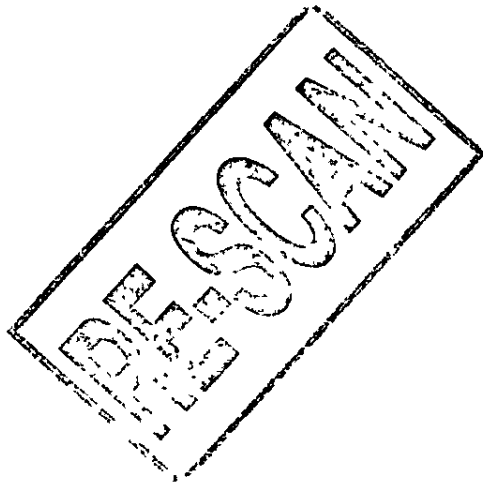


Registered in England No: 4944892

RUGBY RADIO STATION (GENERAL PARTNER) LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**



23/6/08 235

Contents

	Page
Directors, advisors and other information	2
Directors' report	3-5
Statement of directors' responsibilities	6
Independent auditors' report	7
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10-14

Rugby Radio Station (General Partner) Limited

Directors, Advisors and Other Information

Directors and Officers

Directors:

A P Cooper

E R Hewitt

R P Jones

N J McLeod

Alternate Directors:

J Gottlieb

I B Womack

Secretary

Aviva Company Secretarial Services Limited

St Helen's

1 Undershaft

London EC3P 3DQ

Auditors

Ernst & Young LLP

1 More London Place

London SE1 2AF

Registered Place of Business

St Helen's

1 Undershaft

London EC3P 3DQ

Registered No. 4944892

Directors' Report

The directors present their annual report and audited financial statements for Rugby Radio Station (General Partner) Limited ("the Company") for the year ended 31 December 2007

Directors

The names of the present directors of the Company appear on page 2

Principal activities

The principal activity of the Company is property investment by way of a 0.1% (2006: 0.1%) interest in Rugby Radio Station Limited Partnership. The Rugby Radio Station Limited Partnership is a partnership within the meaning of the Limited Partnership Act 1907 and the Company is the General Partner in the Rugby Radio Station Limited Partnership. The directors consider that this will continue unchanged for the foreseeable future.

Operations and business review

This business review is addressed to, and written for, the members of the Company with the aim of providing a fair review of the business development, performance and position at the current time, during the financial year and at the end of the financial year. In providing this review, the aim is to present a view that is both balanced and comprehensive and that it is consistent with the size and complexity of the business.

The position of the Company at the year end is shown in the Balance Sheet on page 9, with trading results shown in Profit and Loss on page 8.

Material events

There were no material events during the year.

Key performance indicators

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Future developments

The directors aim to maintain the management policies which have resulted in the company's current position. They consider that there will be continued growth in the next year of the Company's continuing operations.

Results and dividends

The losses after taxation for the year amounted to £3,500 (2006: loss of £1,500). The directors do not propose the payment of a dividend (2006: £nil).

Directors' Report

Risk and capital management policies

(a) Approach to risk and capital management

The Company operates within the governance structure and priority framework of the Aviva Group. Details of Aviva plc's governance framework are contained in the financial statements of Aviva plc.

(b) Management of financial and non-financial risks

The primary risk to which the Company is exposed is the risk that property valuations will fall significantly and realisations will not be achieved at prices and within the timescales that the Company has planned. The management of this risk falls within the mandate of Aviva plc, which manages the realisation process on behalf of the Company. The Directors consider that a 10% fall in markets at the year-end would have a direct impact in the region of 10% of the carrying value of the underlying property.

Operational risk would arise as a result of inadequate or failed internal processes, people or systems, or from external events. Details of Aviva plc's approach to operational risk are set out in the financial statements of Aviva plc.

As with other risk categories, line management of business areas have primary responsibility for the effective identification, management, monitoring and reporting of risks to the Aviva executive in accordance with Aviva Group policies. The Company's risk management function provides support and independent challenge on the completeness, accuracy and consistency of risk assessments, and the adequacy of mitigating action plans.

(c) Capital management

Aviva plc maintains an efficient capital structure, which is consistent with its risk profile and the regulatory and market requirements of its business. Details of the Aviva plc capital management process are contained in the financial statements of Aviva plc.

The directors do not believe that there are any material risks facing the Company.

Directors' interests

The requirement for directors to disclose their interests in the Company's ultimate holding company was repealed by the Companies Act 2006.

Indemnity to Directors

The indemnity and the provisions in the Company's Articles of Association constitute "qualifying third party indemnities" for the purposes of sections 309A to 309C of the Companies Act 1985. These qualifying third party indemnity provisions remain in force as at the date of approving the Directors' report.

Creditor payment policy and practice

It is the Company's policy to pay creditors when they fall due for payment.

Auditors

Ernst & Young LLP have expressed their willingness to continue in office.

Directors' Report

Disclosure of information to the auditor

The Directors who were members of the Board at the time of approving the Directors' report are listed on page 2 of these financial statements. Each of these Directors confirms that

- there is no relevant audit information, being information needed by the auditor's in connection with preparing its report, which the Company's auditors are unaware, and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information

By order of the Board


Director

May 2008

Statement of Directors' responsibilities

The Directors are required to prepare accounts for each accounting period that comply with the relevant provisions of the Companies Act 1985 and of UK GAAP, and which present fairly the financial position, financial performance and cash flows of the Company at the end of the accounting period. A fair presentation of the accounts in accordance with UK GAAP requires the Directors to

- select suitable accounting policies and verify they are applied consistently in preparing the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in UK GAAP is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance, and

The Directors are responsible for maintaining proper accounting records which can be disclosed with reasonable accuracy, at any time, the financial position of the Company. They are also ultimately responsible for the systems of internal control maintained for safeguarding the assets of the Company and for the prevention and detection of fraud and other irregularities.

Auditors' Report

Independent auditors' report to the members of The Rugby Radio Station (General Partner) Limited

We have audited the Company's financial statements for the year ended 31 December 2007 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. These financial statements have been prepared on the basis of 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 United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the parent company 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 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 other transactions is not disclosed.

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

Basis of audit opinion

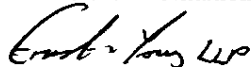
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 affairs of the Company as at 31 December 2007 and of its 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 directors' report is consistent with the financial statements.


Ernst & Young LLP
Registered Auditor

London


27 May 2008

Profit and loss account

for the year ended 31 December 2007

		2007	Restated 2006
	Note	£	£
Administrative expenses	2	(3,500)	(1,500)
Loss on ordinary activities before taxation		(3,500)	(1,500)
Tax on loss on ordinary activities	3	-	-
Loss retained for the financial year	8	(3,500)	(1,500)

All amounts reported in the profit and loss account relate to continuing operations

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

The notes on pages 11 to 14 form an integral part of these financial statements

Balance Sheet

as at 31 December 2007

	Note	2007 £	Restated 2006 £
Fixed assets			
Investments	4	30,023	30,023
Current assets			
Debtors due after more than one year	5	1,000	1,000
Net current assets		1,000	1,000
Creditors due after more than one year	6	(38,023)	(34,523)
Net liabilities		(7,000)	(3,500)
Capital and reserves			
Share capital	7	1,000	1,000
Profit and loss account	8	(8,000)	(4,500)
Equity shareholders' funds		(7,000)	(3,500)

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by



Director

Date 27/05/2008

The notes on pages 11 to 14 form an integral part of these financial statements

Notes to the financial statements

for the year ended 31 December 2007

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention modified to include the revaluation of investments and in accordance with United Kingdom generally accepted accounting practices

The directors are of the opinion that severe long-term restrictions exist over the company's interest in Rugby Radio Station Limited Partnership that substantially hinder the exercise of the company's rights over the assets of the Limited Partnerships subsidiary. In accordance with FRS 2, the interest in Rugby Radio Station Limited Partnership is not consolidated and instead is held as a fixed asset investment. The results and assets of the wholly owned subsidiary disclosed in note 4 have not been consolidated on the grounds of immateriality.

The financial statements have been prepared on the going concern basis despite the net current liabilities position of the Company. Rugby Radio Station Limited Partnership has committed to continue to fund the Company for the duration of the Partnership and the Directors therefore consider the going concern basis of preparation to be appropriate.

Rugby Radio Nominee Limited, a wholly owned subsidiary of the Company, was dormant for the year ended 31 December 2007 (2006: dormant).

b) Fixed asset investment

Fixed asset investments are held at cost, subject to annual impairment review.

c) Taxation

The tax charge in the profit and loss account is based on the taxable losses for the year, after any adjustments in respect of prior years. Tax, including tax relief for losses if applicable, is allocated over profits on ordinary activities and amounts charged or credited to reserves as appropriate.

Provision is made for deferred tax liabilities, or credit taken for deferred tax assets, using the liability method, on all material timing differences in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

d) Cash

The Company has no cash accounts, and expenses are recharged to Rugby Radio Station Limited Partnership.

Notes to the financial statements

for the year ended 31 December 2007

2. Administrative expenses

Audit fees of £3,500 have been accrued for the year (2006 £1,500)

The directors received no emoluments for services to the Company for the financial year (2006 nil)

The Company had no employees during the financial year (2006 nil)

3. Taxation**a) Profit and loss account**

Tax charged to the profit and loss account is as follows

	2007	Restated 2006
	£	£
UK corporation tax	-	-
Prior year adjustment	-	-
	-	-

b) Factors affecting current tax charge for the year

The tax assessed in the profit and loss account is different than the standard UK small companies' tax rate because of the following factors

	2007	Restated 2006
	£	£
Profit/(loss) on ordinary activities before tax	(3,500)	(1,500)
Current charge at standard UK corporation tax rate of 19.75% (2006 19%)	(691)	(285)
Share of Limited Partners taxable loss	(12)	(15)
Utilisation of brought forward tax losses	770	-
Deferred tax asset not recognised	(67)	300
Current tax charge on ordinary activities for the year	-	-

c) Factors that may affect future tax charges

The deferred tax assets, which have not been recognised due to the uncertainty of their recoverability in the foreseeable future, comprise

	2007	Restated 2006
	£	£
Tax losses carried forward at 20% (2006 19%)	1,668	1,081

Notes to the financial statements

for the year ended 31 December 2007

4. Investments

	2007 £	2006 £
Investment in subsidiary undertaking	1	1
Investment in partnership	30,022	30,022
	<u>30,023</u>	<u>30,023</u>

Investment in subsidiary undertaking is shown below

	Principal activity	Percentage or ordinary share capital held	Country of incorporation
Rugby Radio Nominee Limited	Property management services	100%	England

Rugby Radio Nominee Limited has been set up to manage the developed properties held in Rugby Radio Station Limited Partnership and was dormant for the year ended 31 December 2007 (2006 dormant)

The investment in partnership represents 0.1% (2006 0.1%) of the total Partners' equity of Radio Rugby Station Limited Partnership

The Radio Rugby Station Limited Partnership is a limited partnership established under the Limited Partnership Act 1907 for the purpose of developing land into a high quality mixed-use site

In accordance with The Partnerships and Unlimited Companies (Accounts) Regulations 1993 a copy of the financial statements of Radio Rugby Station Limited Partnership is attached to these financial statements

Notes to the financial statements
for the year ended 31 December 2007

5. Debtors due after more than one year

	2007 £	2006 £
Due from parent companies	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

6. Creditors due after more than one year

	2007 £	Restated 2006 £
Amounts owed to group undertakings	35,523	33,023
Accruals	2,500	1,500
	<u>38,023</u>	<u>34,523</u>

7. Share capital

	2007 £	2006 £
Authorised		
500 ordinary 'A' shares of £1 each	500	500
500 ordinary 'B' shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
500 ordinary 'A' shares of £1 each	500	500
500 ordinary 'B' shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>

The 'A' and 'B' shares confer upon the holders the same rights and rank pari passu in all respects

8. Reconciliation of movement in shareholders' funds

	Share capital £	Profit and loss account £	Total £
At 31 December 2006	1,000	(8,400)	(7,400)
Prior year restatement	-	3,900	3,900
At 1 January 2007	1,000	(4,500)	(3,500)
Retained loss for the financial year	-	(3,500)	(3,500)
At 31 December 2007	<u>1,000</u>	<u>(8,000)</u>	<u>(7,000)</u>

Notes to the financial statements

for the year ended 31 December 2007

9. Cash flow statement

The Company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard 1 (revised 1996) on the grounds that it qualifies as a small company under section 247 of the Companies Act 1985, as amended by SI 2004 No 16

10. Contingent liabilities and capital commitments

There were no contingent liabilities or commitments at the balance sheet date (2006 nil)

11. Related party transactions

The Company is the General Partner of Radio Rugby Station Limited Partnership in which it also has a 0.1% equity interest at 31 December 2007 (2006 0.1%)

At 31 December 2007 the Company owed £38,023 (2006 £34,523) to Radio Rugby Station Limited Partnership and owed £1 (2006 £1) to Rugby Radio Nominee Limited as disclosed in note 6

12. Ultimate parent and controlling undertaking

The Company is owned equally by Norwich Union (Shareholder GP) Limited and BT Holdings Limited. Neither party has overall control.

Norwich Union (Shareholder GP) Limited is a wholly owned subsidiary of the Aviva plc group of Companies.

BT Holdings Limited is a wholly owned subsidiary of the BT plc group of Companies.

Copies of the financial statements of Aviva plc and BT plc are publicly available from Companies House, Crown Way, Maundy, Cardiff CF14 3UZ.

13. Prior year restatement

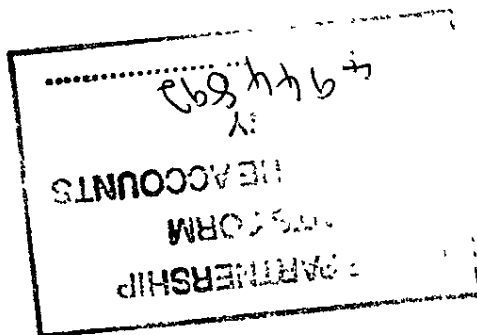
The prior year balances were restated, by £3,000, so that they no longer recognise as an expense the provision of professional services which are deemed to be the responsibility of Radio Rugby Station Limited Partnership.

Registered in England No: LP009085

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RUGBY RADIO STATION LIMITED PARTNERSHIP

**ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007**



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Rugby Radio Station Limited Partnership

Contents

Partners, Advisers and Other Information	2
General Partner's Report to the Partnership	3
Statement of General Partner's Responsibilities in Respect of the Financial Statements	5
Independent Auditor's Report	6
Profit and Loss Account	8
Statement of Total Recognised Gains and Losses	9
Balance Sheet	10
Cash Flow Statement	11
Reconciliation of Net Cashflow to Movement in Net Funds	11
Notes to the Financial Statements	12

Rugby Radio Station Limited Partnership

Partners, Advisers and Other Information

Partners:

Limited Partners

BT (RRS LP) Limited
Commercial Union Life Assurance Company Limited
CGNU Life Assurance Limited

General Partner:

Rugby Radio Station (General Partner) Limited

Auditor:

Ernst & Young LLP
1 More London Place
London SE1 2AF

Banker:

Barclays Bank plc
Bank Plain
Norwich NR2 4SP

Registered Place of Business:

St Helens
1 Undershaft
London EC3P 3DQ

Registered No. LP009085

Rugby Radio Station Limited Partnership

General Partner's Report to the Partnership

The General Partner has pleasure in presenting its report on the operations of Rugby Radio Station Limited Partnership ("the Partnership", "Rugby") for the year ended 31 December 2007 together with the financial statements

Principal Activity

The principal activity of the Partnership is to develop acquired land into a high quality mixed-use site

Review

The Partnership was formed by a Limited Partnership Deed dated 15 March 2004, and commenced trading on that date. Additions during 2007 were at cost £172,000 (2006 £39,000) and the property portfolio yielded a rental income of £267,000 (2006 £238,000)

Activity for the year has continued to focus on responding to key planning policy initiatives both at a local and national level. Significant focus was applied in responding to the Core Strategy of Rugby Borough Council where we have sought to demonstrate that the Radio Station site offers a significant opportunity to meet the projected housing allocation. The consultation process closed at the end of 2007 with publication expected by the summer of 2008.

In addition discussions have opened with an adjoining landowner regarding the proposed employment element of the master-planned site.

The partnership's activities expose it to a number of financial risks including price risk, credit risk and liquidity risk.

Credit risk

The partnership's principal financial assets are cash, trade and other receivables, prepayments and accrued income.

The partnership's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The partnership has no significant concentration of credit risk, with exposure spread over a large number of customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the partnership uses appropriate financing where necessary.

Results and Distributions

The retained loss for the year amounted to £71,000 (2006 loss £80,000). There were no distributions to the Partners during the year.

Rugby Radio Station Limited Partnership

General Partner's Report (continued)

Partners and Partners' Interests

The Limited Partners at 31 December 2007 and their interests in the equity and advance were as follows

	Equity Capital	Advance Capital	Total
	£	£	£
CGNU Life Assurance Limited	125	7,725,256	7,725,381
Commercial Union Life Assurance Company Limited	125	7,725,256	7,725,381
BT (RRS LP) Limited	250	15,450,513	15,450,763
General Partner Limited	3	30,018	30,021
Partners' Funds	503	30,931,043	30,931,546

Payment Policy

It is the Partnership's policy that payments to suppliers for goods and services to the Partnership are made in accordance with the policies of Aviva plc and British Telecommunications plc as appropriate and as reported in their respective financial statements

Statement of General Partner's responsibilities as to disclosure of information to auditors

The Partners who were members of the Partnership at the time of approving the General Partner's report Having made enquiries of fellow Partners and of the Partnership's auditors, each of the Partners confirms that

- to the best of each Partner's knowledge and belief, there is no information relevant to the preparation of their report of which the Partnership's auditors are unaware, and
- each Partner has taken all the steps a partner might reasonably be expected to have taken to be aware of relevant audit information and to establish that the partnership's auditors are aware of that information

Auditor

Ernst & Young LLP have expressed their willingness to continue in office and a resolution will be submitted at the Partnership meeting to reappoint them as auditor and to authorise the General Partner to determine their remuneration



On behalf of the General Partner

27/5/ 2008

Rugby Radio Station Limited Partnership

Statement of General Partner's Responsibilities in Respect of the Financial Statements

The Partnership and Unlimited Companies (Accounts) Regulations 1993 require that a qualifying Partnership prepare financial statements in accordance with the applicable provisions of the Companies Act 1985

United Kingdom company law requires the General Partner to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Partnership and Group as at the end of the financial year and of the profit or loss for the Partnership and Group for that period. In preparing those financial statements, the General Partner 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, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business

The General Partner is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Partnership and to enable it to ensure that the financial statements comply with the provisions of the Companies Act 1985 applicable to a qualifying Partnership. It is also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Rugby Radio Station Limited Partnership

Independent Auditors' Report to the Partners of The Rugby Radio Station Limited Partnership

We have audited the Partnership's financial statements for the year ended 31 December 2007 which comprise the Profit and Loss account, Statement of Total Recognised Gains and Losses, Balance Sheet, Cash Flow Statement, reconciliation of net decrease in cash to movement in net funds, and the related notes 1 to 14. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Partners of the Partnership, as a body, in accordance with The Partnership and Unlimited Companies (Accounts) Regulations 1993. Our audit work has been undertaken so that we might state to the Partners those matters we are required to state to them in an auditor's 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 Partnership and the Partners as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the General Partner and Auditors

As described in the Statement of General Partner's Responsibilities the General Partner is responsible for the preparation of the annual report and of the financial statements in accordance with applicable United Kingdom law and accounting standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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 Partnership Agreement and The Partnership and Unlimited Companies (Accounts) Regulations 1993. We also report to you if, in our opinion, the Partnership 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 members remuneration and other transactions is not disclosed.

We read the General Partner's report and consider the implications for our report if we become aware of any apparent misstatements within it. We report if the General Partner's report is consistent with the financial statements.

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 General Partners in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Partnership'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 consolidated 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.

Rugby Radio Station Limited Partnership

Independent Auditor's Report to the Partners of The Rugby Radio Station Limited Partnership (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 Partnership's affairs as at 31 December 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Partnership Agreement and the Partnerships and Unlimited Companies (Accounts) Regulations 1993, and
- the information given in the General Partner's report is consistent with the financial statements



Ernst & Young LLP
Registered Auditor
London

27 May 2008

Rugby Radio Station Limited Partnership

Profit and Loss Account

For the year ended 31 December 2007

	Notes	2007 £'000	2006 £'000
Turnover	2	267	238
Cost of sales		<u>(195)</u>	<u>(161)</u>
Gross profit		72	77
Administrative expenses		<u>(150)</u>	<u>(169)</u>
Operating loss	3	(78)	(92)
Interest receivable		<u>7</u>	<u>12</u>
Loss for the financial year		<u><u>(71)</u></u>	<u><u>(80)</u></u>

All amounts reported in the profit and loss account relate to continuing operations

The notes on pages 12 to 16 form an integral part of these financial statements

Rugby Radio Station Limited Partnership

Statement of Total Recognised Gains and Losses

For the year ended 31 December 2007

	Notes	2007 £'000	2006 £'000
Retained loss for the financial year	9	(71)	(80)
Total recognised gains and losses for the year		<u>(71)</u>	<u>(80)</u>

Statement of Changes in Partners Funds

For the year ended 31 December 2007

	Notes	AVIVA £'000	BT £'000	GP £'000	Retained Loss £'000	Total £'000
As at 1st January 2007	8	15,250	15,251	30	(423)	30,108
Capital contributions 1st January 2007 to 31st December 2007	8	200	200	-	-	400
Loss 1st January 2007 to 31st December 2007	9	-	-	-	(71)	(71)
		<u>15,450</u>	<u>15,451</u>	<u>30</u>	<u>(494)</u>	<u>30,437</u>

Rugby Radio Station Limited Partnership

Balance Sheet

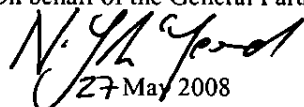
As at 31 December 2007

	Notes	2007 £'000	2006 £'000
Fixed Assets			
Land	5	<u>30,293</u>	<u>30,121</u>
Current Assets			
Debtors	6	122	45
Cash at bank and in hand		<u>238</u>	<u>82</u>
		360	127
Creditors amounts falling due within one year	7	<u>(217)</u>	<u>(140)</u>
Net current assets		<u>144</u>	<u>(13)</u>
Total assets less current liabilities		30,437	30,108
Net assets		<u>30,437</u>	<u>30,108</u>
Capital and Reserves			
Partners' capital	8	30,931	30,531
Profit and loss account	9	<u>(494)</u>	<u>(423)</u>
Partners' funds		<u>30,437</u>	<u>30,108</u>

The notes on pages 12 to 16 form an integral part of these financial statements

As required by The Partnerships and Unlimited Companies (Accounts) Regulations 1993 these financial statements have been prepared according to the accounting provisions of the Companies Act 1985, as applicable

On behalf of the General Partner


27 May 2008

Rugby Radio Station Limited Partnership

Cash Flow Statement

For the period ending 31 December 2007

	Notes	2007 £'000	2006 £'000
Net cash outflow from operating activities	10 (a)	(145)	(84)
Returns on investments and servicing of finance	10 (b)	6	12
Capital expenditure and financial investment	10 (c)	295	(39)
Net increase/(decrease) in cash		<u>156</u>	<u>(111)</u>

Reconciliation of Net Cashflow to Movement in Net Funds

	Notes	2007 £'000	2006 £'000
Net increase/(decrease) in cash		156	(111)
Net funds at 1 January		<u>82</u>	<u>193</u>
Net funds at 31 December	10 (d)	<u>238</u>	<u>82</u>

Rugby Radio Station Limited Partnership

Notes to the Financial Statements

1 Accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention as modified to include the revaluation of investment properties and in accordance with applicable United Kingdom generally accepted accounting principles, using the following accounting policies as set out below which have been applied consistently throughout the year and the preceding period

FRS 29 "Financial instruments disclosures" became applicable under UK GAAP for periods beginning on or after 1 January 2007. FRS 29 applies to entities within the scope of FRS 26 – that is, listed entities and entities that use fair value accounting rules of the Companies Act 1985 to produce their financial statements. Rugby Radio Station Limited Partnership is therefore not required to implement this standard

(b) Land

Land is recorded and held at cost. Any impairment in value of land from original cost is taken to the profit and loss account in the year in which it is incurred

Land is not depreciated

(c) Acquisitions and disposals

Acquisitions and disposals of land are considered to have taken place when legal completion has occurred

(d) Rental income and operating income

Rental income is recognised in the income and expenditure account on an accruals basis. Provisions are made where in the opinion of the General Partner amounts are deemed likely to be irrecoverable. Rental income and operating income for the year are attributable to the principal activity of the Partnership. Rental income derives from operations within the United Kingdom

(e) Capitalised costs

Fees associated with the strategic planning of the site are recorded at cost and have been capitalised to the tangible fixed asset

Rugby Radio Station Limited Partnership

Notes to the Financial Statements (continued)

2 Turnover

Turnover, which excludes value added tax, represents rental income and ancillary income earned from third parties. Turnover is attributable to one continuing activity in the UK, the letting and management of land.

	2007 £'000	2006 £'000
Gross rental income	267	238
	<u>267</u>	<u>238</u>

3 Operating loss

	2007 £'000	2006 £'000
Operating loss is stated after charging		
Auditors' fees - audit services	5	5
	<u>5</u>	<u>5</u>

4 Taxation

The provisions of Section 111 of the Income and Corporation Taxes Act 1988 require the taxable gains and losses of a limited partnership to be assessable directly upon the partners. Accordingly no provision has been made for taxation in these financial statements.

5 Fixed assets

Fixed assets represent land.

	2007 £'000	2007 £'000	
	Land	Capitalised costs	Total
Net book value at 1 January	30,000	121	30,121
Additions at cost	-	172	172
Net book value at 31 December	<u>30,000</u>	<u>293</u>	<u>30,293</u>

	2006 £'000	2006 £'000	
	Land	Capitalised costs	Total
Net book value at 1 January	30,000	82	30,082
Additions at cost	-	39	39
Net book value at 31 December	<u>30,000</u>	<u>121</u>	<u>30,121</u>

Rugby Radio Station Limited Partnership

Notes to the Financial Statements (continued)

6 Debtors

	2007 £'000	2006 £'000
Amounts due from tenants	72	18
Prepayments and accrued income	50	27
	<u>122</u>	<u>45</u>

7 Creditors: amounts falling due within one year

	2007 £'000	2006 £'000
Partners' advances	-	1
Deferred income	33	46
Accruals	184	93
	<u>217</u>	<u>140</u>

8 Partners' capital

	Capital Contributions £	Advances £	Total £
At 31 December 2007			
CGNU Life Assurance Limited	125	7,725,256	7,725,381
Commercial Union Life Assurance Company Limited	125	7,725,256	7,725,381
BT (RRS LP) Limited	250	15,450,513	15,450,763
General Partner Limited	3	30,018	30,021
Total equity	<u>503</u>	<u>30,931,043</u>	<u>30,931,546</u>

	Capital Contributions £	Advances £	Total £
At 31 December 2006			
CGNU Life Assurance Limited	125	7,625,256	7,625,381
Commercial Union Life Assurance Company Limited	125	7,625,256	7,625,381
BT (RRS LP) Limited	250	15,250,513	15,250,763
General Partner Limited	3	30,018	30,021
Total equity	<u>503</u>	<u>30,531,043</u>	<u>30,531,546</u>

Rugby Radio Station Limited Partnership

Notes to the Financial Statements (continued)

9 Profit and loss account

	2007 £'000	2006 £'000
Profit and loss account at 1 January	423	343
Retained loss for the financial year	71	80
Profit and loss account at 31 December	<u>494</u>	<u>423</u>

10 Notes to the statement of cash flows

(a) Reconciliation of operating loss to net cash outflow from operating activities

	2007 £'000	2006 £'000
Operating loss	(77)	(92)
Change in debtors	(78)	11
Change in creditors	10	(3)
Net cash outflow from operating activities	<u>(145)</u>	<u>(84)</u>

(b) Returns on investments and servicing of finance

	2007 £'000	2006 £'000
Interest received	<u>6</u>	<u>12</u>

(c) Capital expenditure and financial investments

	2007 £'000	2006 £'000
Contributions received from Partners	400	-
Payments to acquire tangible fixed assets	<u>(105)</u>	<u>(39)</u>
	<u>295</u>	<u>(39)</u>

Rugby Radio Station Limited Partnership

Notes to the Financial Statements (continued)

(d) Analysis of net funds

	At 31 December 2006 £'000	Cashflow £'000	At 31 December 2007 £'000
Cash at bank	82	156	238

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the balance sheet date (2006 £nil)

12 Related party transactions

Morley Fund Management, as the operator, is entitled to an operator fee, from the Partnership. The fee payable for the year is £110,000 (2006 £105,000), of which £56,000 (2006 £27,000) was outstanding as at 31 December 2007.

BT (RRS LP) Limited manages the site on behalf of the partnership, undertaking tasks such as security, maintaining the boundary, etc. It is entitled to a management fee, from the Partnership. The fee payable for the year is £150,000 (2006 £150,000), £37,500 (2006 £37,500) of which is outstanding as at 31 December 2007.

All costs related to the Rugby Radio Station (General Partner) Limited have been paid by the Limited Partnership and included as a debtor in the balance sheet. As at 31 December 2007 £8,000 (2006 £8,500) was owing to the Partnership by the General Partner.

FPD Savills in its capacity as managing agent for Rugby Radio Station Limited Partnership collects rents from tenants and arranges payment on property repairs on behalf of Rugby Radio Station Limited Partnership. The fee payable for the year is £10,000 (2006 £10,000), of which £2,500 (2006 £2,500) was outstanding as at 31 December 2007.

13 Controlling party

The controlling party is Rugby Radio Station (General Partner) Limited which is jointly owned by NU (Shareholder GP) Limited, a subsidiary of Aviva plc, and BT (RRS LP) limited, a subsidiary of British Telecommunications plc.