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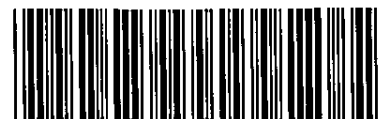
**Company Registration No. 97922**

**Top Up TV Holdings Limited**

**Report and Financial Statements**

**Period from 27 June 2007 to 30 September 2007**

WEDNESDAY



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16/07/2008  
COMPANIES HOUSE

# **Top Up TV Holdings Limited**

## **Report and Financial Statements 2007**

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# **Top Up TV Holdings Limited**

## **Report and Financial Statements 2007**

### **Officers and professional advisers**

#### **Directors**

Nick Markham (appointed 27 June 2007)  
Ian West (appointed 4 August 2007)  
Nick Humby (appointed 4 August 2007)  
David Chance (appointed 6 August 2007)  
Peter Thoren (appointed 6 August 2007)  
Timothy Bunting (appointed 6 August 2007)

#### **Secretary**

Mourant & Co Secretaries Limited

#### **Registered Office**

22 Grenville Street  
St Helier  
Jersey  
JE4 8PX

#### **Bankers**

Royal Bank of Scotland  
23/25 Rosslyn Street  
Kirkcaldy  
KY1 3HA

#### **Solicitors**

Olswang  
90 High Holborn  
London  
WC1V 6XX

#### **Auditors**

Deloitte & Touche LLP  
Chartered Accountants  
London

# Top Up TV Holdings Limited

## Directors' report

The directors present their annual report and the audited financial statements for the period from 27 June 2007 to 30 September 2007. The company was incorporated on 27 June 2007 and commenced trading on 6 August 2007.

### Activities

The company's principal activity is as holding company to other group companies involved in the operation of pay television services on digital terrestrial television in the UK.

On 6 August 2007, Top Up TV Holdings Limited acquired 100% of Top Up TV Europe Limited and Top Up TV 2 Limited, two Jersey registered companies, in a share for share swap. Subsequently the company issued further shares that raised £49,497,267 from existing shareholders and a new investor, Balderton Capital III LP, formerly known as Benchmark Europe III LP. The ultimate parent company, Access Industries LLC, a Delaware limited liability company, was unchanged as a result of this transaction. The new funds will be used to develop the business in the UK and overseas.

### Business review

As shown in the consolidated profit and loss account on page 7, turnover for the period 27 June to 30 September 2007 was £10,047,997. The group's loss for the period after minority interest was £230,887.

The consolidated balance sheet on page 8 shows net assets of £47,046,143 at 30 September 2007.

No dividends have been paid or proposed for the period. The directors do not recommend the payment of a dividend.

### Future prospects

The directors are pleased with the performance of the group during the period and anticipate an improved result in future financial years.

### Financial risk management

The group's activities expose it to a number of financial risks including credit risk and liquidity risk. The use of financial derivatives is governed by the group's policies approved by the board of directors. The group does not use derivative financial instruments for speculative purposes.

#### *Credit risk*

The group's principal financial assets are bank balances and cash, trade and other receivables. The group's credit risk is primarily attributable to its trade and other 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 group has no significant concentration of credit risk, with exposure spread over a large number of counterparties.

#### *Liquidity risk*

The directors perform regular cash flow forecasts to ensure that cash flow is sufficient to fund the ongoing activities of the group.

### Charitable donations

During the period, the group made no charitable or political donations.

# Top Up TV Holdings Limited

## Directors' report

### Directors and their interests

The directors who served during the period and since the period end are shown on page 1. The directors' interests in the share capital of the company at the end of the period are shown below

|                 |                         | Ordinary<br>shares of<br>£0.01 each | Non-<br>voting<br>ordinary<br>shares of<br>£0.01 each | Value<br>shares of<br>£0.01 each | Total  |
|-----------------|-------------------------|-------------------------------------|---|----------------------------------|--------|
| David Chance    | Chairman                | 8,369                               | 18,759  | 4,632                            | 31,760 |
| Nick Markham    | Chief Executive         | 890                                 | 1,405   | 3,177                            | 5,472  |
| Nick Humby      | Chief Financial Officer | -                                   | -   | 2,693                            | 2,693  |
| Ian West        | Non-executive Director  | 4,306                               | 10,553  | -                                | 14,859 |
| Jorg Mohaupt    | Non-executive Director  | 6,457                               | -   | 47                               | 6,504  |
| Peter Thoren    | Non-executive Director  | -                                   | -   | -                                | -      |
| Timothy Bunting | Non-executive Director  | -                                   | -   | -                                | -      |

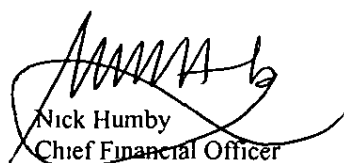
At incorporation, the company issued 1 ordinary share of £1.00 to Juris Limited and 1 ordinary share of £1.00 to David Chance. On 29 June 2007, Juris Limited transferred its 1 ordinary share of £1.00 to David Chance. On 3 August 2007, the ordinary shares of £1.00 each were subdivided into 100 ordinary shares of £0.01 each. As part of the share reorganisation, the company issued further shares.

The rights pertaining to each class of shares and the details of the shares issued are disclosed in Note 19.

### Auditors

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

  
Nick Humby  
Chief Financial Officer

16 July 2008

## **Top Up TV Holdings Limited**

### **Statement of directors' responsibilities**

The directors are responsible for preparing 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 group and of the profit or loss of the group 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 UK 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. 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.

## **Independent auditors' report to the members of Top Up TV Holdings Limited**

We have audited the group and parent company financial statements of Top Up TV Holdings Limited for the period ended 30 September 2007 which comprise the consolidated profit and loss account, the consolidated and parent company balance sheets, the consolidated cash flow statement and the related notes 1 to 28. 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 Article 110 of the Companies (Jersey) Law 1991. 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 (Jersey) Law 1991. 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 or if we have not received all the information and explanations we require for our audit.

We read the Directors' Report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **Basis of 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.

## **Independent auditors' report to the members of Top Up TV Holdings 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 group's and parent company's affairs as at 30 September 2007 and of its loss for the period then ended, and
- the financial statements have been properly prepared in accordance with the Companies (Jersey) Law 1991

*Deloitte + Touche LLP*

**Deloitte & Touche LLP**  
Chartered Accountants  
London

16 July 2008



## Top Up TV Holdings Limited

### Consolidated profit and loss account Period ended 30 September 2007

|  | Note | Period from<br>27 June 2007 to<br>30 September<br>2007<br>£ |
|--|------|---|
| Turnover   | 2    | 10,047,997  |
| Cost of sales                                      |      | (8,440,137)   |
| <b>Gross profit</b>                                |      | <b>1,607,860</b>  |
| Marketing and distribution costs                   |      | (388,848)   |
| Administrative expenses                            |      | (1,954,251)   |
| <b>Operating loss</b>                              |      | <b>(735,238)</b>  |
| Interest receivable & similar income               | 3    | 377,745   |
| Interest payable & similar charges                 | 4    | (27,788)  |
| <b>Loss on ordinary activities before taxation</b> | 5    | <b>(385,281)</b>  |
| Tax on loss on ordinary activities                 | 8    | 62,092  |
| <b>Loss on ordinary activities after taxation</b>  |      | <b>(323,189)</b>  |
| Equity minority interests                          |      | 92,302  |
| <b>Retained loss carried forward</b>               | 20   | <b>(230,887)</b>  |

The above result is derived from activities commenced in the period and has been derived from continuing operations

There are no other recognised gains or losses in either period other than those included in the profit and loss account

Accordingly, a statement of recognised gains and losses has not been presented

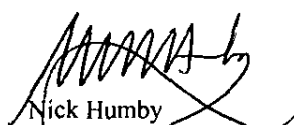
# Top Up TV Holdings Limited

## Consolidated balance sheet At 30 September 2007

|   | Note   | 30 September<br>2007<br>£ |
|---|--------|---------------------------|
| <b>Fixed assets</b>                                   |        |                           |
| Development costs                                     | 10     | 200,025                   |
| Goodwill  | 11     | 5,038,548                 |
| <b>Tangible assets</b>                                | 12     | <u>1,854,613</u>          |
|   |        | 7,093,186                 |
| <b>Current assets</b>                                 |        |                           |
| Stock   | 14     | 2,305,259                 |
| Debtors – due within one year                         | 15     | 12,305,057                |
| Cash at bank and in hand                              |        | <u>40,885,787</u>         |
|   |        | 55,496,103                |
| <b>Creditors: amounts falling due within one year</b> | 16     | <u>(14,943,146)</u>       |
| <b>Net current assets</b>                             |        | <u>40,552,957</u>         |
| <b>Total assets less current liabilities</b>          |        | <u>47,646,143</u>         |
| <b>Creditors: amounts falling due after one year</b>  | 17     | <u>(600,000)</u>          |
| <b>Net assets</b>                                     |        | <u><u>47,046,143</u></u>  |
| <b>Capital and reserves</b>                           |        |                           |
| Called up share capital                               | 19, 20 | 1,840                     |
| Share premium account                                 | 20     | 49,497,609                |
| Merger Reserve  | 20, 28 | (1,619,745)               |
| Profit and loss account                               | 20     | <u>(230,887)</u>          |
| <b>Shareholders' funds</b>                            |        | <u>47,648,817</u>         |
| <b>Minority interests</b>                             | 21     | <u>(602,674)</u>          |
| <b>Total capital employed</b>                         |        | <u><u>47,046,143</u></u>  |

These financial statements were approved by the board of directors and authorised for issue on 16 July 2008

Signed on behalf of the board of directors



Nick Humby  
Chief Financial Officer

16 July 2008

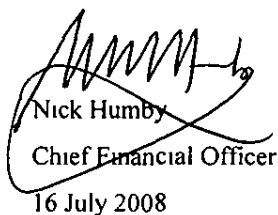
# Top Up TV Holdings Limited

## Company balance sheet At 30 September 2007

|  | Note   | 30 September<br>2007<br>£ |
|--|--------|---------------------------|
| <b>Fixed assets</b>                          |        |                           |
| Investments                                  | 13     | <u>1,627</u>              |
|  |        | 1,627                     |
| <b>Current assets</b>                        |        |                           |
| Debtors                                      | 15     | 11,035,621                |
| Cash at bank and in hand                     |        | <u>38,815,791</u>         |
|  |        | 49,851,412                |
| <b>Net current assets</b>                    |        | <u>49,851,412</u>         |
| <b>Total assets less current liabilities</b> |        | <u>49,853,039</u>         |
| <b>Net assets</b>                            |        | <u>49,853,039</u>         |
| <b>Capital and reserves</b>                  |        |                           |
| Called up share capital                      | 19, 20 | 1,840                     |
| Share premium account                        | 20     | 49,497,609                |
| Profit and loss account                      | 20     | <u>353,590</u>            |
| <b>Equity shareholders' funds</b>            |        | <u>49,853,039</u>         |

These financial statements were approved by the board of directors and authorised for issue on 16 July 2008

Signed on behalf of the board of directors

  
Nick Humby  
Chief Financial Officer  
16 July 2008

# Top Up TV Holdings Limited

## Consolidated cash flow statement Period ended 30 September 2007

|   | Note | 2007<br>£                |
|---|------|--------------------------|
| Net cash outflow from operating activities          | 27   | (7,480,178)              |
| <b>Returns on investment and financing</b>          |      |                          |
| Interest received                                   |      | 377,745                  |
| Interest paid                                       |      | (27,788)                 |
|   |      | <u>349,957</u>           |
| <b>Taxation</b>                                     |      | -                        |
| <b>Capital expenditure and financial investment</b> |      |                          |
| Payments to acquire tangible fixed assets           |      | (139,124)                |
| <b>Acquisitions and disposals</b>                   |      |                          |
| Paid for subsidiary undertakings                    |      | (1,627)                  |
| Cash balance acquired with subsidiaries             | 13   | 3,728,311                |
|   |      | <u>3,726,684</u>         |
| <b>Equity dividends paid</b>                        |      | -                        |
| <b>Management of liquid resources</b>               |      | -                        |
| <b>Financing</b>                                    |      |                          |
| Issue of ordinary share capital for cash            |      | 49,497,821               |
| Shareholder loans repaid                            |      | (5,071,000)              |
| Issue of shares of acquisition                      |      | 1,627                    |
|   |      | <u>44,428,448</u>        |
| <b>Increase in cash in the period</b>               |      | <u><u>40,885,787</u></u> |

# **Top Up TV Holdings Limited**

## **Notes to the accounts**

### **Period ended 30 September 2007**

#### **1. Accounting policies**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards and Companies (Jersey) Law 1991. The particular accounting policies adopted, which have been applied are described below.

##### **Accounting convention**

The financial statements are prepared under the historical cost convention on a going concern basis.

##### **Basis of consolidation**

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 September each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method. The share for share swap which occurred on 6 August 2007 has been accounted for as a merger under FRS 6 as the economic interests of the shareholders in the group were unchanged as a result of the transaction.

##### **Turnover**

Turnover, which excludes value added tax, represents the invoiced value of products and services sold.

- Subscriber revenues includes monthly subscription services, connection fees and starter pack sales. Income from subscription services is recognised as the service is provided. Connection fees are recognised when a new account is activated. Starter pack sales revenue is recognised when the sale is made to the new subscriber.
- Personal Video Recorder ("PVR") revenues relate to the sale of personal video recorders to both retailers and directly to consumers. Revenues are recognised when the PVRs have been delivered.
- Broadcast revenues include conditional access, bandwidth and transmission fees. Broadcast revenues are recognised when the relevant service has been provided.

##### **Foreign currency**

Trading activities denominated in foreign currencies are recorded in sterling at actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end or, if hedged, at the appropriate hedged rate.

##### **Intangible assets - goodwill**

Goodwill arising on acquisition of subsidiary undertakings and businesses, represents any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired. Goodwill is capitalised and written off on a straight-line basis over its useful economic life, which is 20 years. The directors regularly review intangible assets for impairment.

##### **Intangible assets – development costs**

Development expenditure is written off as incurred, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is deferred and amortised over the period during which the group is expected to benefit. This period is between three and five years. The directors regularly review intangible assets for impairment.

# Top Up TV Holdings Limited

## Notes to the accounts

Period ended 30 September 2007

### 1. Accounting policies (continued)

#### Fixed assets

Tangible fixed assets are recorded at cost, net of depreciation and any provision for impairment. The basis of depreciation is either straight-line or reducing balance based over their expected useful lives or the lease period where this is shorter, if held under a finance lease, as follows

|                                |           |                  |
|--------------------------------|-----------|------------------|
| Motor vehicles                 | 4 years   | reducing balance |
| Plant and equipment            | 3-4 years | straight-line    |
| Computer equipment             | 4 years   | straight-line    |
| Broadcast television equipment | 4 years   | straight-line    |

#### Investments

Fixed asset investments are shown at cost less any provision for impairment. The directors monitor the financial position of the investments on a regular basis to ensure that no impairment has occurred.

#### Stock

Smartcard stocks and PVR stocks are stated at cost less any provision for impairment for obsolete, defective or slow moving stock. Any PVR subsidy is expensed to the profit and loss account at the time of sale.

#### Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted at 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 is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent it is regarded more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on a straight-line basis.

#### Pension costs

The group operates defined contribution pension schemes for some of its employees, the assets of which are held separately from those of the company in an independently administered fund. The group also makes contributions to other employees' personal pension schemes. The pension cost for the year represents total contributions payable by the group to the various schemes.

# Top Up TV Holdings Limited

## Notes to the accounts Period ended 30 September 2007

### 2 Turnover

All turnover for the period arose from the UK. The turnover can be analysed as follows

|                   | Period from<br>27 June 2007 to<br>30 September<br>2007<br>£ |
|-------------------|---|
| Subscriber income | 5,158,220   |
| PVR revenue       | 2,640,357   |
| Broadcast revenue | 2,249,420   |
|                   | <u>10,047,997</u>   |

### 3. Interest receivable and similar income

|                          | Period from<br>27 June 2007 to<br>30 September<br>2007<br>£ |
|--------------------------|---|
| Bank interest receivable | <u>377,745</u>  |

### 4. Interest payable and similar charges

|                       | Period from<br>27 June 2007 to<br>30 September<br>2007<br>£ |
|-----------------------|---|
| Bank interest payable | <u>27,788</u>   |

# Top Up TV Holdings Limited

## Notes to the accounts

### Period ended 30 September 2007

#### 5. Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging

|   | Period from<br>27 June 2007 to<br>30 September<br>2007<br>£ |
|---|---|
| Goodwill amortisation (note 11)                 | 54,546  |
| Amortisation of other intangibles (note 10)     | 33,333  |
| Operating lease rentals                         |   |
| - land and buildings                            | 54,113  |
| - other   | 666,614   |
| Depreciation of tangible fixed assets (note 12) |   |
| - owned   | 80,944  |
| Auditors' remuneration – audit fees             | 12,833  |
| – taxation services                             | 833   |
|   | <hr/> <hr/>   |

#### 6. Employee information

##### Group

The average weekly number of persons (including executive directors) employed by the group during the period was 55

|                       | Period from<br>27 June 2007 to<br>30 September<br>2007<br>£ |
|-----------------------|---|
| Wages and salaries    | 931,841   |
| Social security costs | 113,981   |
|                       | <hr/> <hr/>   |
|                       | 1,045,822   |

All staff operated in one area of operations, being the operation of a pay television service on digital terrestrial television in the UK

##### Company

The average weekly number of persons (including executive directors) employed by Top Up TV Holdings Limited during the period was nil



# Top Up TV Holdings Limited

## Notes to the accounts

### Period ended 30 September 2007

#### 7. Directors' remuneration

This represents the directors' remuneration incurred by the group. There were no other transactions between the group and any of the directors.

|                                | 27 June 2007 to<br>30 September<br>2007<br>£ |
|--------------------------------|--|
| <b>Directors' remuneration</b> |  |
| Wages and salaries             | 101,667                                      |
| Bonus                          | 98,681                                       |
| Social security costs          | 26,133                                       |
|                                | <u>226,481</u>                               |

#### 8. Tax on loss on ordinary activities

|   | Period from<br>27 June 2007 to<br>30 September<br>2007<br>£ |
|---|---|
| Current tax   |   |
| UK corporation tax charge on loss for the period at 30% | -   |
| Total current tax                                       | -   |
| Deferred tax  | (62,092)  |
| Tax on loss on ordinary activities                      | <u>(62,092)</u>   |

The differences are explained below

|  | Period from<br>27 June 2007 to<br>30 September<br>2007<br>£ |
|--|---|
| Loss on ordinary activities before tax   | (385,281)   |
| Tax charge of the loss on ordinary activities at the standard rate of corporation tax in the UK of 30% | (115,994)   |
| Effects of   |   |
| Non-deductible expenses  | 66,407  |
| Depreciation in excess of capital allowances   | 82,068  |
| Unutilised tax losses carried forward  | 389,904   |
| Tax losses utilised  | (439,159)   |
| Goodwill amortisation  | 16,364  |
| Current tax charge for the period  | <u>-</u>  |

# Top Up TV Holdings Limited

## Notes to the accounts

### Period ended 30 September 2007

#### 8. Tax on loss on ordinary activities (continued)

The Company has been granted exempt company status under Article 123A of the Income Tax (Jersey) Law 1961. This status is renewable annually. The Company plans to maintain this status for as long as it is available pending the introduction of a general zero rate of corporate income tax which will be introduced as from 1 January 2009. In order to hold exempt status an annual fee of £600 is payable. The fee is included as an expense in the profit and loss account as it is not dependent on the company's results.

#### 9 Profit attributable to the company

The profit for the period dealt with in the financial statements of the parent company was £353,590. No separate profit and loss account is presented in respect of the parent company.

#### 9. Intangible fixed assets – development costs

|  | Group                                       |
|--|---|
|  | Digital TV and<br>Computer<br>Software<br>£ |
| <b>Cost</b>                            |   |
| Acquisition of subsidiary undertakings | 233,358                                     |
| At 30 September 2007                   | <u>233,358</u>                              |
| <b>Amortisation</b>                    |   |
| Charge for the period                  | 33,333                                      |
| At 30 September 2007                   | <u>33,333</u>                               |
| <b>Net Book Value</b>                  |   |
| At 30 September 2007                   | <u><u>200,025</u></u>                       |

#### 10. Intangible fixed assets – goodwill

|  | Group                   |
|--|-------------------------|
|  | £                       |
| <b>Cost</b>                            |                         |
| Acquisition of subsidiary undertakings | 5,093,094               |
| At 30 September 2007                   | <u>5,093,094</u>        |
| <b>Amortisation</b>                    |                         |
| Charge for the period                  | 54,546                  |
| At 30 September 2007                   | <u>54,546</u>           |
| <b>Net book value</b>                  |                         |
| At 30 September 2007                   | <u><u>5,038,548</u></u> |

# Top Up TV Holdings Limited

## Notes to the accounts

Period ended 30 September 2007

### 11. Tangible fixed assets

#### Group

|  | Land and<br>buildings –<br>leasehold<br>improvements<br>£ | Plant and<br>equipment<br>£ | Computer<br>equipment<br>£ | Broadcast<br>TV<br>equipment<br>£ | Total<br>£ |
|--|---|-----------------------------|----------------------------|-----------------------------------|------------|
| <b>Cost</b>                              |   |                             |                            |                                   |            |
| Acquisition of subsidiary<br>undertaking | 25,178  | 27,076                      | 170,483                    | 1,579,779                         | 1,802,515  |
| Additions                                | -   | 8,337                       | 38,444                     | 86,260                            | 133,042    |
| Disposals                                | -   | -                           | -                          | -                                 | -          |
| At 30 September 2007                     | 25,178  | 35,413                      | 208,927                    | 1,666,039                         | 1,935,557  |
| <b>Depreciation</b>                      |   |                             |                            |                                   |            |
| Charge for the period                    | 1,736   | 1,504                       | 7,926                      | 69,778                            | 80,944     |
| Depreciation on disposals                | -   | -                           | -                          | -                                 | -          |
| At 30 September 2007                     | 1,736   | 1,504                       | 7,926                      | 69,778                            | 80,944     |
| <b>Net book value</b>                    |   |                             |                            |                                   |            |
| At 30 September 2007                     | 23,442  | 33,909                      | 201,001                    | 1,596,261                         | 1,854,613  |

### 12 Investments

|                      | Group<br>£ | Company<br>£ |
|----------------------|------------|--------------|
| <b>Cost</b>          |            |              |
| Additions            | -          | 1,627        |
| At 30 September 2007 | -          | 1,627        |

On 6 August 2007, the company purchased 100% of the ordinary share capital of Top Up TV 2 Limited and 100% of the ordinary share capital of Top Up TV Europe Limited

# Top Up TV Holdings Limited

## Notes to the accounts

Period ended 30 September 2007

### 13 Investments (continued)

Principal group investments

The parent company and the group have investments in the following subsidiary undertakings which principally affected the profits and net assets of the group

Investments marked '+' are directly owned by Top Up TV Holdings Limited

| Subsidiary undertakings    | Country of incorporation | Principal activity                                 | Holding         | %       |
|----------------------------|--------------------------|--|-----------------|---------|
| Top Up TV Europe Limited + | Jersey                   | Pay television services                            | Ordinary shares | 100 00% |
| Top Up TV 2 Limited +      | Jersey                   | Pay television services                            | Ordinary shares | 100 00% |
| Inview Interactive Limited | United Kingdom           | Development of broadcast technology for digital TV | Ordinary shares | 79 00%  |
| Top Up TV S à r l          | Luxembourg               | Pay television services                            | Ordinary shares | 100 00% |
| Top Up TV Italia S p a     | Italy                    | Pay television services                            | Ordinary shares | 100 00% |

### 13 Stock

|                      | Group<br>2007<br>£ | Company<br>2007<br>£ |
|----------------------|--------------------|----------------------|
| Card Stock           | 222,944            | -                    |
| PVR Stock            | 2,082,315          | -                    |
| At 30 September 2007 | 2,305,259          | -                    |

There is no material difference between the balance sheet value of stocks and their replacement costs

### 14 Debtors

|                                     | Group<br>2007<br>£ | Company<br>2007<br>£ |
|-------------------------------------|--------------------|----------------------|
| Amounts falling due within one year |                    |                      |
| Trade debtors                       | 8,887,828          | -                    |
| Amounts owed by group undertakings  | -                  | 10,795,621           |
| Other debtors                       | 865,823            | -                    |
| Prepayments                         | 1,937,181          | -                    |
| Accrued income                      | 614,225            | 240,000              |
| At 30 September 2007                | 12,305,057         | 11,035,621           |

## Top Up TV Holdings Limited

### Notes to the accounts

Period ended 30 September 2007

#### 15. Creditors: amounts falling due within one year

|                                 | Group<br>2007<br>£ | Company<br>2007<br>£ |
|---------------------------------|--------------------|----------------------|
| Trade creditors                 | 6,380,101          | -                    |
| Social security and other taxes | 288,671            | -                    |
| Other creditors                 | 128,725            | -                    |
| Accruals                        | 5,819,803          | -                    |
| Deferred revenue                | 2,325,846          | -                    |
|                                 | <u>14,943,146</u>  | <u>-</u>             |
| At 30 September 2007            | <u>14,943,146</u>  | <u>-</u>             |

#### 16. Creditors: amounts falling due after more than one year

|   | Group<br>2007<br>£ | Company<br>2007<br>£ |
|---|--------------------|----------------------|
| Redeemable Preference shares 600,000 at £1 00 | 600,000            | -                    |
|   | <u>600,000</u>     | <u>-</u>             |
| At 30 September 2007                          | <u>600,000</u>     | <u>-</u>             |

Inview Interactive Limited has granted 600,000 redeemable preference shares of £1 00 each. Preference shareholders have the right to attend general meetings of Inview Interactive Limited, but do not have any voting rights attached to their shares. The preference shares attract a cumulative coupon rate of LIBOR plus 1.5%.

## Top Up TV Holdings Limited

### Notes to the accounts

Period ended 30 September 2007

#### 17. Deferred tax

|  | Period from<br>27 June 2007<br>27 June 2007 to<br>30 September<br>2007<br>£ |
|--|---|
| <b>Movement on deferred taxation balance in the period</b> |   |
| Opening balance  | -   |
| Arising on acquisition                                     | (315,461)   |
| Charge to profit and loss account                          | (62,092)  |
|  | <hr/>   |
| Closing balance  | (377,553)   |
|  | <hr/>   |
|  | Period from<br>27 June 2007<br>27 June 2007 to<br>30 September<br>2007<br>£ |
| <b>Analysis of deferred tax balance</b>                    |   |
| Capital allowances in excess of depreciation               | 224   |
| Tax losses   | 377,329   |
|  | <hr/>   |
| Closing balance  | 377,553   |
|  | <hr/>   |

A deferred tax asset has not been recognised in respect of timing differences relating to trading losses and fixed assets as there is insufficient evidence that the asset will be recovered in the individual companies in which they arise. The amount not recognised by the group is £2,912,435. The asset will be recovered if there are sufficient profits in future years against which losses can be utilised.

# Top Up TV Holdings Limited

## Notes to the accounts

Period ended 30 September 2007

### 18 Called up share capital

|  | 30 September<br>20067<br>£ |
|--|----------------------------|
| <b>Authorised:</b>                               |                            |
| 938,700 Ordinary shares of £0.01 each            | 9,387                      |
| 33,900 Non-voting ordinary shares of £0.01 each  | 339                        |
| 27,400 Value shares of £0.01 each                | 274                        |
| <b>Total authorised share capital</b>            | <b>10,000</b>              |
| <b>Allotted, called up and fully paid:</b>       |                            |
| 127,752 Ordinary shares of £0.01 each            | 1,278                      |
| 30,732 Non-voting ordinary shares of £0.01 each  | 307                        |
| 25,459 Value shares of £0.01 each                | 255                        |
| <b>Total allotted, called up and fully paid:</b> | <b>1,840</b>               |

At incorporation, the company issued 1 ordinary share of £1.00 to Juris Limited and 1 ordinary share of £1.00 to David Chance. On 29 June 2007, Juris Limited transferred its 1 ordinary share of £1.00 to David Chance. On 3 August 2007, the ordinary shares of £1.00 each were subdivided into 100 ordinary shares of £0.01 each. As part of the share reorganisation, the company issued an additional 127,652 ordinary shares, 30,732 non-voting ordinary shares, 25,459 Value shares.

Ordinary shares attract voting rights, are entitled to participate in dividends and to receive their full proportion of the assets of the group in the event of a liquidation or sale proceeds in the event of a sale.

Non-Voting shares attract no voting rights, however, they are entitled to participate in dividends and to receive their full share of the assets or sale proceeds in the event of a liquidation or sale.

Value shares attract no voting rights, nor are they entitled to share in dividend payments. They are entitled to their full share of assets or sale proceeds in the event of a liquidation or sale to the extent that the assets or sale proceeds exceed a hurdle rate determined at the time of issue.

# Top Up TV Holdings Limited

## Notes to the accounts Period ended 30 September 2007

### 19 Reconciliation of movement in shareholders' funds

#### Group

|                              | Called up<br>share capital<br>£ | Share<br>premium<br>£ | Merger<br>Reserve<br>£ | Profit and<br>loss account<br>£ | Total<br>£        |
|------------------------------|---------------------------------|-----------------------|------------------------|---------------------------------|-------------------|
| At 27 June 2007              | -                               | -                     | -                      | -                               | -                 |
| Shares issued in the period  | 1,840                           | 49,497,609            | (1,619,745)            | -                               | 47,879,704        |
| Loss for the period          | -                               | -                     | -                      | (230,887)                       | (230,887)         |
| Balance at 30 September 2007 | <u>1,840</u>                    | <u>49,497,609</u>     | <u>(1,619,745)</u>     | <u>(230,887)</u>                | <u>47,648,817</u> |

#### Company

|                              | Called up<br>share capital<br>£ | Share<br>premium<br>£ | Merger<br>Reserve<br>& | Profit and<br>loss account<br>£ | Total<br>£        |
|------------------------------|---------------------------------|-----------------------|------------------------|---------------------------------|-------------------|
| At 27 June 2007              | -                               | -                     | -                      | -                               | -                 |
| Shares issued in the period  | 1,840                           | 49,497,609            | -                      | -                               | 49,499,349        |
| Profit for the period        | -                               | -                     | -                      | 353,590                         | 353,590           |
| Balance at 30 September 2007 | <u>1,840</u>                    | <u>49,497,609</u>     | <u>-</u>               | <u>353,590</u>                  | <u>49,853,039</u> |

### 20 Minority interests

|  | Total            |
|--|------------------|
| At 27 June 2007                            | -                |
| At acquisition                             | (510,372)        |
| Loss on ordinary activities after taxation | <u>(92,302)</u>  |
| At 30 September 2007                       | <u>(602,674)</u> |



# Top Up TV Holdings Limited

## Notes to the accounts

Period ended 30 September 2007

### 21. Financial commitments

#### Group

At 30 September 2007 the group had no capital commitments. Annual commitments under non-cancellable operating leases are shown below.

|                              | 31 September 2007  |                  |
|------------------------------|--------------------|------------------|
|                              | Land and buildings | Other            |
| Expiry date                  |                    |                  |
| - within one year            | 12,500             | -                |
| - between two and five years | 278,157            | -                |
| - after five years           | -                  | 3,806,701        |
|                              | <u>290,657</u>     | <u>3,806,701</u> |

At the balance sheet date the group had placed non-cancellable PVR stock orders with suppliers for £7,589,720 (2006: £nil) for stock which had not yet been delivered and is not recognised in the balance sheet.

At 30 September 2007 the company had no capital commitments. The company had no annual commitments under non-cancellable operating leases.

### 22. Contingent liabilities

At 30 September 2007 the group had no contingent liabilities.

### 23. Subsequent events

On 8 November 2007, pursuant to an option letter, Teletext Limited acquired 25% of the issued ordinary share capital of Inview Interactive Limited. As a result of this transaction, Top Up TV Europe Limited transferred 313,978 ordinary shares to Teletext Limited for a consideration of £2,994,005, of which, £1,830,986 was in the form of loan notes.

On 4 January 2008 the group set up Top Up TV International SARL, a company that will be responsible for all activities and investments outside the UK. On 18 March 2008 Top Up TV International SARL set up Evanescent Limited (a Maltese registered company) and later sold 50.00% to Betfair Holdings (Malta) Limited. On 4 April 2008 the group transferred its interests in Top Up TV Italia Spa and Top Up TV Europe SARL into Top Up TV International SARL.

### 24. Related party transactions

Transactions with the directors of the company are disclosed in note 7. Amounts owed by and to subsidiary undertakings as disclosed in notes 15 and 16 relate to trading balances.

## Top Up TV Holdings Limited

### Notes to the accounts

Period ended 30 September 2007

**25. Ultimate and immediate parent companies**

The immediate parent company is Continuum Media Partners SA, incorporated in Luxembourg. The directors regard Access Industries LLC, a Delaware Limited Liability Company, as the ultimate parent company and controlling party. The largest and smallest group which includes the company and for which group financial statements are prepared is Access Industries LLC, whose accounts are not available to the public.

**26 Reconciliation of operating profit to operating cash flows**

|  | <b>30 September<br/>2007<br/>£</b> |
|--|------------------------------------|
| Operating loss                             | (735,238)                          |
| Depreciation charges                       | 174,896                            |
| Decrease in stock                          | 4,379,019                          |
| Increase in debtors                        | (5,209,611)                        |
| Decrease in creditors                      | (6,089,244)                        |
| Net cash outflow from operating activities | <u>(7,480,178)</u>                 |

Subsidiary undertakings acquired in the year contributed a net cash outflow of £7,480,178 to the group's net operating cash flows, paid £4,064 in respect of net returns on investment and servicing of finance, paid £nil in respect of taxation and utilised £139,124 for capital expenditure.

No subsidiary undertakings were sold in the year.

## Top Up TV Holdings Limited

### Notes to the accounts

Period ended 30 September 2007

#### 28. Merger Accounting

The following table sets out the book value of the identifiable assets and liabilities merged in the share for share swap

|   | Note | Book value<br>£ |
|---|------|-----------------|
| <b>Fixed assets</b>                                 |      |                 |
| Intangible development costs                        |      | 233,358         |
| Goodwill  | 11   | 5,093,094       |
| Tangible assets                                     |      | 1,802,515       |
| <b>Current assets</b>                               |      |                 |
| Debtors   |      | 7,033,344       |
| Stock   |      | 6,684,278       |
| Cash  |      | 3,728,311       |
| <b>Total current assets</b>                         |      | 17,445,933      |
| <b>Creditors: amounts falling due within 1 year</b> |      | (25,953,678)    |
| <b>Net current assets</b>                           |      | (8,507,745)     |
| <b>Creditors: amounts falling due after 1 year</b>  |      | (749,712)       |
| <b>Net assets at 6 August 2007</b>                  |      | (2,128,490)     |
| Minority interest                                   |      | 510,372         |
| Merger reserve                                      |      | 1,619,745       |
| <b>Satisfied by</b>                                 |      |                 |
| Shares issued                                       |      | 1,627           |
| Cash consideration                                  |      | -               |

## Top Up TV Holdings Limited

### Notes to the accounts

#### Period ended 30 September 2007

##### 28. Merger Accounting (continued)

The Consolidated profit and loss account on page 7 shows the results of the group from 6 August 2007, the date control passed. In accordance with FRS 6 the profit and loss account below sets out the aggregated results of the group for the year ending 30 September 2007

|   | Year to<br>30 September<br>2007<br>£ |
|---|--------------------------------------|
| Turnover                                    | 40,012,969                           |
| Cost of sales                               | (31,997,144)                         |
| Gross profit                                | 8,015,825                            |
| Marketing and distribution costs            | (2,271,180)                          |
| Administrative expenses                     | (9,047,810)                          |
| Operating loss                              | (3,303,165)                          |
| Interest receivable & similar income        | 532,582                              |
| Interest payable & similar charges          | (108,248)                            |
| Loss on ordinary activities before taxation | (2,878,831)                          |
| Tax on loss on ordinary activities          | 377,553                              |
| Loss on ordinary activities after taxation  | (2,501,278)                          |
| Equity minority interests                   | 372,919                              |
| Retained loss carried forward               | (2,128,359)                          |