

44-978-13

Azzurri Trustees Limited

Report and Financial Statements

30 June 2005



Azzurri Trustees Limited

Registered No: 4497042

Directors

Martin St Quinton
Stephen Dolton
Alan Cornish

Secretary

Stephen Dolton

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Principal bankers

Bank of Scotland
London Chief Office
38 Threadneedle Street
London
EC2P 2EH

Principal solicitors

Osborne Clarke
2 Temple Back East
Temple Quay
Bristol
BS1 6EG

Registered office

St Anthony's House
Oxford Square
Oxford Street
Newbury
Berkshire
RG14 1JQ

Directors' report

The directors present their report and financial statements for the year ended 30 June 2005.

Principal activity

The company's principal activity during the year was that of a trust company for shares in Azzurri Communications Limited.

Results

The profit for the year after taxation amounted to £40,197. The directors do not recommend a final dividend for the year.

Directors and their interests

The directors during the year were as follows:

Martin St Quinton
Stephen Dolton
Alan Cornish

None of the directors had any interests in the share capital of the company at the beginning or end of the year.

Martin St Quinton, Stephen Dolton and Alan Cornish are directors of the ultimate parent company, Azzurri Communications Limited, and details of their shareholdings are shown in that company's financial statements.

Auditors

A resolution to re-appoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the board



Stephen Dolton
Secretary

31 JAN 2006

Statement of directors' responsibilities in respect of the financial statements

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; 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 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.

Independent auditors' report

To the members of Azzurri Trustees Limited

We have audited the company's financial statements for the year ended 30 June 2005, which comprise the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses and the related notes 1 to 11. These financial statements have been prepared on the basis of 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 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

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 United Kingdom law and accounting standards.

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 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 accounts 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 affairs of the company as at 30 June 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP
Registered Auditor
London

Ernst & Young LLP

14 February 2006

Profit and loss account

For the year ended 30 June 2005

	<i>Notes</i>	<i>2005</i> £	<i>2004</i> £
Profit on disposal of fixed asset investments		52,488	3,975
Administration expenses		(2,250)	-
<i>Profit on ordinary activities before taxation</i>	2	50,238	3,975
Taxation	4	(10,041)	(1,192)
<i>Profit retained for the financial year</i>	9	40,197	2,783

Statement of total recognised gains and losses

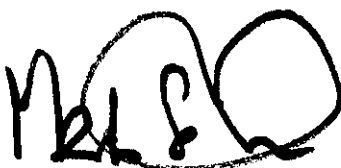
for the year ended 30 June 2005

There are no recognised gains or losses other than those shown in the profit and loss account.

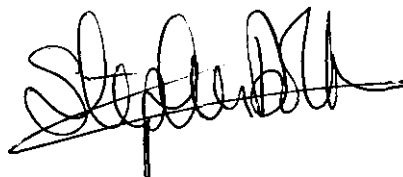
Balance sheet

at 30 June 2005

	Notes	2005 £	2004 £
Fixed assets			
Investments	5	-	29,996
Current assets			
Debtors	6	53,021	-
Cash in hand		1	1
		53,022	1
Creditors: amounts falling due within one year	7	(10,041)	(27,213)
Net current assets / (liabilities)		42,981	(27,212)
Total assets less current liabilities		42,981	2,784
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account	9	42,980	2,783
Equity shareholders' funds	9	42,981	2,784



Martin St Quinton
Director



Stephen Dolton
Director

31/1/06

Notes to the financial statements

at 30 June 2005

1. Accounting policies

Accounting convention

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

Cash flow statement

The company has taken advantage of the exemption given under FRS1 not to disclose a cash flow statement, as the company is a wholly owned subsidiary of an entity whose consolidated financial statements are publicly available.

Investments

Investments are included at cost and represent shares held in the company's ultimate parent undertaking Azzurri Communications Limited.

Investments are treated as fungible assets and valued on a first in, first out basis.

The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

2. Profit on ordinary activities before taxation

This is stated after charging:

	2005 £	2004 £
Auditors' remuneration - audit services	2,250	-

3. Directors' emoluments

Martin St Quinton, Stephen Dolton and Alan Cornish received no emoluments during the year.

4. Taxation

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2005 £	2004 £
<i>Current tax:</i>		
UK corporation tax	10,658	1,192
Tax under provided in previous years	(617)	-
Tax on profit on ordinary activities	10,041	1,192

Notes to the financial statements

at 30 June 2005

(b) Factors affecting current tax charge

The tax assessed on the results for the year differs from the standard rate of corporation tax in the UK of 30% (2004 - 30%). The differences are reconciled below:

	2005	2004
	£	£
Profit on ordinary activities before tax	50,238	3,975
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30 % (2004 - 30%)	15,071	1,192
Adjustments in respect of previous periods	(617)	-
Effect of marginal relief	(3,815)	-
Capital gains (effects of indexation, rebasing etc)	(598)	-
Total current tax	10,041	1,192

The company does not have any deferred tax assets or liabilities.

5. Investments

	<i>Shares in Azzurri Communications Limited</i>
	£
Cost:	
At 1 July 2004	29,996
Additions	16,500
Disposals	(46,496)
	-

The company has the right to repurchase shares sold, by the company or Azzurri Communications Limited, to employees of the Azzurri Communications Limited group in the event they leave the group's employment.

6. Debtors

	2005	2004
	£	£
Amounts owed by ultimate parent undertaking	53,021	-

Notes to the financial statements

at 30 June 2005

7. Creditors: amounts falling due within one year

	2005	2004
	£	£
Amounts owed to ultimate parent undertaking	-	26,021
Corporation tax	10,041	1,192
	<u>10,041</u>	<u>27,213</u>

8. Share capital

		<i>Authorised</i>	
		<i>2005</i>	<i>2004</i>
		<i>£</i>	<i>£</i>
Ordinary shares of £1 each		1	1
		<hr/>	<hr/>
		<i>Allotted, called up and fully paid</i>	
	<i>2005</i>	<i>2005</i>	<i>2004</i>
	<i>No.</i>	<i>£</i>	<i>No.</i>
			<i>2004</i>
			<i>£</i>
Ordinary shares of £1 each	1	1	1
		<hr/>	<hr/>

9. Reconciliation of shareholders' funds and movement on reserves

	Share capital	Profit and loss account	Total
	£	£	£
At 30 June 2003	1	-	1
Profit for the year	-	2,783	2,783
At 30 June 2004	<u>1</u>	<u>2,783</u>	<u>2,784</u>
Profit for the year	-	40,197	40,197
At 30 June 2005	<u>1</u>	<u>42,980</u>	<u>42,981</u>

10. Related parties transactions

At the start of the year, the company owed £26,021 to its ultimate parent undertaking, Azzurri Communications Limited. This amount had been borrowed to finance the purchase of shares of that company as allowed under the permitted assistance for purchase of own shares provisions of the Companies Act 1985. All amounts had been repaid by the balance sheet date. At 20 June 2005, the company was owed £53,021 by the ultimate parent undertaking.

Notes to the financial statements

at 30 June 2005

11. Ultimate parent undertaking and controlling party

The directors consider the ultimate parent undertaking and controlling party to be Azzurri Communications Limited (registered number 3934288). The company is included in the consolidated financial statements of Azzurri Communications Limited. The consolidated financial statements of Azzurri Communications Limited can be obtained from St Anthony's House, Oxford Square, Oxford Street, Newbury, Berkshire, RG14 1JQ