

**SPLASH NEWS UK LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2006**



LEON & CO.
Chartered Certified Accountants & Registered Auditors
Station House
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SPLASH NEWS UK LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2006

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SPLASH NEWS UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 4 to 6, together with the financial statements of the company for the year ended 31 December 2006 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 4 to 6 are properly prepared in accordance with those provisions.

OTHER INFORMATION

On 12/12/2007 we reported, as auditor of the company, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 2006, and the full text of our audit report is reproduced on pages 2 to 3 of these financial statements.

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SPLASH NEWS UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SPLASH NEWS UK LIMITED

YEAR ENDED 31 DECEMBER 2006

We have audited the financial statements of Splash News UK Limited for the year ended 31 December 2006 on pages 5 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and on the basis of the accounting policies set out on page 7

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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

SPLASH NEWS UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SPLASH NEWS UK LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2006

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Directors' Report is consistent with the financial statements year ended 31 December 2006



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12/12/2007

SPLASH NEWS UK LIMITED
ABBREVIATED BALANCE SHEET
31 DECEMBER 2006

	Note	2006 £	2005 £
FIXED ASSETS	2		
Tangible assets		<u>67,701</u>	<u>12,037</u>
CURRENT ASSETS			
Debtors	3	120,679	97,146
Cash at bank and in hand		<u>80,693</u>	<u>23,759</u>
		201,372	120,905
CREDITORS: Amounts falling due within one year		<u>175,376</u>	<u>57,556</u>
NET CURRENT ASSETS		<u>25,996</u>	<u>63,349</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>93,697</u>	<u>75,386</u>
CAPITAL AND RESERVES			
Called-up equity share capital	4	1	1
Profit and loss account		<u>93,696</u>	<u>75,385</u>
SHAREHOLDERS' FUNDS		<u>93,697</u>	<u>75,386</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These abbreviated accounts were approved by the directors on 12 Dec 07 and are signed on their behalf by


 X GARY MORGAN X

The notes on page 4 form part of these abbreviated accounts

SPLASH NEWS UK LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2006

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards

Financial Reporting Standard for Smaller Entities (effective January 2005)

Related parties transactions

Splash News UK Limited procures images and articles as an agent for its parent company

Turnover

The turnover shown in the profit and loss account represents the amounts charged to the parent company in respect of its capacity as an agent

Fees are charged on an on-going basis for its work as an agent

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Fixtures & Fittings - 15% to 33% of the net book value

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

SPLASH NEWS UK LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2006

2. FIXED ASSETS

	Tangible Assets £
COST	
At 1 January 2006	21,370
Additions	90,008
At 31 December 2006	<u>111,378</u>
DEPRECIATION	
At 1 January 2006	9,333
Charge for year	34,344
At 31 December 2006	<u>43,677</u>
NET BOOK VALUE	
At 31 December 2006	<u>67,701</u>
At 31 December 2005	<u>12,037</u>

3. DEBTORS

Debtors include amounts of £3,000 (2005 - £3,000) falling due after more than one year

4. SHARE CAPITAL

Authorised share capital:

	2006 £	2005 £
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2006		2005
	No	£	No
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>