

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE PERIOD 1 AUGUST 2005 TO 31 MARCH 2006  
FOR  
DE FACTO 1185 LIMITED**

**5319623**



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**for the period 1 August 2005 to 31 March 2006**

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**DE FACTO 1185 LIMITED**

**COMPANY INFORMATION**

**for the period 1 August 2005 to 31 March 2006**

**DIRECTORS:** A C Gallagher  
G H Gosling

**SECRETARY:** S A Burnett

**REGISTERED OFFICE:** 15 Hockley Court  
Hockley Heath  
Solihull  
West Midlands  
B94 6NW

**REGISTERED NUMBER:** 5319623 (England and Wales)

**AUDITORS:** PricewaterhouseCoopers LLP  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

## **DE FACTO 1185 LIMITED**

### **REPORT OF THE DIRECTORS**

**for the period 1 August 2005 to 31 March 2006**

The directors present their report with the audited financial statements of the company for the period 1 August 2005 to 31 March 2006.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of holding investments.

#### **REVIEW OF BUSINESS**

The results for the period and financial position of the company are as shown in the annexed financial statements.

Both the results for the period, and the period end financial position were satisfactory. The directors consider future prospects to be satisfactory.

#### **DIVIDENDS**

No dividends will be distributed for the period ended 31 March 2006.

#### **DIRECTORS**

The directors during the period under review were:

A C Gallagher  
G H Gosling

*The directors holding office at 31 March 2006 did not hold any direct beneficial interest in the issued share capital of the company at 1 August 2005 or 31 March 2006.*

The interests of the directors in the share capital of the parent company are shown in the financial statements of that company.

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

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 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;
- 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.

**DE FACTO 1185 LIMITED**

**REPORT OF THE DIRECTORS**

**for the period 1 August 2005 to 31 March 2006**

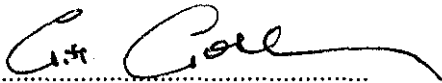
**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

So far as the directors are aware, there is no relevant information of which the company's auditors are unaware, and the directors have taken all the steps that ought to have been taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'G H Gosling', written over a dotted line.

G H Gosling - Director

5 January 2007

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DE FACTO 1185 LIMITED

We have audited the financial statements of De Facto 1185 Limited for the period ended 31 March 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 not consistent with the financial statement.

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

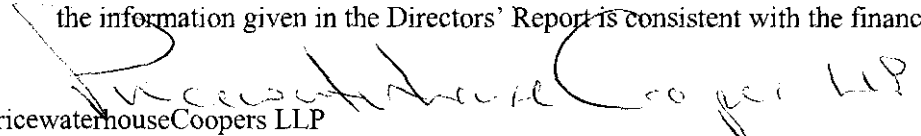
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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.

### 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 March 2006 and of its profit for the eight month period 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.

  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Birmingham  
5 January 2007

**DE FACTO 1185 LIMITED****PROFIT AND LOSS ACCOUNT****for the period 1 August 2005 to 31 March 2006**

		Period 1.8.05 to 31.3.06 £	Period 22.12.04 to 31.7.05 £
	Notes		
<b>TURNOVER</b>		-	-
Administrative expenses		(1,200)	-
<b>OPERATING LOSS</b>	3	(1,200)	-
Interest receivable and similar income		<u>1,526</u>	<u>10</u>
		326	10
Amounts written off investments	4	-	(1)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		326	9
Tax on profit on ordinary activities	5	<u>(98)</u>	<u>(3)</u>
<b>PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION</b>		<u>228</u>	<u>6</u>
<b>RETAINED PROFIT FOR THE PERIOD</b>	10	<u>228</u>	<u>6</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current or previous periods.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current or previous periods.

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

There is no difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis.

**DE FACTO 1185 LIMITED****BALANCE SHEET****31 March 2006**

	Notes	31.3.06 £	31.7.05 £
<b>CURRENT ASSETS</b>			
Debtors	7	14	10
Cash at bank		<u>52,521</u>	<u>50,999</u>
		52,535	51,009
<b>CREDITORS</b>			
Amounts falling due within one year	8	<u>(51,301)</u>	<u>(50,003)</u>
<b>NET CURRENT ASSETS</b>		<u>1,234</u>	<u>1,006</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,234</u>	<u>1,006</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	1,000	1,000
Profit and loss account	10	<u>234</u>	<u>6</u>
<b>SHAREHOLDERS' FUNDS</b>	12	<u>1,234</u>	<u>1,006</u>

**ON BEHALF OF THE BOARD:**

  
.....  
G H Gosling - Director

Approved by the Board on 5 January 2007



## DE FACTO 1185 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the period 1 August 2005 to 31 March 2006

#### 1. ACCOUNTING POLICIES

##### Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards. A summary of the more important policies which have been consistently applied is set out below.

##### Cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

##### Deferred tax

Full provision is made on a non-discounted basis for deferred tax assets and liabilities arising due to timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation at the current rate of tax. Deferred tax assets are only recognised when it is considered more likely than not that they will be realised.

#### 2. STAFF COSTS

There were no staff costs for the period ended 31 March 2006 nor for the period ended 31 July 2005.

The average monthly number of employees during the period was as follows:

	Period 1.8.05 to 31.3.06	Period 22.12.04 to 31.7.05
Directors	<u>2</u>	<u>2</u>

#### 3. OPERATING LOSS

The operating loss is stated after charging:

	Period 1.8.05 to 31.3.06 £	Period 22.12.04 to 31.7.05 £
Auditors' remuneration	<u>1,200</u>	<u>-</u>
Directors' emoluments	<u>-</u>	<u>-</u>

The auditors' remuneration for audit services was previously borne by another group company.

# DE FACTO 1185 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued for the period 1 August 2005 to 31 March 2006

### 4. AMOUNTS WRITTEN OFF INVESTMENTS

	Period 1.8.05 to 31.3.06 £	Period 22.12.04 to 31.7.05 £
Provision against investments	<u>-</u>	<u>1</u>

### 5. TAXATION

#### Analysis of the tax charge

The tax charge on the profit on ordinary activities for the period (which equates to the profits at 30%) was as follows:

	Period 1.8.05 to 31.3.06 £	Period 22.12.04 to 31.7.05 £
Current tax:		
UK corporation tax at 30%	-	3
Group relief	<u>98</u>	<u>-</u>
Tax on profit on ordinary activities	<u>98</u>	<u>3</u>

### 6. FIXED ASSET INVESTMENTS

	Listed investments £
<b>COST</b>	
At 1 August 2005 and 31 March 2006	<u>1</u>
<b>PROVISIONS</b>	
At 1 August 2005 and 31 March 2006	<u>1</u>
<b>NET BOOK VALUE</b>	
At 31 March 2006	<u>-</u>
At 31 July 2005	<u>-</u>

### 7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.06 £	31.7.05 £
Other debtors	<u>14</u>	<u>10</u>

# DE FACTO 1185 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued for the period 1 August 2005 to 31 March 2006

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

	31.3.06	31.7.05
	£	£
Amounts owed to group undertakings	50,098	50,000
Corporation tax	3	3
Accruals and deferred income	<u>1,200</u>	<u>-</u>
	<u>51,301</u>	<u>50,003</u>

### 9. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.06	31.7.05
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

### 10. RESERVES

	Profit and loss account
	£
At 1 August 2005	6
Retained profit for the period	<u>228</u>
At 31 March 2006	<u>234</u>

### 11. RELATED PARTY DISCLOSURES

At 31 July 2005, De Facto 1185 Limited owed £50,000 to Ashflame Property Investments Limited. The loan was interest free.

The company was acquired by Ashflame Property Investments Limited on 28 July 2005. Prior to that date the company was owned by ntl Premium TV Holdings Corp. On 28 January 2005 the company acquired 3,665,804 10p ordinary shares in Leicester City plc (in liquidation) from its fellow subsidiary, Premium TV Limited for £1. This transfer was validated in the High Court of Justice Chancery Division Companies Court under s127 of the Insolvency Act 1986 on 12 May 2005.

The company has taken advantage of the exemption in FRS8 not to disclose transactions with other group companies, whilst it remained a wholly owned subsidiary within a consolidated group.

## DE FACTO 1185 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - continued for the period 1 August 2005 to 31 March 2006

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

	31.3.06	31.7.05
	£	£
Profit for the financial period	228	6
Issue of shares	-	1,000
<b>Net addition to shareholders' funds</b>	228	1,006
Opening shareholders' funds	1,006	-
<b>Closing shareholders' funds</b>	<u>1,234</u>	<u>1,006</u>
Equity interests	<u>1,234</u>	<u>1,006</u>

#### 13. CONTROLLING PARTY

De Facto 1185 Limited is a wholly owned subsidiary of Ashflame Property Investments Limited (incorporated in England and Wales), its parent undertaking. Ashflame Property Investments Limited is a wholly owned subsidiary of Ashflame Investments Limited (incorporated in England and Wales).

The ultimate controlling party of the company is Mr A C Gallagher by virtue of his ownership of the majority of the issued share capital of Ashflame Investments Limited.