

# Liberty Radio Limited

## FINANCIAL STATEMENTS

for the year ended

28 February 2010

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COMPANIES HOUSE

Company Registration No 02803478

# Liberty Radio Limited

## DIRECTORS AND OFFICERS

### DIRECTORS

José A Dos Santos Junior

Nuno Miguel Conduto da Conceicao (Appointed 29 September 2009 and resigned 03 May 2010)

Guilherme E Munhoz (Resigned on 29 September 2009)

Fabiano Da Silva Moraes (Appointed 03 May 2010)

### SECRETARY

José A Dos Santos Junior

### 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 2010

### 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 for 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 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 in the near future. 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 according to listener demand. 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 has 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.

These accounts have been prepared in accordance with the provisions of the Companies Act 2006 applicable to companies subject to the small companies regime.

On behalf of the Board of Directors



José A Dos Santos Junior

22 November 2010

# Liberty Radio Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP)

### Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 28 February 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies regime

*Baker Tilly UK Audit LLP*

GLYN FRANCIES (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

1<sup>st</sup> Floor, 46 Clarendon Road

Watford, Hertfordshire WD17 1JJ

~~December~~ 2010

*26 November*

**Liberty Radio Limited**  
**PROFIT AND LOSS ACCOUNT**  
for the year ended 28 February 2010

	<i>Notes</i>	2010 £	2009 £
TURNOVER		93,591	78,792
Cost of sales		(33,403)	(27,000)
Gross profit		60,188	51,792
Other operating expenses		(22,268)	(30,389)
OPERATING PROFIT		37,920	21,403
Investment income	3	52	395
		37,972	21,798
Interest payable	2	(465)	(2,626)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	37,507	19,172
Taxation	6	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	37,507	19,172

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 £52 (2009 £395) has been gift-aided to the parent undertaking UCKG HelpCentre (See Note 14)

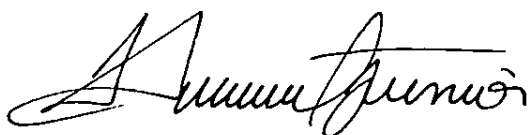
# Liberty Radio Limited

BALANCE SHEET (Company Registration No. 02803478)

28 February 2010

	Notes	2010 £	2009 £
<b>FIXED ASSETS</b>			
Tangible assets	7	21,740	28,988
<b>CURRENT ASSETS</b>			
Debtors	8	12,508	6,166
Cash at bank and in hand		56,048	32,945
		68,556	39,111
CREDITORS Amounts falling due within one year	9	(21,372)	(17,682)
NET CURRENT ASSETS		47,184	21,429
TOTAL ASSETS LESS CURRENT LIABILITIES		68,976	50,417
CREDITORS Amounts falling due after more than one year	10	-	(19,000)
		68,924	31,417
<b>CAPITAL AND RESERVES</b>			
Called up share capital		11,445,439	11,445,439
Profit and loss account	12	(11,376,515)	(11,414,022)
SHAREHOLDERS' FUNDS	13	68,924	31,417

These accounts have been prepared in accordance with the provisions of the Companies Act 2006 applicable to companies subject to the small companies regime. The financial statements on pages 6 to 12 were approved by the board of directors and authorised for issue on 22 November 2010 and are signed on its behalf by



José A Dos Santos Junior  
Director

# Liberty Radio Limited

## ACCOUNTING POLICIES

### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

### GOING CONCERN

The accounts have been prepared on the going concern basis. The group has prepared cash flow forecasts, which include the budgeted results and forecast results of Liberty Radio Limited. On this basis, the Directors are satisfied that Liberty Radio Limited will be able to meet its financial obligations as and when they fall due for a period of a minimum twelve months from the date of signing the financial statements.

### TURNOVER

Turnover represents the invoiced value, net of value added tax, of broadcasting and marketing 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.

### TAXATION

The current tax charge is calculated on taxable profits for the current financial year.



# Liberty Radio Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 February 2010

### 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	2010	2009
		£	£

Interest payable on loan owed to parent undertaking	465	2,626
	<u>          </u>	<u>          </u>

3	INVESTMENT INCOME	2010	2009
		£	£

Interest received	52	395
	<u>          </u>	<u>          </u>

4	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2010	2009
		£	£

Profit on ordinary activities before taxation is stated after charging

Depreciation of tangible assets

Charge for the year

Owned assets	7,248	9,662
	<u>          </u>	<u>          </u>

Auditor's remuneration	4,715	4,100
	<u>          </u>	<u>          </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 2010

### 6 TAXATION

	2010	2009
	£	£
UK Corporation tax		
Current tax on profit/(loss) of the period	-	-
	<u>-</u>	<u>-</u>
CURRENT TAX CHARGE	<u>-</u>	<u>-</u>

### 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 on ordinary activities before taxation	37,507	19,172
	<u>37,507</u>	<u>19,172</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2009 - 21.00%)	7,876	4,026
	<u>7,876</u>	<u>4,026</u>
Effects of		
Tax losses carried forward	(7,876)	(4,026)
	<u>(7,876)</u>	<u>(4,026)</u>

The company has available tax losses carried forward of approx £3,746,140 (2009 - £3,791,714)

### 7 TANGIBLE FIXED ASSETS

	Plant and machinery	Total
	£	£
COST		
At 1 March 2009	74,589	74,589
	<u>74,589</u>	<u>74,589</u>
At 28 February 2010	74,589	74,589
	<u>74,589</u>	<u>74,589</u>
DEPRECIATION		
At 1 March 2009	45,601	45,601
Charge for the year	7,248	7,248
	<u>52,849</u>	<u>52,849</u>
At 28 February 2010	52,849	52,849
	<u>52,849</u>	<u>52,849</u>
NET BOOK VALUE		
At 28 February 2010	21,740	21,740
	<u>21,740</u>	<u>21,740</u>
At 29 February 2009	28,988	28,988
	<u>28,988</u>	<u>28,988</u>

# Liberty Radio Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 28 February 2010

8	DEBTORS	2010	2009
		£	£
	Due within one year		
	Amounts owed by parent undertaking	5,734	-
	Other debtors	2,607	2,166
	Prepayments and accrued income	4,167	4,000
		<u>12,508</u>	<u>6,166</u>

9	CREDITORS Amounts falling due within one year	2010	2009
		£	£
	Trade Creditors	6,472	1,582
	Loan owed to parent undertaking	9,000	12,000
	Amounts owed to parent undertaking	1,133	-
	Accruals & deferred income	4,767	4,100
		<u>21,372</u>	<u>17,682</u>

The above loan of £9,000 (2009- £31,000) is secured on the company's tangible fixed assets Interest accrues at 1% over bank base rate

10	CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2010	2009
		£	£
	Long term loan owed to parent undertaking	-	19,000

11	SHARE CAPITAL	2010	2009
		£	£
	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 2010

### 12 PROFIT AND LOSS ACCOUNT

	£
Balance at 1 March 2009	(11,414,022)
Profit for the year	37,507
Balance at 28 February 2010	(11,376,515)

### 13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Profit for the financial year	37,507	19,172
Opening shareholders' funds	31,417	12,245
Closing shareholders' funds	68,924	31,417

### 14 CONTROL

The immediate and 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)). There is no ultimate controlling party.

### 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 (2009 – 49% interest).