

# Liberty Radio Limited

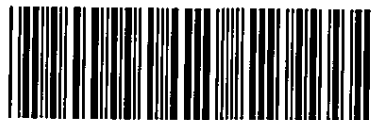
## FINANCIAL STATEMENTS

for the year ended

28 February 2009

Company Registration No. 02803478

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COMPANIES HOUSE

# Liberty Radio Limited

## DIRECTORS AND OFFICERS

### DIRECTORS

Paulo A Duarte Monteiro (Resigned on 15 October 2008)  
José A Dos Santos Junior (Appointed on 29 February 2008)  
Guilherme E Munhoz (Appointed on 15 October 2008)

### SECRETARY

Paulo A Duarte Monteiro (Resigned on 15 October 2008)  
José A Dos Santos Junior (Appointed from 15 October 2008)

### COMPANY NUMBER

02803478 (England and Wales)

### REGISTERED OFFICE

232 Seven Sisters Road  
Finsbury park  
London  
N4 3NX

### AUDITOR

Baker Tilly UK Audit LLP  
1<sup>st</sup> Floor  
46 Clarendon Road  
Watford  
Herts  
WD17 1JJ

# Liberty Radio Limited

## DIRECTORS' REPORT

The directors present their report and financial statements of Liberty Radio Limited for the year ended 28 February 2009.

### REVIEW OF PRINCIPAL ACTIVITIES

The principal activity of the company during the year has continued to be that of radio broadcasting via satellite (BSkyB) and the internet. The company gift aids any taxable profits to its charitable parent undertaking the UCKG HelpCentre. The directors are satisfied with the results for the year.

### KEY PERFORMANCE INDICATORS

The ability for the company to improve its profitability is a key performance indicator of its growth.

For it also to focus and fulfill a market niche for inspirational contemporary music and messages; will be the direction taken for its sustainable growth in the market.

### RISKS AND UNCERTAINTIES

The commercial radio market in the UK is fairly concentrated; progress in this market is measured by reference to share of commercial listening and share of advertising. Not being able to extend our services on this platform until we are able to enter into the digital carriage is the uncertainty that the company will have to face until the Digital Audio Broadcasting ("DAB") platform finally opens up.

The challenge ahead is to upgrade services to facilitate our listeners and attract advertisers to achieve the maximum standards in a developing and competitive media industry.

### FUTURE DEVELOPMENT

We are looking to extend our services on the Digital Audio Broadcasting ("DAB") platform. We know that the future of the radio broadcasting industry relies heavily on using the DAB technology and will seize this opportunity when more stations are opened nearer to the year 2010. The Board believes in the future of DAB and the current opportunities afforded it by the Sky agreement mean that it is able to focus on launching services on Sky Digital initially and give more consideration to when is the right time to enter into negotiations to secure DAB carriage.

New programmes have been added for the 2009/10 financial year including a live breakfast show. There are no significant changes to be reported.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Baker Tilly UK Audit LLP was re-appointed as auditor during the year.

The Directors' Report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

On behalf of the Board of Directors



José A Dos Santos Junior

11 December 2009

# **Liberty Radio Limited**

## **DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 keeping 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.

# Liberty Radio Limited

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIBERTY RADIO LIMITED

We have audited the financial statements on pages 6 to 12.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

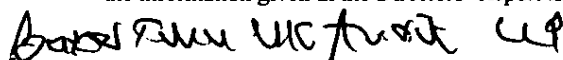
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 28 February 2009 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



BAKER TILLY UK AUDIT LLP

Registered Auditor

Chartered Accountants

1<sup>st</sup> Floor

46 Clarendon Road

Watford

Herts

WD17 1JJ

20 December 2009

**Liberty Radio Limited**  
**PROFIT AND LOSS ACCOUNT**  
for the year ended 28 February 2009

	<i>Notes</i>	2009 £	2008 £
TURNOVER		78,792	72,732
Cost of sales		(27,000)	(28,372)
Gross profit		51,792	44,360
Other operating expenses		(30,389)	(43,272)
OPERATING PROFIT		21,403	1,088
Investment income	3	395	67
		21,798	1,155
Interest payable	2	(2,626)	(2,289)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4	19,172	(1,134)
Taxation	6	-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	12	19,172	(1,134)

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented.

The interest received of £395 (2008: £67) has been gift-aided to the parent undertaking: The UCKG HelpCentre (See Note 14).

# Liberty Radio Limited

BALANCE SHEET (Company Registration No. 02803478)

28 February 2009

	Notes	2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets	7	28,988	38,650
<b>CURRENT ASSETS</b>			
Debtors	8	6,166	15,973
Cash at bank and in hand		32,945	17,774
		39,111	33,747
CREDITORS: Amounts falling due within one year	9	(17,682)	(19,152)
NET CURRENT ASSETS		21,429	14,595
TOTAL ASSETS LESS CURRENT LIABILITIES		50,417	53,245
CREDITORS: Amounts falling due after more than one year	10	(19,000)	(41,000)
		31,417	12,245
<b>CAPITAL AND RESERVES</b>			
Called up share capital		11,445,439	11,445,439
Profit and loss account	12	(11,414,022)	(11,433,194)
SHAREHOLDERS' FUNDS	13	31,417	12,245

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies. The financial statements on pages 6 to 12 were approved by the board of directors and authorised for issue on 11 December 2009 and are signed on its behalf by:



José A Dos Santo Junior  
Director

# Liberty Radio Limited

## ACCOUNTING POLICIES

### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

### TURNOVER

Turnover represents the invoiced value, net of value added tax, of goods sold and services provided to customers.

### TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	25% reducing balance
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### DEFERRED TAXATION

Provision is made for taxation deferred or accelerated by the effect of timing differences, to the extent that it is probable that a liability or asset will crystallise, at the rate expected to be ruling at that date.

A deferred tax asset is not recognized to the extent that the transfer of economic benefit in future is uncertain, as it is intended that taxable profits would be gift aided to the parent charity.



# Liberty Radio Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 February 2009

### 1 TURNOVER

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

### 2 INTEREST PAYABLE

	2009	2008
	£	£
Interest payable on loan owed to parent undertaking	2,626	2,275
Bank interest paid	-	14
	<u>2,626</u>	<u>2,289</u>

### 3 INVESTMENT INCOME

	2009	2008
	£	£
Bank interest	<u>395</u>	<u>67</u>

### 4. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2009	2008
	£	£
Profit/(Loss) on ordinary activities before taxation is stated after charging:		

Depreciation of tangible assets:

Charge for the year:

owned assets	9,662	12,883
Auditor's remuneration	<u>4,100</u>	<u>4,750</u>

### 5. EMPLOYEES

There were no employees during either year apart from the directors. The directors received no remuneration in either year.

# Liberty Radio Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 28 February 2009

### 6 TAXATION

	2009	2008
	£	£
UK Corporation tax		
Current tax on profit/(loss) of the period	-	-
	<hr/>	<hr/>
CURRENT TAX CHARGE	-	-
	<hr/>	<hr/>

#### FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than the standard rate of corporation tax (21%) as explained below:

Profit/(Loss) on ordinary activities before taxation	19,172	(1,134)
	<hr/>	<hr/>
Profit/(Loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2008 – 20.00%)	4,026	(227)
	<hr/>	<hr/>
Effects of:		
Tax losses carried forward	(4,026)	(227)
Non-taxable loan write off	-	-
	<hr/>	<hr/>
	(4,026)	(227)
	<hr/>	<hr/>
CURRENT TAX CHARGE	-	-
	<hr/>	<hr/>

The company has available tax losses carried forward of approx £20,000 (2008 - £39,000)

### 7 TANGIBLE FIXED ASSETS

	Plant and machinery	Total
	£	£
COST		
At 1 March 2008	74,589	74,589
	<hr/>	<hr/>
At 28 February 2009	74,589	74,589
	<hr/>	<hr/>
DEPRECIATION		
At 1 March 2008	35,939	35,939
Charge for the year	9,662	9,662
	<hr/>	<hr/>
At 28 February 2009	45,601	45,601
	<hr/>	<hr/>
NET BOOK VALUE		
At 28 February 2009	28,988	28,988
	<hr/>	<hr/>
At 29 February 2008	38,650	38,650
	<hr/>	<hr/>

**Liberty Radio Limited**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 28 February 2009

8.	DEBTORS	2009	2008
		£	£
	Due within one year:		
	Amounts owed by parent undertaking	-	11,800
	Other debtors	2,166	2,423
	Prepayments and accrued income	4,000	1,750
		<u>6,166</u>	<u>15,973</u>
9.	CREDITORS: Amounts falling due within one year	2009	2008
		£	£
	Trade creditors	1,582	2,402
	Loan owed to parent undertaking	12,000	12,000
	Accruals & Deferred Income	4,100	4,750
		<u>17,682</u>	<u>19,152</u>
10	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2009	2008
		£	£
	Long term loan owed to parent undertaking	<u>19,000</u>	<u>41,000</u>
	The above loan of £31,000 (2008- £53,000) is secured on the company's tangible fixed assets. No amount falls due after more than 5 years. Interest accrues at 1% over bank base rate.		
11	SHARE CAPITAL	2009	2008
		£	£
	AUTHORISED		
	11,445,439 of £1 each	<u>11,445,439</u>	<u>11,445,439</u>
	ALLOTTED, CALLED UP AND FULLY PAID		
	11,445,439 of £1 each	<u>11,445,439</u>	<u>11,445,439</u>
	EQUITY SHARES		
	11,445,439 of £1 each	<u>11,445,439</u>	<u>11,445,439</u>

# Liberty Radio Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 28 February 2009

### 12 PROFIT AND LOSS ACCOUNT

	£
Balance at 1 March 2008	(11,433,194)
Profit for the year	19,172
Balance at 28 February 2009	(11,414,022)

### 13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Profit for the financial year	19,172	(1,134)
Opening shareholders' funds	12,245	13,379
Closing shareholders' funds	31,417	12,245

### 14 CONTROL

The ultimate parent undertaking is UCKG HelpCentre, a Registered Charity, No. 1043985, registered in England and Wales. UCKG HelpCentre acquired the company from Universal Difusão on 28 March 2006. UCKG HelpCentre prepares consolidated accounts which can be obtained from the Charity Commission ([www.charitycommission.gov.uk](http://www.charitycommission.gov.uk))

### 15 RELATED PARTY TRANSACTIONS

No disclosure is made of transactions with group entities as permitted by FRS 8.

The company operates from premises which are provided rent-free by Record TV Network Limited, a company in which José Aroldo Martins, a trustee of the parent undertaking, has a 49% interest. (2008 – 49% interest)