £
<b>Current assets</b>			
Debtors	8	416,178	1,052,386
Cash at bank and in hand		45,926	100,196
		<u>462,104</u>	<u>1,152,582</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(194,731)</u>	<u>(1,005,703)</u>
<b>Net current assets and net assets</b>		<u>267,373</u>	<u>146,879</u>
<b>Capital and reserves</b>			
Called-up share capital	10	100	100
Profit and loss account	11	<u>267,273</u>	<u>146,779</u>
<b>Total shareholders' funds</b>	12	<u>267,373</u>	<u>146,879</u>

ERNST & YOUNG

Signed on behalf of the Board:



Director

27 OCT 2006

The accompanying notes are an integral part of this balance sheet.

## Notes to the accounts (continued)

### 1 Principal accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

#### Basis of preparation

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

The company has taken advantage of the exemption from the requirement of FRS 1 (revised) to present a cash flow statement as it is a small company.

#### Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties during the period for the provision of goods and services. Turnover includes barter arrangements which meet the requirements of UITF 26 "Barter Transactions for Advertising".

#### Operating leases

Rentals under operating leases are charged to the profit and loss on a straight line basis over the lease term, even if payments are not made on such a basis.

#### Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided in full on all material timing differences. Deferred tax assets are recognised where their recovery is considered more likely than not. Deferred tax assets and liabilities have not been discounted.

### 2 Turnover

All turnover arose wholly within the United Kingdom. The directors consider that the business of the company is all of one class.

The company enters into barter arrangements for the supply of certain services, and these are treated as turnover as they comply with UITF 26. During the year barter transactions amounted to £10,000 (2004: £30,000) of turnover.

### 3 Operating expenses

	2005 £	2004 £
Administration expenses	<u>355,765</u>	<u>328,124</u>

## Notes to the accounts (continued)

### 4 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2005 £	2004 £
Hire of plant and machinery under operating leases		
- plant & machinery	306,650	274,818
- other	-	-
Auditors remuneration		
- audit fees	10,000	3,000
- non audit fees	-	500

### 5 Staff costs

The company does not have any employees.

### Directors' remuneration

The emoluments of KC MacKenzie were paid by The Wireless Group plc (now UTV Radio (GB) Limited) and are disclosed in that company's accounts.

The emoluments of Mr J McCann are paid by the ultimate parent company, UTV plc and are disclosed in that company's accounts. The emoluments of Mr S Taunton were incurred by UTV plc and are disclosed in the accounts of UTV Radio (GB) Limited, the intermediate parent company for all UK radio stations and digital companies.

None of the other directors have been remunerated for their services to this company either by this company or any other company in the group.

### 7 Tax on profit on ordinary activities

The tax charge in the current year is arrived at as follows:

Reconciliation of current tax charge:	2005 £	2004 £
Profit on ordinary activities before tax	172,135	170,694
Tax on profit on ordinary activities at standard rate of tax (30%)	51,641	51,208



## Notes to the accounts (continued)

### 8 Debtors

	2005 £	2004 £
Amounts falling due within one year:		
Trade debtors	37,760	68,134
Amounts owed by group undertakings	351,360	984,231
Prepayments and accrued income	27,038	-
Other Debtors	20	21
	<u>416,178</u>	<u>1,052,386</u>

### 9 Creditors: amounts falling due within one year

	2005 £	2004 £
Amounts owed to group undertakings	153,910	939,557
Other taxation and social security	2,170	15,784
Accruals	38,651	50,362
	<u>194,731</u>	<u>1,005,703</u>

### 10 Called-up share capital

	2005 £	2004 £
<i>Authorised</i>		
80 (2004 - 80) "A" ordinary shares of £1 each	80	80
20 (2004 - 20) "B" ordinary shares of £1 each	20	20
	<u>100</u>	<u>100</u>
100 ordinary shares of £1 each		
<i>Allotted, called-up and fully paid</i>		
80 (2004 - 80) "A" ordinary shares of £1 each	80	80
20 (2004 - 20) "B" ordinary shares of £1 each	20	20
	<u>100</u>	<u>100</u>

## Notes to the accounts (continued)

### 11 Reserves

	Profit and loss account £
Retained profit brought forward at 1 January 2005	146,779
Retained profit for the period	120,494
At 31 December 2005	<u>267,273</u>

### 12 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Opening shareholders' funds	146,879	27,393
Profit for the period	120,494	119,486
Closing shareholders' funds	<u>267,373</u>	<u>146,879</u>

### 13 Financial commitments

The company had annual commitments under non-cancellable operating leases as follows:

	2005 Other £	2004 Other £
Expiry date:		
- over five years	<u>311,016</u>	<u>281,800</u>

### 14 Capital commitments

The company had no capital commitments at 31 December 2005.

## Notes to the accounts (continued)

### 15 Related party disclosures

The company has billed companies related to its shareholders the following revenues (net of VAT) for the transmission of their digital output on the multiplex and management charges:

	2005 £	2004 £
<i>Transmission charges:</i>		
Pulse FM a trading division of talkSPORT Limited	138,158	134,564
EMAP Digital Radio Limited	<u>138,158</u>	<u>134,564</u>

The company has been billed management charges by companies related to its' shareholders. The following charges (net of VAT) have been expensed:

	2005 £	2004 £
<i>Management charges:</i>		
The Wireless Group Holdings Limited	<u>31,819</u>	<u>25,000</u>

The following balances (including VAT where appropriate) were outstanding at the current and prior year ends:

	2005 £	2004 £
<i>Trade Debtors:</i>		
EMAP Digital Radio Limited	<u>27,329</u>	<u>13,500</u>

	2005 £	2004 £
<i>Intercompany balances:</i>		
The Wireless Group Holdings Limited	1,109,316	532,917
Pulse FM a trading division of talkSPORT Limited	<u>332,722</u>	<u>194,564</u>

### 16 Ultimate parent company

The immediate parent undertaking is UTV Radio (GB) Limited (formerly The Wireless Group Limited and The Wireless Group plc) which was acquired by UTV plc (formerly Ulster Television plc) on the 13 June 2005 therefore subsequent to that date the ultimate parent undertaking and controlling party is UTV plc, a company incorporated in Northern Ireland.

UTV plc was the smallest and largest group to prepare consolidated financial statements which include the company. Copies of the consolidated accounts for the year ended 31 December 2005 of UTV plc are available from its registered office at Ormeau Road, Belfast BT7 1EB.