

SCHEDULE 3

PART B

Condition 6 of the BT Paging licence

Condition 6

PEPARATION OF ACCOUNTS

6.1 The Licensee shall:

- (a) maintain accounting records in such a form that the Relevant Services Business is separately identifiable or separately attributable in the books of the Licensee, being records sufficient to show and explain the transactions of that Business;
- (b) prepare in respect of each complete financial year of the Licensee, or of such lesser periods as the Director may specify but not more frequently than quarterly, accounting statements setting out, and, in the case of yearly statements, fairly presenting, the costs (including capital costs), revenue and financial position of the Relevant Services Business and including a reasonable assessment of the assets employed in and the liabilities attributable to the Relevant Services Business and showing separately, in the case of yearly accounting statements, the amount of any material item of revenue, cost, or any asset or liability which has been either:
 - (i) charged from or allocated to any other business of the Licensee or any other member of the Licensee's Group together with a description of the basis of the value on which that charge or allocation was made; or
 - (ii) determined by apportionment or attribution from an activity common to the Relevant Services Business and any other business of the Licensee or any member of the Licensee's Group and, if not otherwise disclosed, the basis of the apportionment or attribution;
- (c) procure in respect of each of the accounting statements prepared in respect of a complete financial year of the Licensee a report by the Licensee's Auditor stating whether in his opinion that statement is adequate for the purposes of this Condition; and
- (d) deliver to the Director a copy of each of the accounting statements and of the reports relating thereto required under paragraph 6.1(b) and 6.1(c) as soon as is reasonably practicable and in any event not later than six months after the end of the period to which they relate.

6.2 Accounting statements prepared under paragraph 6.1(b) in respect of each financial year shall, so far as reasonably practicable, be prepared in the formats and in accordance with the accounting principles and rules which apply to the annual accounts of the Licensee and shall state the accounting policies used.

6.3 In this Condition references to the costs of any business do not include profits of that business.