

CLT-UFA UK Radio Limited

(formerly CLT UK Radio Limited)

Directors' report and financial statements

31 December 1996

Registered number 1482586



CLT-UFA UK Radio Limited

(formerly CLT UK Radio Limited)

Directors' report and financial statements

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CLT-UFA UK Radio Limited

(formerly CLT UK Radio Limited)

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1996.

Change of name

On 28 May 1997 the company changed its name to CLT-UFA UK Radio Limited.

Business review and principal activities

CLT-UFA UK Radio Ltd is the holding company for the European media group CLT-UFA's UK radio interests, and bears costs in relation to the management and development of these interests.

The loss for the year shown on page 4 was transferred to reserves. The directors do not propose a dividend in respect of the year.

Directors and directors' interests

The directors who held office during the year were as follows:

DJ O'Driscoll

AT Baxter

R Sautter

C Geraghty (appointed 20 August 1996; resigned 30 December 1996)


JG Ahearne (appointed 20 August 1996; resigned 20 December 1997)

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company or of any other group company.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



Donnach O'Driscoll
Director

74 Newman Street
London
W1P 3LA

17th July, 1998

CLT-UFA UK Radio Limited

(formerly CLT UK Radio Limited)

Statement of directors' responsibilities

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 maintaining 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 have general responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



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London
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Auditors' report to the members of CLT-UFA UK Radio Limited

We have audited the financial statements on pages 4 to 10.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 as at 31 December 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

24 August 1998

CLT-UFA UK Radio Limited

(formerly CLT UK Radio Limited)

Profit and loss account

for the year ended 31 December 1996

	<i>Note</i>	1996 £000	1995 £000
Turnover		-	-
Administrative expenses		<u>(2,670)</u>	<u>(5)</u>
Operating loss		(2,670)	(5)
Interest receivable and similar income	5	176	104
Interest payable and similar charges	6	<u>(599)</u>	<u>-</u>
(Loss)/profit on ordinary activities before and after taxation retained for the year	2-4	<u>(3,093)</u>	<u>99</u>

The results for the year all derive from continuing operations. There were no other recognised gains or losses for the year other than the results as disclosed above.

CLT-UFA UK Radio Limited

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Balance sheet

at 31 December 1996

	Note	1996 £000	1995 £000
Fixed assets			
Investments	7	14,047	7,865
Current assets			
Debtors	8	854	1,078
Cash at bank		5,454	2,563
		<u>6,308</u>	<u>3,641</u>
Creditors: amounts falling due within one year	9	<u>(19,650)</u>	<u>(7,708)</u>
Net current liabilities		<u>(13,342)</u>	<u>(4,067)</u>
Total assets less current liabilities		<u>705</u>	<u>3,798</u>
Net assets		<u>705</u>	<u>3,798</u>
Capital and reserves			
Called up share capital	10	3,691	3,691
Capital reserve	11	47	47
Profit and loss account	11	(3,033)	60
Shareholders' funds - equity		<u>705</u>	<u>3,798</u>

These financial statements were approved by the board of directors on
signed on its behalf by:

17th July, 1998

and were



Dennach O'Doniscoll
Director

CLT-UFA UK Radio Limited

(formerly CLT UK Radio Limited)

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

The financial statements have been prepared on a going concern basis as the ultimate holding company has indicated its intention to continue to support the company and its activities.

The company is exempt under section 228 of the Companies Act 1985 from the requirement of Financial Reporting Standard No.1 to prepare a cash flow statement and from the obligation to prepare group accounts and to deliver them to the Registrar of Companies as it is a wholly owned subsidiary of the parent undertaking shown in note 12 which is established under the law of a member state of the European Union. These financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard No.8, the company is exempt from the requirement to disclose intercompany related party transactions on the grounds that it is a wholly owned subsidiary of a parent undertaking which prepares and publishes consolidated financial statements. There are no other related party transactions.

2 (Loss)/profit on ordinary activities before and after taxation

(Loss)/profit on ordinary activities is stated after charging:

	1996 £000	1995 £000
Auditors' remuneration	8	4

The company does not suffer tax on its profit for 1995 as it has the benefit of group relief receivable.

3 Remuneration of directors

	1996 £000	1995 £000
Directors' emoluments	530	-

The emoluments, excluding pension contributions, of the chairman were £nil (1995:£nil) and of the highest paid director were £470,206 (1995:£nil).

CLT-UFA UK Radio Limited

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Notes (continued)

3 Remuneration of directors (continued)

The emoluments, excluding pension contributions of the directors (including the chairman and the highest paid director) were within the following ranges:

	Number of directors	
	1996 £000	1995 £000
£25,001 - £30,000	2	-
£470,001 - £475,000	1	-
	<hr/>	<hr/>

4 Staff numbers and costs

The average number of persons employed in the company (including directors) during the year were as follows:

	Number of employees	
	1996	1995
General management	3	-
	<hr/>	<hr/>

The aggregate payroll costs of these persons was as follows:

	1996 £000	1995 £000
Wages and salaries	576	-
Social security costs	59	-
	<hr/>	<hr/>
	635	-
	<hr/>	<hr/>

5 Interest receivable and similar income

	1996 £000	1995 £000
Receivable from group undertakings	171	92
Other	5	12
	<hr/>	<hr/>
	176	104
	<hr/>	<hr/>

CLT-UFA UK Radio Limited

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Notes (continued)

6 Interest payable and similar charges

	1996 £000	1995 £000
Payable to group undertakings	596	-
On bank loans	3	-
	<u>599</u>	<u>-</u>

7 Fixed asset investments

	Shares in group undertakings £000	Participating interests £000	Loans to group undertakings £000	Total £000
Cost/valuation				
At beginning of year	6,563	55	1,247	7,865
Additions	4,734	185	1,263	6,182
	<u>11,297</u>	<u>240</u>	<u>2,510</u>	<u>14,047</u>

	Country of registration	Principal activity	Percentage of ordinary shares held
Subsidiary undertakings			
CLT-UFA UK Radio Sales Limited	England	Sale as agent of advertising time for other group companies	100%
Country 1035 Limited	England	Country Music Radio Station	100%
Arrow Broadcasting Limited	England	Licence application company	100%
London Atlantic Limited	England	Licence application company	100%
Talk Radio Limited	England	Radio Station	50%

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Notes (continued)

7 Fixed asset investments (continued)

	Country of registration	Principal activity	Percentage of ordinary shares held
Associated undertakings			
A1 FM Limited	England	Radio Station	23%
Thames FM Limited	England	Radio Station	15%
Solent Regional Radio Limited	England	Licence application company	18%
Investors in Radio Limited	England	Radio Station holding company 100% of East Midlands Broadcasting Company Limited	50%

8 Debtors

	1996 £000	1995 £000
Amounts owed by parent and fellow subsidiary undertakings	-	140
Amounts owed by subsidiary undertakings	854	835
Accrued interest from fellow subsidiary undertakings	-	103
	<u>854</u>	<u>1,078</u>

9 Creditors: amounts falling due within one year

	1996 £000	1995 £000
Amounts owed to parent and fellow subsidiary undertakings	19,646	7,704
Accruals	4	4
	<u>19,650</u>	<u>7,708</u>

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Notes (continued)

10 Called up share capital

	1996 £000	1995 £000
<i>Authorised</i>		
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
<i>Allotted and called up</i>		
Ordinary shares of £1 each	<u>3,691</u>	<u>3,691</u>

11 Reserves

	Capital reserve £000	Profit and loss account £000	Total £000
At beginning of year	47	60	107
Transfers during the year	<u>-</u>	<u>(3,093)</u>	<u>(3,093)</u>
At end of year	<u>47</u>	<u>(3,033)</u>	<u>(2,986)</u>

12 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Compagnie Luxembourgeoise de Telediffusion SA which is the parent company incorporated in the Grand Duchy of Luxembourg. 97% of the subscribed capital of CLT S.A. is in turn held by Audiofina S.A. ("Audiofina"), a company incorporated in Luxembourg, quoted on the stock exchange markets of Brussels, Luxembourg and Paris. The smallest and largest group in which the results of CLT-UFA UK Radio Limited are consolidated is CLT and Audiofina respectively. The group accounts of these companies may be obtained from their respective registered offices. On 2 April 1996 an agreement was reached between Audiofina and Bertelsmann AG (approved by an Extraordinary Shareholders' Meeting as of 31 January 1997) resulting in the creation of a joint venture controlling 97% of the share capital of CLT S.A. (now called CLT-UFA S.A.).