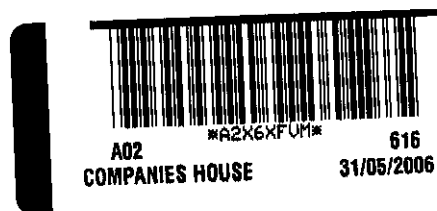


**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE PERIOD 23 DECEMBER 2004 TO 31 JULY 2005  
FOR  
DE FACTO 1187 LIMITED  
5320583**



**CONTENTS OF THE FINANCIAL STATEMENTS**  
**for the period 23 December 2004 to 31 July 2005**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Report of the Independent Auditors</b>	<b>4</b>
<b>Profit and Loss Account</b>	<b>5</b>
<b>Balance Sheet</b>	<b>6</b>
<b>Notes to the Financial Statements</b>	<b>7</b>

**DE FACTO 1187 LIMITED**

**COMPANY INFORMATION**

**for the period 23 December 2004 to 31 July 2005**

**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:**

5320583 (England and Wales)

**AUDITORS:**

PricewaterhouseCoopers LLP  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

## **DE FACTO 1187 LIMITED**

### **REPORT OF THE DIRECTORS**

**for the period 23 December 2004 to 31 July 2005**

The directors present their report with the audited financial statements of the company for the period 23 December 2004 to 31 July 2005.

### **INCORPORATION**

The company was incorporated on 23 December 2004.

### **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 July 2005.

### **DIRECTORS**

The directors during the period under review were:

A C Gallagher - appointed 28.7.05

G H Gosling - appointed 28.7.05

Travers Smith Secretaries Limited - appointed 23.12.04 resigned - 21.1.05

Travers Smith Limited - appointed 23.12.04 resigned 21.1.05

Robert Allen Schmitz - appointed 21.1.05 resigned 28.7.05

Roderick Waldermar Lisle Henwood - appointed 21.1.05 resigned 10.6.05

Andrew St John Ian Daw - appointed 10.6.05 resigned 28.7.05

The directors holding office at 31 July 2005 did not hold any direct beneficial interest in the issued share capital of the company at date of appointment or 31 July 2005.

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

Both the directors, being eligible, offer themselves for election at the forthcoming first Annual General Meeting.

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

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 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 1187 LIMITED**

**REPORT OF THE DIRECTORS**

**for the period 23 December 2004 to 31 July 2005**

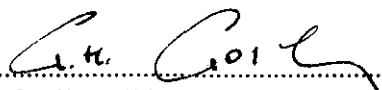
**STATEMENT OF DIRECTORS' RESPONSIBILITIES (cont)**

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:**

  
.....

G H Gosling - Director

30 May 2006

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DE FACTO 1187 LIMITED

We have audited the financial statements of De Facto 1187 Limited for the period ended 31 July 2005 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

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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 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

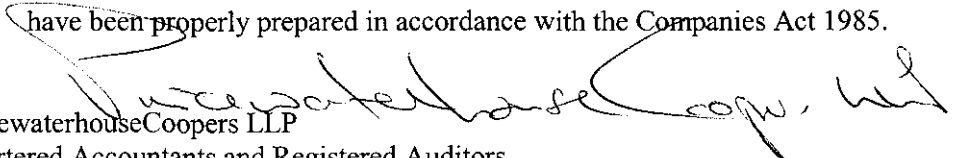
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 July 2005 and of its profit for the period then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Birmingham

30 May 2006

## DE FACTO 1187 LIMITED

### PROFIT AND LOSS ACCOUNT

for the period 23 December 2004 to 31 July 2005

	Notes	£
<b>TURNOVER</b>		-
<b>OPERATING PROFIT</b>	3	-
Interest receivable and similar income		<u>6</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		6
Tax on profit on ordinary activities	4	<u>(2)</u>
<b>PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION</b>		<u>4</u>
<b>RETAINED PROFIT FOR THE PERIOD</b>	9	<u>4</u>

### CONTINUING OPERATIONS

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

### TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current period.

### 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 1187 LIMITED**

**BALANCE SHEET**

**31 July 2005**

	Notes	£
<b>CURRENT ASSETS</b>		
Debtors	6	6
Cash at bank		<u>50,002</u>
		50,008
<b>CREDITORS</b>		
Amounts falling due within one year	7	<u>(50,002)</u>
<b>NET CURRENT ASSETS</b>		<u>6</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>6</u></u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	8	2
Profit and loss account	9	<u>4</u>
<b>SHAREHOLDERS' FUNDS</b>	11	<u><u>6</u></u>

**ON BEHALF OF THE BOARD:**

  
.....  
G H Gosling - Director

Approved by the Board on 30 May 2006

The notes form part of these financial statements



**NOTES TO THE FINANCIAL STATEMENTS**  
**for the period 23 December 2004 to 31 July 2005**

**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 July 2005.

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

Directors	<u><u>2</u></u>
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**3. OPERATING PROFIT**

The operating profit is stated after charging:

	£
Directors' emoluments	<u><u>-</u></u>

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

**4. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the period was as follows:

	£
Current tax:	
Corporation tax at 30%	<u><u>2</u></u>
Tax on profit on ordinary activities	<u><u>2</u></u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the period 23 December 2004 to 31 July 2005**

**5. FIXED ASSET INVESTMENTS**

	Investments £
<b>COST</b>	
Additions	1
Disposals	<u>(1)</u>
At 31 July 2005	<u>-</u>
<b>NET BOOK VALUE</b>	
At 31 July 2005	<u><u>-</u></u>

**6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	£
Other debtors	<u>6</u>

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	£
Amounts owed to group undertakings	50,000
Corporation tax	<u>2</u>
	<u><u>50,002</u></u>

The amount owed to group undertakings is owed to Ashflame Property Investments Limited, its ultimate parent undertaking and is interest free.

**8. CALLED UP SHARE CAPITAL**

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

Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	£
2	Ordinary	£1	<u>2</u>

The following shares were allotted and fully paid for cash at par during the period:

2 Ordinary shares of £1 each

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the period 23 December 2004 to 31 July 2005**

**9. RESERVES**

	Profit and loss account £
Retained profit for the period	<u>4</u>
At 31 July 2005	<u><u>4</u></u>

**10. RELATED PARTY DISCLOSURES**

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 13,557,768 5p deferred shares in Newcastle United plc from its fellow subsidiary, Premium TV Limited for £1. On 10 February 2005 the company transferred 4,519,256 5p deferred shares in Newcastle United plc to its fellow subsidiary, De Facto 1190 Limited for £1. On 14 February 2005 9,038,512 5p deferred shares in Newcastle United plc were transferred to Newcastle United plc for nil consideration for cancellation under s143 (3) Companies Act 1985.

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

	£
Profit for the financial period	4
Issue of shares	<u>2</u>
<b>Net addition to shareholders' funds</b>	6
Opening shareholders' funds	<u>-</u>
<b>Closing shareholders' funds</b>	<u><u>6</u></u>
Equity interests	<u><u>6</u></u>

**12. CONTROLLING PARTY**

At 31 July 2005 De Facto 1187 Limited was a wholly owned subsidiary of Ashflame Property Investments Limited (incorporated in England and Wales), its ultimate parent undertaking. Subsequent to the year end Ashflame Property Investments Limited was acquired by 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 both Ashflame Property Investments Limited and then Ashflame Investments Limited.