

**TEAMtalk Media Group Limited (formerly
TEAMtalk Media Group plc)**

Financial statements
Registered number 3921392
31 December 2002



Company information

Company number	3921392
Directors	P Dubens E Semel D Annat AM Galvin M Woodhead
Secretary	C Kennedy
Registered office	Apsley House Wellington Street Leeds LS1 2EQ
Auditor	KPMG Audit Plc 1 The Embankment Neville Street Leeds LS1 4DW

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Directors' report

The directors submit their report and the audited financial statements for the 6 month period ended 31 December 2002.

Results and dividends

The loss for the period is shown in the profit and loss account on page 4.

Principal activity and business review

The principal activity of the company was that of a holding company.

Following the acquisition of the company by ukbetting plc on 12 July 2002, the company's shares ceased to be listed and accordingly the company changed its name to TEAMtalk Media Group Limited on 6 September 2002.

Directors and their interests

The directors who served during the period were as follows:

IT Holding	(resigned 10 July 2002)
AWF Steenberg	(resigned 12 July 2002)
C Oakley	(resigned 12 July 2002)
R Denning	(resigned 12 July 2002)
K Kerr	(resigned 12 July 2002)
AM Galvin	(appointed 12 July 2002)
P Dubens	(appointed 12 July 2002)
E Semel	(appointed 12 July 2002)
D Annat	(appointed 12 July 2002)
M Woodhead	

Of the directors who held office during the period, none had a direct interest in the company at 31 December 2002.

AM Galvin, P Dubens, E Semel and D Annat were also directors of the company's ultimate parent company, ukbetting plc. Their interests in the shares of the ultimate parent company are disclosed in the financial statements of the ultimate parent company.

Auditors

KPMG Audit Plc has indicated willingness to continue in office and a resolution for their reappointment as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the board



AM Galvin
Director

7 August 2003

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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Report of the independent auditors to the members of TEAMtalk Media Group Limited (formerly TEAMtalk Media Group plc)

We have audited the financial statements on pages 4 to 14.

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 are responsible for preparing the directors' report and, as described on page 1, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

Basis of audit opinion

We conducted our audit in accordance with 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the company as at 31 December 2002 and of its loss for the 6 month period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

7 August 2003

Profit and loss account*for the 6 months ended 31 December 2002*

	<i>Note</i>	6 months ended 31 December 2002 £000	15 months ended 30 June 2002 £000
Administrative expenses		(566)	(21,524)
Operating loss	2	(556)	(21,524)
Net interest receivable and similar income	3	25	1,374
Loss on ordinary activities before tax		(531)	(20,150)
Tax on loss on ordinary activities	4	-	(428)
Retained loss for the period		(531)	(20,578)

All the trading during the period related to continuing activities.

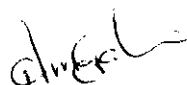
There were no recognised gains or losses other than the loss for the period shown above.

There is no difference between the loss on ordinary activities before and after taxation and the retained loss for the period ended 31 December 2002 and their historical cost equivalents.

Balance sheet*As at 31 December 2002*

	<i>Note</i>	31 December 2002 £000	30 June 2002 £000
Fixed assets			
Tangible assets	6	93	140
Investments	7	4,525	4,803
		<u>4,618</u>	<u>4,943</u>
Current assets			
Debtors	8	24,000	10,472
Short-term investments		-	-
Cash at bank and in hand		354	14,740
		<u>24,354</u>	<u>25,212</u>
Creditors: amounts falling due within one year	9	<u>(3,041)</u>	<u>(2,888)</u>
Net current assets		<u>21,313</u>	<u>22,324</u>
Total assets less current liabilities		<u>25,931</u>	<u>27,267</u>
Creditors: amounts falling due after more than one year	10	-	(800)
Provisions for liabilities charges	11	-	(5)
Net assets		<u>25,931</u>	<u>26,462</u>
Capital and reserves			
Called up share capital	12	2,277	2,277
Share premium account	13	60,894	60,894
Other reserves	13	50	50
Profit and loss account	13	(37,290)	(36,759)
Shareholders' funds	13	<u>25,931</u>	<u>26,462</u>

These financial statements on pages 4 to 14 were approved by the board of directors on 7 August 2003 and were signed on its behalf by:



AM Galvin
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The ability of the company to continue trading in the foreseeable future is largely dependent on the continued support of the ultimate parent company ukbetting plc. The ultimate parent company has indicated that it intends to provide such funds as are necessary for the company to continue to trade for the foreseeable future. Accordingly, the directors consider that the financial statements should be prepared on an ongoing basis.

As the company is a wholly owned subsidiary of a UK parent company, it has taken advantage of the exemption permitted under Section 228 of the Companies Act 1985 and consolidated accounts of the company and its subsidiaries have not been prepared.

Related party transactions group

As the company is wholly owned by ukbetting plc, it has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with entities which form part of that Group.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition. Software and development costs are capitalised where they relate to separately identifiable projects of ongoing commercial value to the TEAMtalk sub-group and are depreciated over their estimated useful economic lives.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Fixtures, fittings and equipment	33%
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Finance and operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term. Finance lease arrangements, which transfer to the company substantially all the benefits and risks of ownership of an asset, are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the finance leases is shown as obligations under finance leases. The finance lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the useful lives of equivalent owned assets.

Foreign currencies

Transactions in foreign currencies are recorded at the date of the transaction or at the contracted rate if the transaction is covered by a foreign exchange contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate the forward contract rate.

Deferred taxation

Deferred tax is recognised, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

Notes (continued)

1 Accounting policies (continued)

Pension costs

The ultimate parent company, ukbetting plc, operates a defined contribution pension scheme in which the employees of the company participate. The pension cost under this scheme is the amount of contributions payable in respect of the accounting period. The ukbetting plc group provides no other post-retirement benefits to employees.

2 Operating loss

	6 months ended 31 December 2002 £000	15 months ended 30 June 2002 £000
Operating loss is stated after (crediting)/charging:		
Depreciation of tangible fixed assets – owned	47	120
Reorganisation costs	395	1,219
Exceptional provision for impairment of investments	-	17,900
Provision for impairment of investment in own shares	-	278
Auditors' remuneration – audit	6	24
Auditors' remuneration – non audit services	-	6
	<hr/>	<hr/>

3 Net interest receivable/(payable) and similar income/(charges)

	6 months ended 31 December 2002 £000	15 months ended 30 June 2002 £000
Interest receivable	49	1,349
Exchange (losses)/gains	(24)	25
	<hr/>	<hr/>
	25	1,374
	<hr/>	<hr/>

4 Tax on loss on ordinary activities

	6 months ended 31 December 2002 £000	15 months ended 30 June 2002 £000
UK corporation tax at 30% (30 June 2002: 30%)	-	428
	<hr/>	<hr/>

Notes (continued)**4 Tax on loss on ordinary activities (continued)**

	6 months ended 31 December 2002 £000	15 months ended 30 June 2002 £000
Current tax reconciliation		
Loss on ordinary activities before tax	(531)	(20,150)
Expected current tax thereon at 30%	(159)	(6,045)
Expenses which are not deductible for tax purposes	133	5,930
Depreciation in excess of capital allowances	14	36
Increase in tax losses carried forward	12	79
Adjustment to prior year charge	-	428
Current tax charge	-	428

5 Directors and employees**Employee numbers**

The average number of employees (including Directors) employed by the company during the period was:

	6 months ended 31 December 2002 Number	15 months ended 30 June 2002 Number
United Kingdom		
Management	9	16
	9	16

Employee costs

The aggregate remuneration and associated costs of company employees (including Directors) were:

	6 months ended 31 December 2002 £000	15 months ended 30 June 2002 £000
Wages and salaries	272	956
Social security costs	27	106
Other pension costs	17	116
	316	1,178

Notes (continued)**5 Directors and employees (continued)**

The remuneration of the directors of the company for the period to 31 December 2002 was as follows:

	6 months ended 31 December 2002 £000	15 months ended 30 June 2002 £000
Emoluments	18	568
Payments to defined contribution pension scheme	2	99
Total remuneration	20	667

The number of directors accruing retirement benefits was as follows:

	6 months ended 31 December 2002 £000	15 months ended 30 June 2002 £000
Defined contribution pension scheme	2	4

The highest paid Director received aggregate emoluments of £18,000 (30 June 2002: £203,000) and £1,800 (30 June 2002: £61,000) in company contributions to a money purchase pension scheme.

During the financial period there was no contract of significance to which the company, or one of its subsidiaries, was a party and in which a Director of the company was materially interested.

6 Tangible fixed assets

	Fixtures, fittings and equipment £000
Cost	
At 1 July 2002 and 31 December 2002	280
Depreciation	
At 1 July 2002	140
Charge for the period	47
At 31 December 2002	187
Net book value	
At 31 December 2002	93
At 30 June 2002	140

Notes (continued)

7 Fixed asset investments

	£000
Shares in group undertakings	
<i>Cost</i>	
At 1 July 2002 and 31 December 2002	30,607
	<u> </u>
<i>Provision for impairment</i>	
At 1 July 2002 and 31 December 2002	26,082
	<u> </u>
<i>Net book value</i>	
At 1 July 2002 and 31 December 2002	4,525
	<u> </u>
	£000
Investment in own shares	
<i>Cost</i>	
At 1 July 2002	800
Additions	-
Disposals	(800)
	<u> </u>
At 31 December 2002	-
	<u> </u>
<i>Provision for impairment</i>	
At 1 July 2002	522
Disposals	(522)
	<u> </u>
At 31 December 2002	-
	<u> </u>
<i>Net book value</i>	
At 31 December 2002	-
	<u> </u>
At 30 June 2002	278
	<u> </u>

Notes (continued)**7 Fixed asset investments (continued)****Shares in group undertakings**

	Principal activity	Country of incorporation	Proportion of voting rights held by:	
			The company	A subsidiary
Rapid Raceline Limited	Holding company	England	-	100%
TTC2 Limited (i)	Holding company	England	100%	-
TTC3 Limited (i)	Holding company	England	100%	-
TEAMtalk Satellite, Inc.	Media	USA	-	100%
TEAMtalk Satellite Limited	Media	England	100%	-
TEAMtalk GmbH (ii)	Media	Germany	-	100%
TEAMtalk, Inc.	Media	USA	100%	-
TEAMtalk Media Limited	Media	England	-	100%
TEAMtalk.com Limited	Media	England	100%	-
TEAMtalk Sverige AB (ii)	Media	Sweden	-	100%
TEAMtalk Broadcast Limited	Media	England	-	100%
Radio Tara Limited	Media	Republic of Ireland	-	80%
TTC4 Limited	Holding company	England	100%	-
TTCX Limited	Holding company	England	100%	-

Notes:

- (i) Non-trading companies
(ii) In liquidation

Own Shares

A Trust was established in April 2000 with the purpose of holding shares in the company to hedge potential costs to shareholders arising from the various share schemes of the company. In accordance with UK GAAP, the Trust's accounts were consolidated into the company.

The shares not utilised were acquired by ukbetting plc on 12 July 2002 and the cash in the Trust was returned to the company.

8 Debtors

	31 December 2002 £000	30 June 2002 £000
Amounts owed by parent company	10,546	-
Amounts owed by group undertakings	13,400	10,093
Other debtors	6	93
Prepayments and accrued income	48	286
	<u>24,000</u>	<u>10,472</u>

Notes (continued)**9 Creditors: amounts falling due within one year**

	31 December 2002 £000	30 June 2002 £000
Overdrafts	-	4
Trade creditors	75	392
Amounts due to group undertakings	2,896	2,385
Accruals and deferred income	70	107
	<u>3,041</u>	<u>2,888</u>

10 Creditors: amounts falling due after more than one year

	31 December 2002 £000	30 June 2002 £000
Amounts owed to group undertakings	-	800
	<u>-</u>	<u>800</u>

11 Provision for liabilities and charges

	£000
At 30 June 2002	5
Released to profit and loss account	(5)
	<u>-</u>
At 31 December 2002	<u>-</u>

	31 December 2002 £000	30 June 2002 £000
Deferred tax		
Total unprovided amounts of deferred taxation are as follows:		
Accelerated capital allowances	37	23
Tax losses	91	79
	<u>128</u>	<u>102</u>
Unprovided deferred tax asset		
	<u>128</u>	<u>102</u>

Notes (continued)

12 Share capital

	31 December	30 June
	2002	2002
	£000	£000
<i>Authorised</i>		
6,000,000,000 ordinary shares of 1p each	6,000	6,000
<i>Allotted, called up and fully paid</i>		
227,674,279 (30 June 2002: 227,674,279) ordinary shares of 1p each	2,277	2,277
	<u><u> </u></u>	<u><u> </u></u>

13 Shareholders' funds

	2002
	£000
Called up share capital	
At 30 June 2002 and 31 December 2002	2,277
	<u><u> </u></u>
Share premium account	
At 30 June 2002 and 31 December 2002	60,894
	<u><u> </u></u>
Other reserves	
At 30 June 2002 and 31 December 2002	50
	<u><u> </u></u>
Profit and loss account	
At 30 June 2002	(36,759)
Loss for the period	(531)
	<u><u> </u></u>
At 31 December 2002	(37,290)
	<u><u> </u></u>
Shareholders' funds	
At 31 December 2002	25,931
	<u><u> </u></u>
At 30 June 2002	26,462
	<u><u> </u></u>

Notes (continued)

14 Reconciliation of movement in shareholders' funds

	31 December 2002 £000	30 June 2002 £000
Loss for the period	(531)	(20,578)
New share capital subscribed	-	500
Share scheme charges	-	597
	<hr/>	<hr/>
Net reduction to shareholders' funds	(531)	(19,481)
Opening shareholders' funds	26,462	45,943
	<hr/>	<hr/>
Closing shareholders' funds	25,931	26,462
	<hr/>	<hr/>

15 Related parties

The company has taken advantage of the exemption in FRS8 that transactions between Group companies do not need to be disclosed.

16 Ultimate parent undertakings

The company's ultimate parent undertaking at the balance sheet date was ukbetting plc, a company registered in England and Wales.

The accounts of ukbetting plc are available from the Registered office, 14 Waterloo Place, London, SW1Y 4AR.