

Radio Luxembourg (London) Ltd

Registered Number: 500045

**Directors' report and financial statements
for the year ended 31 December 2003**



Radio Luxembourg (London) Ltd

Directors' report for the year ended 31 December 2003

The directors present their report and the audited financial statements of the company for the year ended 31 December 2003.

Principal activity

The principal activity of the company was the management of property, this activity ceased on 5 April 2001 when the property was sold. The company has not traded during the year.

Review of business and future developments

On 8th December 2003, a loan due to CLT UFA SA, the company's parent, was repaid via the issue of 1,242,600 shares of 50p each. Interest on the loan of £794,068 was waived by the parent company.

The result for the year is in line with the expectations of the directors. It is anticipated that the company will be made dormant in 2004.

Results and dividends

The company's profit for the financial year was £711,000 (2002: loss £49,000). The directors do not recommend the payment of a dividend (2002: £nil). The profit for the year has been transferred to reserves.

Directors and their interests

The directors who held office during the year and up to the date of this report are outlined below:-

M Dugimont	(resigned 11 October 2003)
SFH Tingay	
C M Goss	(resigned 11 April 2003)
R Grant	
P Brown	(appointed 11 April 2003)

At no time during the year ended 31 December 2003 did any director have any interest which is required to be notified to the company under Section 324 of the Companies Act 1985.

Radio Luxembourg (London) Ltd

Directors' report for the year ended 31 December 2003 (Continued)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2003 and that applicable accounting standards have been followed.

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.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. In accordance with the Companies Act 1985, the company has elected to dispense with the obligation to hold an annual general meeting and the requirement to reappoint annually the registered auditors of the company.

By Order of the Board



H L Farnaby
Secretary

1 Stephen Street
London
W1T 1AL

9 November 2004

Independent auditors' report to the members of Radio Luxembourg (London) Ltd

We have audited the financial statements which comprise the profit and loss account, the balance sheet, and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

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 company's affairs at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

9 November 2004

Radio Luxembourg (London) Ltd

Profit and loss account for the year ended 31 December 2003

	<i>Note</i>	2003 £'000	2002 £'000
Administrative expenses		(91)	(14)
Loss on ordinary activities before interest & taxation	3	(91)	(14)
Interest receivable & similar income	5	794	1
Interest payable & similar charges	6	-	(32)
Profit/(Loss) on ordinary activities before tax		703	(45)
Tax on profit/(loss) on ordinary activities	7	8	(4)
Retained profit/(loss) for the financial year	11	711	(49)

The above results relate to discontinued activities.

The company has no recognised gains or losses during the year other than those reflected in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the result as reported and its historical cost equivalent.

Radio Luxembourg (London) Ltd

Balance sheet as at 31 December 2003

	Note	2003 £'000	2002 £'000
Current assets			
Debtors	8	3	1
Cash at bank and in hand		96	87
		99	88
Creditors – amounts falling due within one year	9	(98)	(1,419)
Net Assets/(Liabilities)		1	(1,331)
Capital and reserves			
Called up share capital	10	683	62
Profit and loss account	11	(682)	(1,393)
Equity shareholders' funds/(deficit)	12	1	(1,331)

The financial statements on pages 4 to 9 were approved by the board of directors on 9 November 2004 and signed on its behalf by:


 SFH Tingay
 Director

Radio Luxembourg (London) Ltd

Notes to the financial statements for the year ended 31 December 2003

1 Accounting policies

a) Basis of preparation

The financial statements are prepared under the historical cost convention, the accounting policies set out below and in accordance with applicable accounting standards.

b) Foreign currencies

Transactions denominated in foreign currencies during the period are translated at rates ruling at the dates of the transactions. At the balance sheet date all monetary assets and liabilities denominated in foreign currencies are translated at period end rates. Exchange gains and losses are taken to the profit and loss account.

c) Deferred taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision is made for deferred taxation resulting from timing differences computed for taxation purposes and profits stated in the financial statements to the extent that there is an obligation to pay more tax in the future as a result of the reversal of those timing differences. Deferred tax assets are recognised to the extent that they are expected to be recoverable.

2 Cashflow and related party disclosures

The company is a wholly owned subsidiary of the RTL Group and is included in the consolidated financial statements of the RTL Group which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8, Related Party Disclosures, from disclosing related party transactions with members of the RTL Group.

3 Loss on ordinary activities before interest and taxation

Loss on ordinary activities before taxation is stated after charging:

	2003 £'000	2002 £'000
Auditors' remuneration		
non-audit services	-	2

In 2003, auditors' remuneration was borne by FremantleMedia Group Limited (formerly FremantleMedia Limited), a fellow group company.

Radio Luxembourg (London) Ltd

Notes to the financial statements for the year ended 31 December 2003

(Continued)

4 Directors emoluments and employee information

None of the directors received any fees or emoluments in respect of their services to the company during the year ended 31 December 2003 (2002: £nil). The company had no employees during the year ended 31 December 2003 (2002: nil).

5 Interest receivable & similar income

	2003 £'000	2002 £'000
Bank interest receivable	-	1
Waiver of parent company loan interest	794	-
	<hr/> 794	<hr/> 1

On 12th February 2003 CLT-UFA SA released the company from its interest debt of £794,068.00.

6 Interest payable & similar charges

	2003 £'000	2002 £'000
Interest payable to group undertakings	-	32
	<hr/>	<hr/>

7 Tax on profit/(loss) on ordinary activities

	2003 £'000	2002 £'000
a) Analysis of (credit)/charge in period		
Current tax:		
Adjustments in respect of previous periods	(8)	4
	<hr/> (8)	<hr/> 4
Total current tax (note 7(b))	<hr/> (8)	<hr/> 4

There are no deferred tax balances in either period.

Radio Luxembourg (London) Ltd

Notes to the financial statements for the year ended 31 December 2003

(Continued)

7 Tax on profit/(loss) on ordinary activities (continued)

b) Factors affecting tax charge for period

The tax for the period differs from the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2003 £'000	2002 £'000
Profit/(Loss) on ordinary activities before tax	703	(45)
Profit/(Loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002 : 30%)	211	(14)
Effects of:		
Group relief surrendered for no payment	27	14
Adjustments to tax charge in respect of previous periods	(8)	4
Income exempt for tax purposes	(238)	-
Current tax (credit)/charge for period (note 7(a))	(8)	4

8 Debtors

	2003 £'000	2002 £'000
Other debtors	3	1

9 Creditors - amounts falling due within one year

	2003 £'000	2002 £'000
Amounts owed to group undertakings	98	1,419
	98	1,419

Amounts owed to group undertakings are unsecured, non-interest bearing and repayable on demand.

Radio Luxembourg (London) Ltd

Notes to the financial statements for the year ended 31 December 2003

(Continued)

10 Share capital

	2003 £'000	2002 £'000
Authorised:		
1,366,000 (2002:123,400) ordinary shares of £0.50 each	683	62
Allotted, called up and fully paid:		
1,366,000 (2002:123,400) ordinary shares of £0.50 each	683	62

On 8th December 2003, authorised share capital of the company was increased to £683,000 by the creation of 1,242,600 ordinary shares of £0.50 each. On the same day 1,242,600 shares were issued to CLT UFA SA at nominal value

11 Profit and loss account

	£'000
Profit and loss account at 1 January 2003	(1,393)
Profit for the period	711
Profit and loss account at 31 December 2003	(682)

12 Reconciliation of movements in equity shareholders' funds

	2003 £'000	2002 £'000
Retained profit/(Loss) for the period	711	(49)
Ordinary share capital issued for the period (note 10)	621	-
Net addition/(reduction) to equity shareholders' funds	1,332	(49)
Equity shareholders' deficit as at 1 January	(1,331)	(1,282)
Equity shareholders' funds/(deficit) as at 31 December	1	(1,331)

13 Ultimate parent undertaking

The immediate parent undertaking is CLT-UFA SA a company registered in Luxembourg.

The smallest group to consolidate these accounts is RTL Group, a company registered in Luxembourg. Copies of the RTL Group accounts can be obtained from the General Counsel at RTL Group, 45 Boulevard Pierre Frieden, L-1543 Luxembourg.

The ultimate parent undertaking and controlling party is Bertelsmann AG, a company registered in Germany, which is the largest group to consolidate these accounts.