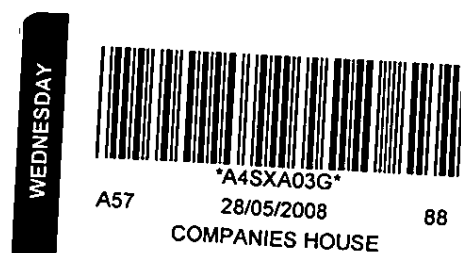


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KENTARO LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007



RAWLINSON & HUNTER

Chartered Accountants
Eighth Floor 6 New Street Square London EC4A 3AQ

KENTARO LIMITED

COMPANY INFORMATION

DIRECTORS

Philipp Grothe
Peter Silverstone

SECRETARY

Peter Silverstone

COMPANY NUMBER

4918516

REGISTERED OFFICE

Eighth Floor
6 New Street Square
New Fetter Lane
London
EC4A 3AQ

AUDITORS

Rawlinson & Hunter
Chartered Accountants and Registered Auditor
Eighth Floor
6 New Street Square
New Fetter Lane
London
EC4A 3AQ

KENTARO LIMITED

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KENTARO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report and the financial statements for the year ended 31 December 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and 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 profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 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 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 the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Annual Reports may differ from legislation in other jurisdictions.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The principal activity of the company is the acquisition and sale of TV rights for sporting events.

The results for the period are set out on page 5. The directors consider the results for the period and current state of affairs of the company to be in line with expectations and are optimistic that the company will continue to generate profits in the future.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £24,562 (2006 - profit £224,691).

The directors are unable to and do not recommend the payment of dividend (2006 - £Nil).

KENTARO LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007**

DIRECTORS

The directors who served during the year were

Philipp Grothe
Peter Silverstone

SMALL COMPANY PROVISIONS

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4)(a) of the Companies Act 1985

AUDITORS

The auditors, Rawlinson & Hunter, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985

This report was approved by the board on

15 MAY 2008

and signed on its behalf



Director

KENTARO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KENTARO LIMITED

We have audited the financial statements of Kentaro Limited for the year ended 31 December 2007, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with 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

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 Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 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.

KENTARO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KENTARO LIMITED

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 company's affairs as at 31 December 2007 and of its loss 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



Chartered Accountants and Registered Auditor
Eighth Floor
6 New Street Square
New Fetter Lane
London
EC4A 3AQ

Date

15 May 2008.

KENTARO LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 £	2006 £
TURNOVER	1,2	6,246,905	3,512,840
Cost of sales		<u>(4,972,419)</u>	<u>(2,409,249)</u>
GROSS PROFIT		1,274,486	1,103,591
Administrative expenses		<u>(1,268,920)</u>	<u>(845,491)</u>
OPERATING PROFIT	3	5,566	258,100
Interest receivable		3,487	1,259
Interest payable	6	<u>(93)</u>	<u>(143)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		8,960	259,216
Tax on profit on ordinary activities	7	<u>(33,522)</u>	<u>(34,525)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	14	£ (24,562)	£ 224,691

All amounts relate to continuing operations

There were no recognised gains and losses for 2007 or 2006 other than those included in the Profit and Loss Account

The notes on pages 7 to 14 form part of these financial statements

KENTARO LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2007

	Note	2007 £	2006 £
FIXED ASSETS			
Tangible fixed assets	8	18,250	30,252
CURRENT ASSETS			
Debtors	9	3,254,077	276,105
Cash at bank		160,022	41,835
		<u>3,414,099</u>	<u>317,940</u>
CREDITORS amounts falling due within one year	10	<u>(2,934,292)</u>	<u>(288,805)</u>
NET CURRENT ASSETS		<u>479,807</u>	<u>29,135</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>498,057</u>	<u>59,387</u>
CREDITORS amounts falling due after more than one year	11	(566,289)	(101,712)
PROVISIONS FOR LIABILITIES			
Deferred tax	12	-	(1,345)
NET LIABILITIES		<u>£ (68,232)</u>	<u>£ (43,670)</u>
CAPITAL AND RESERVES			
Called up share capital	13	1,000	1,000
Profit and loss account	14	(69,232)	(44,670)
SHAREHOLDERS' DEFICIT	15	<u>£ (68,232)</u>	<u>£ (43,670)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

15 MAY 2008

Director



The notes on pages 7 to 14 form part of these financial statements

KENTARO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

The financial statements are also prepared on a going concern basis which assumes the continued support of Kentaro AG, the immediate and ultimate parent undertaking. The directors have received confirmation from Kentaro AG of its intention to provide such financial support as is necessary for the company to continue in operation for the foreseeable future and at least 12 months from the date of signing of these accounts. Accordingly they consider adoption of the going concern basis to be appropriate.

1.2 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied, exclusive of Value Added Tax.

1.4 Tangible fixed assets and depreciation

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

Fixtures & fittings	-	33 33% straight line
Office equipment	-	33 33% straight line
Computer equipment	-	33 33% straight line

1.5 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

KENTARO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1 ACCOUNTING POLICIES (continued)

1 6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1 7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and Loss Account

2 TURNOVER

The whole of turnover is attributable to the acquisition and sale of TV rights for sporting events

A geographical analysis of turnover is as follows

	2007 £	2006 £
UK	2,403,927	2,286,645
Europe	2,623,117	1
Rest of the world	1,219,861	166,267
	<u>£ 6,246,905</u>	<u>£ 2,452,913</u>

KENTARO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

3. OPERATING PROFIT

The operating profit is stated after charging

	2007 £	2006 £
Depreciation of tangible fixed assets		
- owned by the company	17,631	13,844
Auditors' remuneration	3,500	3,500
Operating lease rentals		
- plant and machinery	13,566	2,276
- other operating leases	35,512	38,301
Difference on foreign exchange	42,452	44,697
	<u> </u>	<u> </u>

4 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2007 £	2006 £
Wages and salaries	518,859	310,162
Social security costs	58,956	36,137
	<u> </u>	<u> </u>
	£ 577,815	£ 346,299
	<u> </u>	<u> </u>

The average monthly number of employees, including the directors, during the year was as follows

	2007 No.	2006 No
Administration	10	6
	<u> </u>	<u> </u>

5 DIRECTORS' REMUNERATION

	2007 £	2006 £
Emoluments	£ 164,000	£ 125,000
	<u> </u>	<u> </u>

6. INTEREST PAYABLE

	2007 £	2006 £
On bank overdraft	17	143
Other interest payable	76	-
	<u> </u>	<u> </u>
	£ 93	£ 143
	<u> </u>	<u> </u>

KENTARO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

7 TAXATION

	2007 £	2006 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	33,189	33,180
Adjustments in respect of prior periods	(1,314)	-
	<u>31,875</u>	<u>33,180</u>
Double taxation relief	(3,975)	-
Foreign tax on income for the year	3,975	-
Foreign tax adjustments in respect of prior periods	2,992	-
	<u>34,867</u>	<u>33,180</u>
Total current tax		
Deferred tax (see note 12)		
Origination and reversal of timing differences	(1,345)	1,345
	<u>£ 33,522</u>	<u>£ 34,525</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2006 - lower than) the standard rate of corporation tax in the UK (30%) The differences are explained below

	2007 £	2006 £
Profit on ordinary activities before tax	<u>£ 8,960</u>	<u>£ 259,216</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 - 30%)	2,688	77,765
Effects of.		
Expenses not deductible for tax purposes	30,961	22,788
Difference between capital allowances for year and depreciation	2,830	1,530
Utilisation of tax losses	-	(63,568)
Other fixed asset timing difference movements	-	361
Marginal relief	(3,290)	(5,696)
Adjustments to tax charge in respect of prior periods	1,678	-
	<u>£ 34,867</u>	<u>£ 33,180</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges

KENTARO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

8 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 January 2007	33,333	-	15,380	48,713
Additions	1,157	1,625	2,847	5,629
At 31 December 2007	<u>34,490</u>	<u>1,625</u>	<u>18,227</u>	<u>54,342</u>
Depreciation				
At 1 January 2007	9,984	-	8,477	18,461
Charge for the year	11,383	396	5,852	17,631
At 31 December 2007	<u>21,367</u>	<u>396</u>	<u>14,329</u>	<u>36,092</u>
Net book value				
At 31 December 2007	<u>£ 13,123</u>	<u>£ 1,229</u>	<u>£ 3,898</u>	<u>£ 18,250</u>
At 31 December 2006	<u>£ 23,349</u>	<u>£ -</u>	<u>£ 6,903</u>	<u>£ 30,252</u>

9. DEBTORS

	2007 £	2006 £
Due after more than one year		
Other debtors	21,495	21,495
Due within one year		
Trade debtors	2,094,343	149,738
Other debtors	10,098	50,877
Prepayments and accrued income	1,128,141	53,995
	<u>£ 3,254,077</u>	<u>£ 276,105</u>

KENTARO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

10 CREDITORS:
Amounts falling due within one year

	2007 £	2006 £
Trade creditors	1,375,859	62,907
Amounts owed to group undertakings	73,284	10,472
Corporation tax	29,210	33,180
Social security and other taxes	150,391	13,329
Other creditors	16,953	2,960
Accruals and deferred income	1,288,595	165,957
	<u>£ 2,934,292</u>	<u>£ 288,805</u>

Amounts owed to group undertakings consist of £7,700 (2006 - £Nil) due to Attaro AG, a fellow subsidiary undertaking, and £65,584 (2006 - £10,472) due to Attaro GmbH, a subsidiary of Attaro AG. These amounts are unsecured, interest free and repayable on demand.

11 CREDITORS
Amounts falling due after more than one year

	2007 £	2006 £
Amounts owed to group undertakings	<u>£ 566,289</u>	<u>£ 101,712</u>

Amounts owed to group undertakings consist of £566,289 (2006 - £101,712) due to Kentaro AG, the parent undertaking. This amount is unsecured, interest free and repayable after more than one year.

12 DEFERRED TAXATION

	2007 £	2006 £
At 1 January 2007	1,345	-
(Released during)/charge for the year	(1,345)	1,345
	<u>£ -</u>	<u>£ 1,345</u>
At 31 December 2007		

The provision for deferred taxation is made up as follows

	2007 £	2006 £
Accelerated capital allowances	<u>£ -</u>	<u>£ 1,345</u>

KENTARO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

13 SHARE CAPITAL

	2007 £	2006 £
Authorised		
100,000 Ordinary shares of £1 each	£ 100,000	£ 100,000
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	£ 1,000	£ 1,000

14. RESERVES

	Profit and loss account £
At 1 January 2007	(44,670)
Loss for the year	(24,562)
At 31 December 2007	£ (69,232)

15 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS/(DEFICIT)

	2007 £	2006 £
Opening shareholders' deficit	(43,670)	(268,361)
(Loss)/profit for the year	(24,562)	224,691
Closing shareholders' deficit	£ (68,232)	£ (43,670)

16 OPERATING LEASE COMMITMENTS

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2007 £	2006 £
Expiry date.		
Between 2 and 5 years	39,912	39,912

KENTARO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

17. RELATED PARTY TRANSACTIONS

Balances with related parties are disclosed in creditors (Notes 10 and 11)

Transactions with related parties are disclosed below

Included within turnover are consultancy fees invoiced to Kentaro AG of £110,328 (2006 - £40,905)

Included within cost of sales are amounts of £2,109,265 (2006 - £1,261,957) invoiced by Kentaro AG to Kentaro Limited and £65,170 (2006 - £120,049) invoiced by Attaro GmbH to Kentaro Limited

18 IMMEDIATE PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking and ultimate controlling party is Kentaro AG, a company incorporated in Switzerland