

CLT-UFA UK Radio Limited

**Directors' report and financial
statements**

Registered number 1482586

31 December 2001



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2001.

Business review and principal activities

CLT-UFA UK Radio Limited is the holding company for the UK radio interests of the RTL Group S.A. ('the Group'). Details of the ultimate parent company are given in note 12. The company incurs costs in relation to the management and development of the Group radio interests.

The loss for the year is shown on page 4. The directors are unable to propose a dividend in respect of the year (2000: £nil).

Directors and directors' interests

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

R Weisen	(resigned 15 July 2002)
J O'Hara	(resigned 12 December 2001)
C M Goss	(appointed 12 December 2001)
R Grant	(appointed 12 December 2001)
S F H Tingay	(appointed 12 December 2001)

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



H Farnaby
Secretary

1 Stephen Street
London
W1T 1AT

11 October 2002

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 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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Independent auditor's 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

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 with the company is not disclosed.

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 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'KPMG LLP', written in a cursive, stylized script.

KPMG LLP
Chartered Accountants
Registered Auditor

25th

October 2002

Profit and loss account

for the year ended 31 December 2001

	<i>Note</i>	2001 £000	2000 £000
Administrative expenses		(33)	(227)
Operating loss		(33)	(227)
Interest payable and similar charges	5	(24)	(15)
Loss on ordinary activities before and after taxation retained for the year	2-4	(57)	(242)

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. There is no difference between the results as disclosed above and the results on a historical cost basis.

Balance sheet

at 31 December 2001

	Note	2001 £000	2000 £000
Fixed assets			
Investments	6	-	-
Current assets			
Debtors	7	1,284	372
Creditors: amounts falling due within one year	8	(1,336)	(367)
Net current (liabilities) / assets		(52)	5
Net (liabilities) / assets		(52)	5
Capital and reserves			
Called up share capital	9	9,349	9,349
Capital reserve	10	47	47
Profit and loss account	10	(9,448)	(9,391)
Shareholders' (deficit) / funds - equity		(52)	5

These financial statements were approved by the board of directors on 11 October 2002 and were signed on its behalf by:


 C Goss
 Director

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 in its activities.

The company is exempt from the requirement of Financial Reporting Standard 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.

Investments

Investments are held at cost less provisions for impairment.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

2 Loss on ordinary activities before taxation

	2001 £000	2000 £000
<i>Loss on ordinary activities before taxation is stated after charging:</i>		
Auditors' remuneration:		
Audit	5	8
Other services	-	27
Amount provided against impairment of fixed asset investment	-	191

Notes *(continued)*

3 Remuneration of directors

No emoluments were paid to directors during the current or previous year.

4 Staff numbers and costs

The company had no employees during the current or previous year.

5 Interest payable and similar charges

	2001	2000
	£000	£000
Interest payable on bank overdraft	19	15
Interest payable on short term loan from parent undertaking	5	-
	<hr/> 24 <hr/>	<hr/> 15 <hr/>

Notes (continued)

6 Fixed asset investments

	Shares in group undertakings £000
Cost	
At beginning of year	191
Additions (see below)	-
At end of year	191
Provisions	
At beginning and end of year	191
Net book value	
At 31 December 2001 and 31 December 2000	-

The company acquired a 100% holding in CLT-UFA (London) Limited (formerly Atlantic 252 (UK) Limited) during the year for a nominal consideration.

The subsidiary undertakings in which the company had an interest as at 31 December 2001 were as follows:

	Country of registration	Principal Activity	Percentage of ordinary shares held
<i>Principle trading subsidiaries:</i>			
CLT-UFA UK Radio Sales Limited	England	Sales agent of advertising time. Ceased activity during December 2001.	100%
CLT-UFA (London) Limited (formerly Atlantic 252 (UK) Limited)	England	Provision of promotion and marketing services. Ceased activity during December 2001.	100%
<i>Dormant subsidiaries:</i>			
RTL UK Limited	England	Dormant	100%
Radio Tele Luxembourg Limited	England	Dormant	100%

Notes *(continued)*

7 Debtors

	2001 £000	2000 £000
Trade debtors	-	1
Amounts owed by group undertakings	988	47
Other debtors	296	324
	<u>1,284</u>	<u>372</u>

8 Creditors: amounts falling due within one year

	2001 £000	2000 £000
Bank overdraft	104	297
Trade creditors	-	9
Amounts owed to group undertakings	1,227	50
Accruals	5	11
	<u>1,336</u>	<u>367</u>

9 Called up share capital

	2001 £000	2000 £000
<i>Authorised</i>		
Ordinary shares of £1 each	10,000	10,000
<i>Allotted and called up</i>		
Ordinary shares of £1 each	9,349	9,349

Notes (continued)

10 Reconciliation of movements in shareholders' deficit

	Capital reserve £000	Profit and loss account £000	Share Capital £000	Total £000
At beginning of year	47	(9,391)	9,349	5
Retained loss for the year	-	(57)	-	(57)
At end of year	47	(9,448)	9,349	(52)

11 Related party transaction

Under Financial Reporting Standard 8, the company is exempt from the requirement to disclose related party transactions with other group entities, where more than 90% of these entities' voting rights are controlled within the group headed by RTL Group S.A., on the grounds that it is a wholly owned subsidiary undertaking of RTL Group S.A. whose financial statements are publicly available.

There were no other related party transactions during the year.

12 Ultimate parent company

As at 31 December 2001, the immediate parent company was CLT-UFA S.A., a company incorporated in the Grand Duchy of Luxembourg.

As at 31 December 2001, the smallest group in which the results of the company are consolidated was that headed by RTL Group S.A., a company incorporated in the Grand Duchy of Luxembourg. The group accounts of this company may be obtained from its registered office, 1, rue de Namur, L-2211, Luxembourg.

As at 31 December 2001, the company's ultimate parent company was Bertelsmann AG, a company incorporated in Germany. The group accounts of this company may be obtained from its registered office, Carl-Bertelsmann-Strasse 270, Gutersloh, Germany.