

# **LIVERPOOLFC.TV LIMITED**

Company Number: 4029705

**ANNUAL REPORT**

**YEAR ENDED 31 JULY 2004**



# LIVERPOOLFC.TV LIMITED

## COMPANY INFORMATION

<b>Directors</b>	Rick Parry Jules Burns S Drake J Cresswell
<b>Secretary</b>	L A Wheatley
<b>Company Number</b>	4029705
<b>Registered Office</b>	52 Mount Pleasant Liverpool L3 5UN
<b>Auditors</b>	PKF (UK) LLP 52 Mount Pleasant Liverpool L3 5UN
<b>Bankers</b>	Barclays Bank plc 15-33 Moorfields Liverpool L69 2RU

# LIVERPOOLFC.TV LIMITED

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*The following pages do not form part of the statutory accounts:*

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT	Appendix 1
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**LIVERPOOLFC.TV LIMITED**  
**DIRECTORS' REPORT**  
**YEAR ENDED 31 JULY 2004**

The directors submit their report and the financial statements for the year ended 31 July 2004.

**Principal activity**

The principal activity of the company during the year is to own and operate a broadband affinity, entertainment and e-commerce portal.

**Directors**

The directors who served during the year were:

Rick Parry

Les Wheatley (resigned 17 September 2003)

Jules Burns

J Judd (resigned 17 September 2003)

M Graesser (appointed 17 September 2003)(resigned 20 July 2004)

S Drake (appointed 17 September 2003)

J Cresswell (appointed 20 July 2004)

No director had an interest in the company's issued share capital during the year.

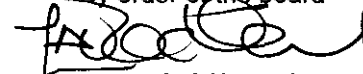
**Appointment of Auditors**

On 23 May 2005, PKF transferred their business to PKF (UK) LLP, a limited liability partnership. Under section 26(5) of the Companies Act 1989, the company consented to extend the audit appointment to PKF (UK) LLP from 23 May 2005. Accordingly, the audit report has been signed in the name of PKF (UK) LLP and a resolution for the reappointment of PKF (UK) LLP and to authorise the directors to agree their remuneration will be proposed at the forthcoming annual general meeting.

**Basis of preparation**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



L A Wheatley  
Secretary

26 August 2005

# **LIVERPOOLFC.TV LIMITED**

## **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 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.

The directors are responsible for ensuring that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
LIVERPOOLFC.TV LIMITED**

We have audited the financial statements of LIVERPOOLFC.TV LIMITED for the year ended 31 July 2004 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.

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 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 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 Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report 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 transactions with the company 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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 of the state of the company's affairs as at 31 July 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Liverpool, UK  
26 August 2005

  
**PKF (UK) LLP**  
Registered Auditors

**LIVERPOOLFC.TV LIMITED****PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 JULY 2004**

	Notes	2004 £	2003 £
<b>TURNOVER</b>	<b>2</b>	<b>1,545,287</b>	<b>2,954,371</b>
Cost of sales		(112,190)	(1,600,407)
<b>GROSS PROFIT</b>		<b>1,433,097</b>	<b>1,353,964</b>
Administrative expenses		(2,489,693)	(2,625,851)
<b>OPERATING LOSS</b>	<b>3</b>	<b>(1,056,596)</b>	<b>(1,271,887)</b>
Interest receivable and similar income		-	3,411
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(1,056,596)</b>	<b>(1,268,476)</b>
<b>TAXATION</b>	<b>4</b>	<b>-</b>	<b>171,323</b>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(1,056,596)</b>	<b>(1,097,153)</b>

# LIVERPOOLFC.TV LIMITED

## BALANCE SHEET

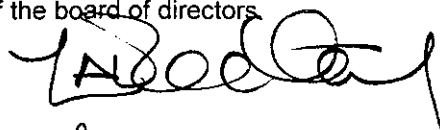
31 JULY 2004

	Notes	2004 £	2003 £
<b>FIXED ASSETS</b>			
Intangible	5	16,000,000	17,000,000
Tangible	6	180,296	301,016
		<u>16,180,296</u>	<u>17,301,016</u>
<b>CURRENT ASSETS</b>			
Debtors	7	540,663	572,389
Cash at bank and in hand		32,110	135,721
		<u>572,773</u>	<u>708,110</u>
<b>CREDITORS: amounts falling due within one year</b>	8	(976,266)	(1,716,093)
<b>NET CURRENT LIABILITIES</b>		<u>(403,493)</u>	<u>(1,007,983)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>15,776,803</u>	<u>16,293,033</u>
<b>CREDITORS: amounts falling due after more than one year</b>	9	(3,470,106)	(2,929,740)
<b>NET ASSETS</b>		<u>12,306,697</u>	<u>13,363,293</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	1,000	1,000
Share premium account	10	19,999,500	19,999,500
Profit and loss account	11	(7,693,803)	(6,637,207)
		<u>12,306,697</u>	<u>13,363,293</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board on *26 August 2005*

Signed on behalf of the board of directors

  
Director



**LIVERPOOLFC.TV LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2004**

**1 ACCOUNTING POLICIES**

**(a) Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

**(b) Turnover**

There has been a change in the basis of recognition of turnover relating to internet merchandise sales. The company now accounts only for the receipt of commission due from Liverpool Football Club in respect of these sales. The effect of this change is to reduce the level of recorded turnover for merchandise sales for the purposes of the financial statements. It is not appropriate to restate comparative figures in this respect as invoicing procedures have been changed with effect from the beginning of the accounting period under review to recognise the new arrangements.

**(c) Intangible fixed assets**

The cost of the media rights purchased has been capitalised net of value added tax. The useful economic life of the assets has been determined as being 20 years in total. The cost is therefore being amortised on a straight line basis over the 20 year period, commencing period ended 31 July 2000.

**(d) Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures, fittings and office equipment at the rate of :- 33.33 % per annum on cost

**2 TURNOVER**

All turnover arose within the United Kingdom.

**3 OPERATING LOSS**

The operating loss is stated after charging:

	2004 £	2003 £
Amortisation of intangible assets	1,000,000	1,000,000
Depreciation of tangible fixed assets:		
- owned by the company	124,500	164,472
Audit fees	6,000	5,750
	<u>          </u>	<u>          </u>

No directors received any emoluments (2003 - £NIL).

**4 TAXATION**

	2004 £	2003 £
<b>Current year taxation</b>		
UK corporation tax	-	(171,323)
	<u>          </u>	<u>          </u>
	-	(171,323)
	<u>          </u>	<u>          </u>

**LIVERPOOLFC.TV LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2004**

**5 INTANGIBLE FIXED ASSETS**

	Media Rights £
<b>Cost</b>	
At 1 August 2003 and 31 July 2004	20,000,000
	<hr/>
<b>Amortisation</b>	
At 1 August 2003	3,000,000
Charge for the year	1,000,000
	<hr/>
At 31 July 2004	4,000,000
	<hr/>
<b>Net book amount</b>	
At 31 July 2004	16,000,000
	<hr/>
At 31 July 2003	17,000,000
	<hr/> <hr/>

**6 TANGIBLE FIXED ASSETS**

	Total £
<b>Cost</b>	
At 1 August 2003	504,420
Additions	3,780
	<hr/>
At 31 July 2004	508,200
	<hr/>
<b>Depreciation</b>	
At 1 August 2003	203,404
Charge for the year	124,500
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At 31 July 2004	327,904
	<hr/>
<b>Net book amount</b>	
At 31 July 2004	180,296
	<hr/>
At 31 July 2003	301,016
	<hr/> <hr/>

**LIVERPOOLFC.TV LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2004**

**7 DEBTORS**

	2004 £	2003 £
Trade debtors	103,854	-
Amounts owed by group undertakings	351,125	546,692
Other debtors	85,684	25,697
	<u>540,663</u>	<u>572,389</u>

**8 CREDITORS:**

**Amounts falling due within one year**

	2004 £	2003 £
Trade creditors	3,000	100,345
Amounts owed to group undertakings	807,757	1,290,769
Other taxation and social security	-	145,738
Other creditors	165,509	179,241
	<u>976,266</u>	<u>1,716,093</u>

**9 CREDITORS:**

**Amounts falling due after more than one year**

	2004 £	2003 £
Amounts owed to group undertakings	3,470,106	2,929,740
	<u>3,470,106</u>	<u>2,929,740</u>

**10 SHARE CAPITAL**

	Authorised £	Allotted, called up and fully paid No	£
At 1 August 2003 and 31 July 2004			
Class A Ordinary shares of £1 each	500	500	500
Class B Ordinary shares of £1 each	500	500	500
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

The company's issued share capital is jointly owned by Granada Media Group Limited who own 500 Class A ordinary shares and Liverpool Football Club and Athletic Grounds plc who own 500 Class B ordinary shares. The shares rank pari passu in all respects.

The Class A shares were issued at a total premium of £19,999,500, which sum has been credited to share premium account.

**LIVERPOOLFC.TV LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2004**

**11 RESERVES**

Profit and loss account	£
At 1 August 2003	(6,637,207)
Loss for the year	(1,056,596)
	<hr/>
At 31 July 2004	(7,693,803)
	<hr/> <hr/>

**12 TRANSACTIONS WITH RELATED PARTIES**

During the year, the company purchased services from Granada Media Group Limited to the value of £762,261 (2003 - £1,043,700). LIVERPOOLFC.TV LIMITED also made sales to Granada Media Group Limited to the value of £256,384 (2003 - £343,652). At the year end amounts owed to Granada Media Group Limited were £782,829 (2003 - £1,281,603). In addition to this balance there was also a long term interest free loan due to Granada Media Group Limited of £3,470,106 (2003 - £2,929,740). The amount owed by Granada Media Group Limited at the year end was £NIL (2003 - £NIL).

The company purchased goods and services from Liverpool Football Club and Athletic Grounds plc to the value of £75,144 (2003 - £1,529,521). LIVERPOOLFC.TV LIMITED also made sales to Liverpool Football Club and Athletic Grounds plc to the value of £582,514 (2003 - £268,160). The balance owed to Liverpool Football Club and Athletic Grounds plc at the year end was £24,928 (2003 - £9,166). The amount owed by Liverpool Football Club and Athletic Grounds plc at the year end was £351,125 (2003 - £546,692).