



BDO Stoy Hayward
Chartered Accountants

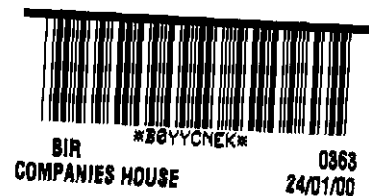
COMPANIES HOUSE SIGNED COPY

Wolverhampton Area Radio Limited

Abbreviated Financial Statements

18 Months Ended

31 March 1999



Wolverhampton Area Radio Limited

Annual report and financial statements for the 18 months ended 31 March 1999

Contents

Page:

1	Report of the auditors
2	Balance sheet
4	Notes forming part of the financial statements

Directors

M Kersen (Chairman)
JL Andrews
B Blakemore
E Jeffries
LT Long
P Maddox
JS Matto
KC McGeary
JP Richards
W Wilson

Secretary and registered office

P Maddox, 10th Floor, Mander House, Wolverhampton, West Midlands WV1 3NB

Company number

2424035

Auditors

BDO Stoy Hayward, 8th Floor, Mander House, Wolverhampton, West Midlands WV1 3NF

Bankers

Barclays Bank plc, PO Box 5, Queen Square, Wolverhampton, WV1 1DS
Bank of Scotland, CBS, Telford House, 3 Mid New Cultins, Edinburgh, EH11 4DH

Wolverhampton Area Radio Limited

Report of the auditors

Auditors' report to Wolverhampton Area Radio Limited under section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages 2 to 6 together with the financial statements of the company for the period ended 31 March 1999 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

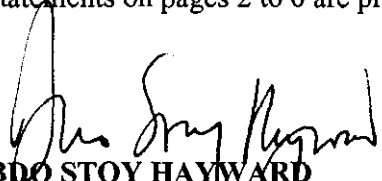
The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and the abbreviated financial statements on pages 2 to 6 are properly prepared in accordance with those provisions.



BDO STOY HAYWARD
*Chartered Accountants
and Registered Auditors*
Wolverhampton

22 December 1999

Wolverhampton Area Radio Limited

Balance sheet at 31 March 1999

	Note	31 March 1999		30 September 1997	
		£	£	£	£
Fixed assets					
Tangible assets	2		79,441		15,742
Current assets					
Stocks		-		4,023	
Debtors		38,293		82,997	
Cash at bank and in hand		6,692		93,674	
		<u>44,985</u>		<u>180,694</u>	
Creditors: amounts falling due within one year		<u>(87,740)</u>		<u>(71,436)</u>	
Net current (liabilities)/assets			<u>(42,755)</u>		<u>109,258</u>
Total assets less current liabilities			<u>36,686</u>		<u>125,000</u>
Creditors: amounts falling due after more than one year			168,489		-
Capital and reserves					
Called up share capital	3	243,750		125,000	
Profit and loss account		(375,553)		-	
Shareholders' funds			<u>(131,803)</u>		<u>125,000</u>
			<u>36,686</u>		<u>125,000</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The notes on pages 4 to 6 form part of these financial statements.

Wolverhampton Area Radio Limited

Balance sheet at 31 March 1999 (*continued*)

The financial statements were approved by the Board on 6 December 1999



M Kersen

Director

The notes on pages 4 to 6 form part of these financial statements.

Wolverhampton Area Radio Limited

Notes forming part of the financial statements for the 18 months ended 31 March 1999

1 Accounting policies

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

The financial statements have been prepared on a going concern basis. The initial period of trading has resulted in significant trading losses. These losses have continued since the balance sheet date, albeit at reducing levels, and are being financed by the financial support provided by the shareholders, which support is more fully described in note 4 to the financial statements. The directors have prepared profit and cashflow forecasts for the period to 31 March 2000 and have considered general prospects thereafter. From this, they consider it shows that, with the continued support of the shareholders, which the directors have assumed will continue to be forthcoming for the foreseeable future, the company will have adequate financial resources sufficient for its future foreseeable trading requirements. Accordingly, the directors consider it appropriate to prepare the financial statements on the going concern basis.

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Leasehold Property	-	12.5%
Fixtures and Fittings	-	20%
Equipment	-	20%

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Pre-trading expenditure

Pre-trading expenditure has been brought forward from the previous accounting period and charged to the profit and loss account in the year along with expenditure incurred in the current year.

Wolverhampton Area Radio Limited

Notes forming part of the financial statements for the 18 months ended 31 March 1999 (Continued)

2 Tangible assets

	Total £
<i>Cost</i>	
At 1 October 1997	15,742
Additions	95,274
Disposals	(2,624)
	<hr/>
At 31 March 1999	108,392
	<hr/>
<i>Depreciation</i>	
At 1 October 1997	-
Provided for the period	30,015
Disposals	(1,064)
	<hr/>
At 31 March 1999	28,951
	<hr/>
<i>Net Book Value</i>	
At 31 March 1999	79,441
	<hr/> <hr/>
At 30 September 1997	15,742
	<hr/> <hr/>

3 Called up share capital

	Authorised		Allotted, called up and fully paid	
	31 March 1999	30 September 1997	31 March 1999	30 September 1997
Ordinary shares of £1 each	750,000	750,000	243,750	125,000
	<hr/>	<hr/>	<hr/>	<hr/>

In June 1998, September 1998 and December 1998, 47,500, 19,000 and 52,250 ordinary shares of £1 each, respectively, were issued at par for cash.

Wolverhampton Area Radio Limited

Notes forming part of the financial statements for the 18 months ended 31 March 1999 (*Continued*)

4 Creditors

Included in "Creditors : amounts falling due after more than one year" are unsecured convertible loan notes amounting to £125,000 (1997 - £Nil) and other loans amounting to £28,553 (1997 - £Nil). The unsecured convertible loan notes were issued during the financial period and bear interest at 7.5% per annum. Loan notes totalling £80,000 are repayable on 1 November 2000 and loan notes totalling £45,000 are repayable on 1 December 2000. The holder of any loan note that remains outstanding at any time after 2000 may require the company to allot and issue to the loan note holder, in exchange for and in satisfaction of the principal amount of the loan note, one fully paid £1 ordinary share in the capital of the company for every £1 of the loan note then outstanding.

The holders of the unsecured convertible loan notes referred to above are also company's shareholders, some of whom are, or are connected with, directors of the company.

The other loans referred to above are also provided by certain company's shareholders, some of whom are, or are connected with, directors of the company.

Certain company shareholders, some of whom are, or are connected with, directors of the company, have guaranteed the company's bank overdraft facility pro rata to their shareholdings, to a maximum of £42,500. At the balance sheet date, the bank overdraft facility was not utilised.