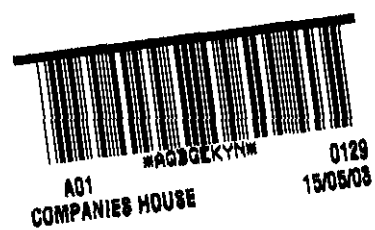


CLT-UFA UK Radio Ltd

Registered Number: 1482586

**Directors' report and financial statements
for the year ended 31 December 2002**



CLT-UFA UK Radio Ltd

Directors' report for the year ended 31 December 2002

The directors present their report and the audited financial statements of the company for the year ended 31 December 2002.

Principal activity

CLT-UFA UK Radio Ltd is the holding company for the UK radio interests of the RTL Group.

Review of business and future developments

The results of the company for the year ended 31 December 2002 are set out on page 4 of the financial statements.

The results are in line with the expectations of the directors and the company will continue to promote its principal activity for the foreseeable future.

Results and dividends

The company's loss for the financial year was £27,000 (2001: £57,000). The directors do not recommend the payment of a dividend (2001: nil). The loss for the year has been transferred to reserves.

Going concern basis

The company has net liabilities and has incurred a loss in the year ended 31 December 2002. The financial statements have been prepared on a going concern basis as the RTL Group has indicated its intention to provide continuing financial support to the company.

Directors and their interests

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

SFH Tingay
C M Goss
R Grant
R Weisen (resigned 15 July 2002)

At no time during the year ended 31 December 2002 did any director have any interest which is required to be notified to the company under Section 324 of the Companies Act 1985.

CLT-UFA UK Radio Ltd

Directors' report for the year ended 31 December 2002 (Continued)

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 as at the end of the financial period 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; and
- 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 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

On 13 January 2003, KPMG LLP resigned as the company's auditors.

PricewaterhouseCoopers LLP were appointed as auditors on 14 February 2003.

By Order of the Board



H L Farnaby
Secretary

1 Stephen Street
London
W1T 1AL

27 March 2003

Independent auditor's report to the members of CLT-UFA UK Radio 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 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

27 March 2003

CLT-UFA UK Radio Ltd

Profit and loss account for the year ended 31 December 2002

	Note	2002 £'000	2001 £'000
Administrative expenses		(50)	(33)
Loss on ordinary activities before interest & taxation	3	(50)	(33)
Interest payable & similar charges	5	(52)	(24)
Interest receivable & other similar charges	6	13	-
Loss on ordinary activities before taxation		(89)	(57)
Tax on loss on ordinary activities	7	62	-
Retained loss for the financial year	12	(27)	(57)

The above results were derived entirely from continuing operations.

The company had 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.

CLT-UFA UK Radio Ltd

Balance sheet as at 31 December 2002

	Note	2002 £'000	2001 £'000
Fixed assets			
Investments	8	-	-
Current assets			
Debtors	9	1,204	1,284
Cash in hand or at bank		9	-
		1,213	1,284
Creditors – amounts falling due within one year	10	(1,292)	(1,336)
Net liabilities		(79)	(52)
Capital and reserves			
Called up share capital	11	9,349	9,349
Capital reserve	12	47	47
Profit and loss account	12	(9,475)	(9,448)
Equity shareholders' deficit	13	(79)	(52)

The financial statements on pages 4 to 11 were approved by the board of directors on 27 March 2003 and signed on its behalf by:


C Goss
Director

CLT-UFA UK Radio Ltd

Notes to the financial statements for the year ended 31 December 2002

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 in the United Kingdom.

The company is a wholly owned subsidiary of the RTL Group and is included in the financial statements of the RTL Group which are publicly available. Consequently the company has taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts. Therefore these accounts include financial information about the company as an individual undertaking rather than as a group.

b) Going concern basis

The company has net liabilities and has incurred a loss in the year ended 31 December 2002. The financial statements have been prepared on a going concern basis as the RTL Group has indicated its intention to provide continuing financial support to the company.

c) Fixed asset investments

Investments are held at cost less provision for any permanent diminution in value.

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 interest and taxation is stated after charging:

	2002 £'000	2001 £'000
Auditors' remuneration		
for audit services	12	5
for non-audit services	2	-

The auditors' remuneration for audit services relates to the audit of CLT-UFA UK Radio Ltd, CLT-UFA UK Television Ltd, CLT-UFA (London) Ltd, CLT-UFA UK Radio Sales Ltd and Radio Luxembourg (London) Ltd.

In 2002 non-audit services were provided by KPMG LLP and audit services were provided by PricewaterhouseCoopers LLP.

CLT-UFA UK Radio Ltd

Notes to the financial statements for the year ended 31 December 2002

(Continued)

4 Directors emoluments and employee information

None of the directors received any fees or emoluments from the company during the year ended 31 December 2002 since their duties are incidental to their main duties to other subsidiary undertakings of the RTL Group. The company had no employees during the year ended 31 December 2002 (2001: nil).

5 Interest payable and similar charges

	2002 £'000	2001 £'000
Interest payable on bank overdraft	-	19
Interest payable on loan from group undertakings	52	5
	<u>52</u>	<u>24</u>

6 Interest receivable & similar charges

	2002 £'000	2001 £'000
Interest receivable	13	-

CLT-UFA UK Radio Ltd

Notes to the financial statements for the year ended 31 December 2002

(Continued)

7 Tax on loss on ordinary activities

	2002 £'000	2001 £'000
a) Analysis of credit in period		
Current tax:		
UK Group relief receivable at 30% (2001:30%) on the loss for the year	(31)	-
Adjustments in respect of previous periods	(31)	-
Total current tax (note 7(b))	(62)	-
b) Factors affecting tax credit for period		
The tax for the period differs from the standard rate of corporation tax in the UK (30%). The differences are explained below:		
	2002 £'000	2001 £'000
Loss on ordinary activities before tax	(89)	(57)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001:30%)	(26)	(17)
Effects of:		
Expenses not deductible for tax purposes	-	17
Income exempt from tax (interest on repayment of tax)	(5)	-
Adjustments to tax charge in respect of previous periods	(31)	-
Current tax credit for period (note 7(a))	(62)	-

CLT-UFA UK Radio Ltd

Notes to the financial statements for the year ended 31 December 2002

(Continued)

8 Fixed asset investments

	Shares in group undertakings £'000
Cost	
At 1 st January and 31 December 2002	191
Provisions	
At 1 st January and 31 December 2002	191
Net book value	
At 1 st January and 31 December 2002	-

The subsidiary undertakings in which the company had an interest at 31 December 2002 were as follows:

	Country of registration	Principal Activity	Percentage of ordinary shares held
Principal trading subsidiaries:			
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%
Dormant subsidiaries:			
RTL UK Limited	England	Dormant	100%
Radio Tele Luxembourg Limited	England	Dormant	100%

9 Debtors

	31 Dec 2002 £'000	31 Dec 2001 £'000
Amounts owed by group undertakings	971	988
Other debtors	233	296
	1,204	1,284

Amounts owed by group undertakings are unsecured and have no fixed date of repayment.

CLT-UFA UK Radio Ltd

Notes to the financial statements for the year ended 31 December 2002

(Continued)

10 Creditors - amounts falling due within one year

	31 Dec 2002 £'000	31 Dec 2001 £'000
Bank overdraft	-	104
Amounts owed to group undertakings	1,280	1,227
Other creditors	12	5
	<u>1,292</u>	<u>1,336</u>

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

11 Share capital

	31 Dec 2002 £'000	31 Dec 2001 £'000
Authorised:		
10,000,000 ordinary shares of £1 each	10,000	10,000
Allotted, called up and fully paid:		
9,348,678 ordinary shares of £1 each	9,349	9,349

12 Reserves

	Capital Reserve £'000	Profit and loss account £'000
As at 1 January 2002	47	(9,448)
Loss for the period	-	(27)
As at 31 December 2002	<u>47</u>	<u>(9,475)</u>

13 Reconciliation of movements in shareholders' deficit

	31 Dec 2002 £'000	31 Dec 2001 £'000
Loss for the period	(27)	(57)
Net reduction to shareholders' (deficit)/funds	(27)	(57)
Shareholders' (deficit)/funds as at 1 January	(52)	5
Shareholders' deficit as at 31 December	(79)	(52)

CLT-UFA UK Radio Ltd

Notes to the financial statements for the year ended 31 December 2002

(Continued)

14 Ultimate parent undertaking

The immediate parent undertaking is CLT-UFA S.A. 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.