

**NWP STREET LIMITED**

**Report and Financial Statements**

**30 June 2006**

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COMPANIES HOUSE

# **NWP STREET LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2006**

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# **NWP STREET LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2006**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

Mark Lewarne  
Philip Congdon  
Keith Gurden (resigned 9 June 2006)

#### **SECRETARY**

Philip Congdon

#### **REGISTERED OFFICE**

Parker House  
Maylands Avenue  
Hemel Hempstead  
Hertfordshire HP2 4SJ

#### **BANKERS**

Bank of Scotland plc  
38 Threadneedle Street  
London EC2P 2EH

#### **AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants  
Cambridge

# **NWP STREET LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 30 June 2006.

This report has been prepared in accordance with the special provisions relating to small companies under Section 246 (4) of the Companies Act 1985.

### **PRINCIPAL ACTIVITY**

The principal activity of the company is the provision of managed payphones in public sites throughout the UK.

On 30 June 2006 the company transferred its business, assets and employees at net book value to Spectrum Interactive (UK) Limited, another group company. Following the transfer on 30 June 2006 of the trade and assets of the company to Spectrum Interactive (UK) Limited at book value it is anticipated that going forward the company will be non trading.

### **DIRECTORS**

The directors who served during the year are shown under the list of officers and professional advisers on page 1.

No directors had any interests in the share capital of the company during the financial year or in the preceding year. The interests of directors in the share capital of the ultimate parent company are set out in the financial statements of that company.

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; 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 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 company's system of internal financial controls and the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# NWP STREET LIMITED

## DIRECTORS' REPORT

### AUDITORS

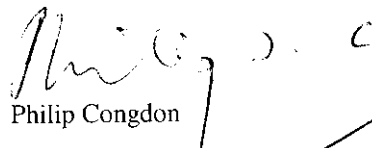
In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

  
Philip Congdon  
Director

30 April 2007

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NWP STREET LIMITED**

We have audited the financial statements of NWP Street Limited for the year ended 30 June 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 18. 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' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are 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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the *financial statements*.

In addition we 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.

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  
NWP STREET LIMITED (continued)**

**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 30 June 2006 and of its 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.

**Emphasis of matter - Financial statements prepared on a basis other than that of a going concern**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.



**Deloitte & Touche LLP**  
Chartered Accountants and Registered Auditors  
Cambridge, United Kingdom

30 April 2007

# NWP STREET LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 30 June 2006

	Note	2006 £	2005 £
<b>TURNOVER</b>		4,975,528	5,198,886
Cost of sales		<u>(2,437,842)</u>	<u>(2,667,974)</u>
<b>Gross profit</b>		2,537,686	2,350,912
Administrative expenses		<u>(861,527)</u>	<u>(1,118,569)</u>
<b>OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	1,676,159	1,412,343
Tax on profit on ordinary activities	4	<u>-</u>	<u>304,000</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	12	<u><u>1,676,159</u></u>	<u><u>1,716,343</u></u>

All activities derive from discontinued operations.

There are no recognised gains and losses for the current financial year and preceding financial year other than as shown in the profit and loss account.



# NWP STREET LIMITED

## BALANCE SHEET

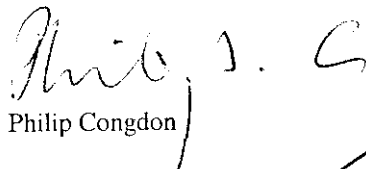
30 June 2006

	Note	2006 £	2005 £
<b>FIXED ASSETS</b>			
Intangible assets	6	-	8,500
Tangible assets	7	-	1,267,707
		<u>-</u>	<u>1,276,207</u>
<b>CURRENT ASSETS</b>			
Debtors			
- due within one year	8	-	965,546
- due after one year	8	6,268,149	-
		<u>6,268,149</u>	<u>965,546</u>
<b>CREDITORS: amounts falling due within one year</b>	9	-	(1,114,763)
<b>NET CURRENT ASSETS (LIABILITIES)</b>		<u>6,268,149</u>	<u>(149,217)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
<b>CREDITORS: amounts falling due after one year</b>		(3,465,000)	-
<b>NET ASSETS</b>		<u>2,803,149</u>	<u>1,126,990</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	1	1
Profit and loss account	12	2,803,148	1,126,989
<b>SHAREHOLDERS' FUNDS</b>	13	<u>2,803,149</u>	<u>1,126,990</u>

These financial statements were approved by the Board of Directors on

30 April 2007

Signed on behalf of the Board of Directors

  
Philip Congdon

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 June 2006**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable UK accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Basis of preparation**

As explained in note 11, the company transferred its trade, assets and liabilities to a fellow subsidiary company on 30 June 2006 and has ceased trading. As required by FRS 18 Accounting Policies, the directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities were transferred to the fellow subsidiary company at their book value.

**Turnover**

Turnover comprises the value of sales, after trade discounts, of goods in the normal course of business, and excludes value added tax. Turnover is wholly derived from activities in the United Kingdom.

**Cash flows**

As permitted by Financial Reporting Standard Number 1, the company has not prepared a cash flow statement as its ultimate parent undertaking, Spectrum Interactive Plc, has prepared consolidated financial statements which incorporate the results of the company and which include a consolidated cash flow statement.

**Tangible fixed assets**

Tangible fixed assets are recorded at cost less depreciation and provision for impairment. Depreciation is provided on tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Phone kiosks	12.5%
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**Intangible fixed assets - goodwill**

Goodwill arising on the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 20 years. Provision is made for any impairment.

**Taxation**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income and expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**Leases**

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

# NWP STREET LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2006

### 2. OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2006 £	2005 £
<b>Operating profit on ordinary activities before taxation is after charging:</b>		
Depreciation - owned assets	207,658	79,487
Auditors' remuneration	10,000	10,000
Amortisation of goodwill	500	500

The auditors received no remuneration for non-audit fees.

### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors did not receive any remuneration from the company during the year or preceding year.

The company does not have any employees.

### 4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2006 £	2005 £
<b>Deferred taxation</b>		
Origination and reversal of timing differences	-	304,000
Total tax credit for the year	-	304,000

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 30%. The actual tax charge for the current year and preceding year differs from the standard tax rate for the reasons set out in the following reconciliation.

	2006 £	2005 £
Profit on ordinary activities before tax	1,676,159	1,412,343
Tax on profit on ordinary activities at standard rate	502,848	423,703
Factors affecting charge for the year:		
Expenses not deductible for tax purposes	82,552	2,446
Capital allowances in excess of depreciation	(241,708)	(412,202)
Movement in short term timing differences	-	-
Group relief not paid for	(343,692)	(13,947)
Total actual amount of current tax	-	-

### 5. DIVIDENDS

	2006 £	2005 £
Dividends of £nil (2005 - £1,000,000) per ordinary share declared and paid	-	1,000,000

# NWP STREET LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2006

### 6. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>Cost</b>	
At 1 July 2005	10,000
Transferred to other group companies	(10,000)
	<hr/>
At 30 June 2006	-
	<hr/>
<b>Amortisation</b>	
At 1 July 2005	1,500
Charge for the year	500
Transferred to other group companies	(2,000)
	<hr/>
At 30 June 2006	-
	<hr/>
<b>Net book value</b>	
At 30 June 2006	-
	<hr/> <hr/>
At 30 June 2005	8,500
	<hr/> <hr/>

### 7. TANGIBLE FIXED ASSETS

	Phone kiosks £
<b>Cost</b>	
At 1 July 2005	1,380,527
Additions in year	363,602
Transferred to other group companies	(1,744,129)
	<hr/>
At 30 June 2006	-
	<hr/>
<b>Depreciation</b>	
At 1 July 2005	112,820
Charge for the year	207,658
Transferred to other group companies	(320,478)
	<hr/>
At 30 June 2006	-
	<hr/>
<b>Net book value</b>	
At 30 June 2006	-
	<hr/> <hr/>
At 30 June 2005	1,267,707
	<hr/> <hr/>

# NWP STREET LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2006

### 8. DEBTORS

	2006 £	2005 £
Amounts falling due within one year:		
Amounts owed by group undertakings	-	661,546
Deferred tax (note 10)	-	304,000
	<u>-</u>	<u>965,546</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	6,268,149	-
	<u>6,268,149</u>	<u>-</u>

### 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Group relief payable	-	114,763
Dividend declared and paid	-	1,000,000
	<u>-</u>	<u>1,114,763</u>

### 10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006 £	2005 £
Amounts owed to group undertakings	3,465,000	-
	<u>3,465,000</u>	<u>-</u>

## NWP STREET LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2006

#### 11. DISPOSALS

On 30 June 2006, the trade, assets and liabilities of the company was acquired by Spectrum UK Limited for consideration equal to the net book value of the assets transferred, which was considered to be equal to fair value.

The following table sets out the book values of the identifiable assets and liabilities:

	£'000
Intangible fixed assets	10
Tangible fixed assets	1,423
Debtors	304
	<hr/>
<b>Net assets</b>	<b>1,737</b>
	<hr/>
<b>Consideration</b>	
Intercompany debtor	1,737
	<hr/>

#### 12. DEFERRED TAXATION

A deferred tax asset has been recognised in respect of capital allowances in excess of depreciation.

	2006 £	2005 £
At 1 July 2005	-	-
Credited to profit and loss account	-	304,000
	<hr/>	<hr/>
At 30 June 2006	-	304,000
	<hr/>	<hr/>

A deferred tax asset has not been recognised in respect of timing differences relating to capital allowances as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £418,485 (2005 - £706,115). The asset would be recovered if the company generates appropriate taxable profits in the future.

# NWP STREET LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2006

### 13. CALLED UP SHARE CAPITAL

	2006 £	2005 £
Authorised 1,000 ordinary shares of £1 each	1,000	1,000
Called up, allotted and fully paid 1 ordinary share of £1	1	1

### 14. STATEMENT OF MOVEMENT ON RESERVES

	Profit and loss account £
At 1 July 2005	1,126,989
Profit for the financial year	1,676,159
At 30 June 2006	2,803,148

### 15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Profit (loss) for the financial year	1,676,159	1,716,343
Dividends (note 5)	-	(1,000,000)
Net addition to (reduction in) shareholders' funds	1,676,159	716,343
Opening shareholders' funds	1,126,990	410,647
Closing shareholders' funds	2,803,149	1,126,990

### 16. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption included in Financial Reporting Standard No.8 'Related Party Disclosures' for wholly owned subsidiaries not to disclose transactions with entities that are part of the group or investees of the group qualifying as related parties.

### 17. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

Spectrum Interactive plc, a company incorporated in Great Britain, is the immediate controlling party and ultimate parent company. The immediate parent company is NWP Spectrum Holdings Limited.

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 June 2006**

Copies of the consolidated financial statements of Spectrum Interactive plc are available from the company secretary at the company's registered office (see page 1). Spectrum Interactive plc is the smallest and largest group in which the company is consolidated.

**18. FINANCIAL COMMITMENTS**

At 30 June 2006 the company had no commitments either of a capital nature, or under operating leases (2005 - £nil).

**19. CONTINGENT LIABILITY**

The company, along with Spectrum Interactive (UK) Limited, has given a cross guarantee on the credit arrangement whereby the Bank of Scotland has made available certain facilities to NWP Spectrum Holdings Limited. At 30 June 2006, the amount owed under this guarantee was £nil (2005 - £nil).