

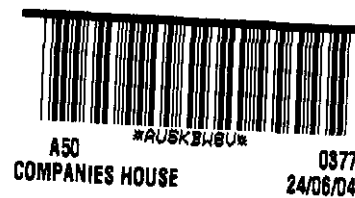
**NWP STREET LIMITED**

**Report and Financial Statements**

**30 June 2003**

Deloitte & Touche LLP  
Cambridge

05/04/2004  
Ac02NWS3



# **NWP STREET LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2003**

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# **NWP STREET LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2003**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

Mark Lewarne (appointed 10 April 2002)  
Alan Muggridge (appointed 10 April 2002)  
Keith Gurden (appointed 1 June 2002)

#### **SECRETARY**

Alan Muggridge (appointed 10 April 2002)

#### **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 period from incorporation on 10 April 2002 to 30 June 2003.

The company was incorporated on 10 April 2002. On 31 May 2002 the company acquired the public payphones business of New World Payphones Limited and NWP Communications Limited

## PRINCIPAL ACTIVITY

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

## REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors are confident that the company will continue to trade profitably.

## DIVIDENDS

The directors do not recommend the payment of a dividend for the period.

## DIRECTORS AND THEIR INTERESTS

The directors who served during the period 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 period. 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

United Kingdom company law requires the directors 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 year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

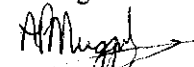
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to 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 assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## AUDITORS

Deloitte & Touche were appointed as auditors during the period. On 1 August 2003, Deloitte & Touche, the Company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

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

  
Alan Muggidge

Director

9<sup>th</sup> June 2004

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

We have audited the financial statements of NWP Street Limited for the period from 10 April 2002 to 30 June 2003 which comprise the profit and loss account, the balance sheet 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**

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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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 transactions with the company is not disclosed.

We read the directors' report for the above period and consider the implications for our report if we become aware of any apparent misstatements.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom auditing standards 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 of the state of affairs of the company as at 30 June 2003 and of its profit for the period from 10 April 2002 to 30 June 2003 and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

Deloitte & Touche LLP  
Chartered Accountants and  
Registered Auditors  
Cambridge

*18 June 2004*

# NWP STREET LIMITED

## PROFIT AND LOSS ACCOUNT

Period from 10 April 2002 to 30 June 2003

	Note	£
<b>TURNOVER</b>		4,663,792
Cost of sales		<u>(1,453,765)</u>
<b>Gross profit</b>		3,210,027
Administrative expenses		<u>(878,810)</u>
<b>OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	2,331,217
Tax on profit on ordinary activities	4	<u>114,763</u>
<b>RETAINED PROFIT FOR THE FINANCIAL PERIOD CARRIED FORWARD</b>		<u><u>2,216,454</u></u>

All activities derive from continuing operations.

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

# NWP STREET LIMITED

## BALANCE SHEET 30 June 2003

	Note	£
<b>FIXED ASSETS</b>		
Intangible assets	5	9,500
Tangible assets	6	33,333
		<u>42,833</u>
<b>CURRENT ASSETS</b>		
Debtors	7	2,353,385
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(179,763)</u>
<b>NET CURRENT ASSETS</b>		<u>2,173,622</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,216,455</u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	10	1
Profit and loss account		<u>2,216,454</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	11	<u>2,216,455</u>

These financial statements were approved by the Board of Directors on 9<sup>th</sup> June 2004  
Signed on behalf of the Board of Directors



# NWP STREET LIMITED

## NOTES TO THE ACCOUNTS

Period from 10 April 2002 to 30 June 2003

### 1. ACCOUNTING POLICIES

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

#### **Accounting convention**

The financial statements are prepared under the historical cost convention.

#### **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**

The company is a wholly owned subsidiary of NWP Spectrum Holdings Limited and the cash flows of the company are included in the consolidated group cash flow statement of NWP Spectrum Holdings Limited. Consequently the company is exempt from the requirement to publish a cash flow statement.

#### **Tangible fixed assets**

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	33%
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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.

#### **Deferred taxation**

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 ACCOUNTS

Period from 10 April 2002 to 30 June 2003

### 2. OPERATING PROFIT

	£
Operating profit is after charging	
Depreciation - owned assets	16,667
Auditors' remuneration	10,000
Amortisation of goodwill	500
	<u>          </u>

### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors did not receive any remuneration from the company during the period.

The company does not have any employees.

### 4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	£
Current tax	
Group relief	114,763
	<u>          </u>

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 period differs from the standard tax rate for the reasons set out in the following reconciliation.

	£
Profit on ordinary activities before tax	<u>2,331,217</u>
Tax on profit on ordinary activities at standard rate	699,365
Factors affecting charge for the period:	
Expenses not deductible for tax purposes	1,449
Capital allowances in excess of depreciation	(599,180)
Movement in short term timing differences	13,129
	<u>          </u>
Total actual amount of current tax	<u>114,763</u>

# NWP STREET LIMITED

## NOTES TO THE ACCOUNTS

Period from 10 April 2002 to 30 June 2003

### 5. INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
Acquired on 31 May 2002 and at 30 June 2003 (note 14)	<u>10,000</u>
Amortisation	
Charge for the period and at 30 June 2003	<u>500</u>
Net book value	
At 30 June 2003	<u><u>9,500</u></u>

### 6. TANGIBLE FIXED ASSETS

	Phone kiosks £
Cost	
Acquired on 31 May 2002 and at 30 June 2003 (note 14)	<u>50,000</u>
Depreciation	
Charge for the period and at 30 June 2003	<u>16,667</u>
Net book value	
At 30 June 2003	<u><u>33,333</u></u>

### 7. DEBTORS

	£
Amounts owed by group undertakings	2,348,385
Prepayments	<u>5,000</u>
	<u><u>2,353,385</u></u>

# NWP STREET LIMITED

## NOTES TO THE ACCOUNTS

Period from 10 April 2002 to 30 June 2003

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

	£
Amounts owed to group undertakings	65,000
Corporation tax payable	114,763
	<u>179,763</u>

### 9. PROVISIONS FOR LIABILITIES AND CHARGES

#### Deferred taxation

A deferred tax asset has not been recognised in respect of timing differences relating to capital allowances and short term timing differences as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £1,736,139. The asset would be recovered if the company generates appropriate taxable profits in the future.

### 10. CALLED UP SHARE CAPITAL

	£
Authorised 1,000 ordinary shares of £1 each	1,000
Called up, allotted and fully paid 1 ordinary share of £1	<u>1</u>

During the period, 1 ordinary share was issued at par.

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

	£
Profit for the financial period	2,216,454
Issue of share	<u>1</u>
Net addition to and closing shareholders' funds	<u>2,216,455</u>

## NWP STREET LIMITED

### NOTES TO THE ACCOUNTS

Period from 10 April 2002 to 30 June 2003

#### 12. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption contained in Financial Reporting Standard 8 "Related Party Disclosures" and has not disclosed transactions with other group undertakings as group financial statements of NWP Spectrum Holdings Limited are publicly available.

#### 13. ULTIMATE PARENT COMPANY

NWP Spectrum Holdings Limited, a company incorporated in Great Britain, is the immediate controlling party and ultimate parent company. Copies of the consolidated financial statements of NWP Spectrum Holdings Limited are available from the company secretary at the company's registered office (see page 1).

#### 14. PURCHASE OF TRADE FROM NEW WORLD PAYPHONES LIMITED

On 31 May 2002 the company purchased the public site managed payphones business of New World Payphones Limited. There were no adjustments to book value.

Net assets acquired:	Fair value £
Tangible fixed assets	50,000
Prepayments and other debtors	5,000
	<hr/>
	55,000
Goodwill	10,000
	<hr/>
	65,000
	<hr/>
Satisfied by:	
Cash	65,000
	<hr/>

#### 15. FINANCIAL COMMITMENTS

At 30 June 2003 the company had no commitments either of a capital nature, or under operating leases.

#### 16. CONTINGENT LIABILITY

The company, along with NWP Spectrum 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 2003, the amount owed under this guarantee was £8,703,245.