

**RADIO VIVA LIMITED**  
**DIRECTORS' REPORT AND**  
**FINANCIAL STATEMENTS**  
**for the year ended 30 September 1995**

**Company number 2803478**



**BINDER HAMLYN**

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**RADIO VIVA LIMITED**  
**DIRECTORS AND ADVISORS**

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**DIRECTORS**

Lynne Franks  
Linda Agran  
Deborah Owen  
The Hon Robert Rayne  
Mark Sebba  
Richard Wheatly

**SECRETARY**

Alistair Mackenzie

**REGISTERED OFFICE**

Golden Rose House  
26/27 Castlereagh Street  
London  
W1H 6DJ

**AUDITORS**

Binder Hamlyn  
20 Old Bailey  
London  
EC4M 7BH

**BANKERS**

National Westminster Bank PLC  
21 Lombard Street  
London  
EC3P 3AR

## **FINANCIAL STATEMENTS**

The directors present their report and the financial statements of the company for the year ended 30 September 1995.

## **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 the profit or loss 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.

## **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

In October 1994, the Radio Authority offered the company a London AM Licence for a period of 8 years from commencement of broadcasting. The station commenced broadcasting on 3 July 1995.

The directors do not recommend the payment of a dividend. The results for the year are set out on page 5.

## RADIO VIVA LIMITED

### DIRECTORS' REPORT for the year ended 30 September 1995

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#### DIRECTORS

The names of the current directors are stated on page 1. The directors who held office were as follows:

Lynne Franks (appointed 22 February 1995)  
Linda Agran (appointed 22 February 1995)  
Deborah Owen (appointed 22 February 1995)  
The Hon Robert Rayne (appointed 22 February 1995)  
Mark Sebba (appointed 22 February 1995)  
Richard Wheatly (appointed 24 May 1995)  
David Maker (appointed 22 February 1995, resigned 30 September 1995)  
Katy Turner (appointed 22 February 1995, resigned 30 September 1995)  
Golden Rose Communications plc (resigned 22 February 1995)

#### DIRECTORS' INTERESTS IN SHARES

The directors who held office at 30 September 1995 had no interests in the ordinary shares of the company at the beginning and end of the financial year. The interests of the directors in the shares of the ultimate parent undertaking are disclosed in the financial statements of that company, other than those shown below:

	Ordinary shares of 1p each 30 September 1995	Date of appointment
L Franks	16,000	16,000

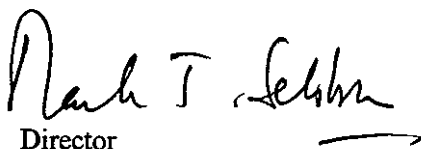
#### FIXED ASSETS

Movements in fixed assets are stated in note 6 to the financial statements.

#### AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Binder Hamlyn be re-appointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 22 December 1995

  
Director

# BINDER HAMLYN

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20 Old Bailey  
London EC4M 7BH

## **AUDITORS' REPORT** **to the members of Radio Viva Limited**

We have audited the financial statements on pages 5 to 12 which have been prepared on the basis of the accounting policies set out on page 7.

### **Respective responsibilities of directors and auditors**

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### **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 30 September 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Binder Hamlyn*

**Chartered Accountants**  
**Registered Auditors**

*26 December 1995*

**RADIO VIVA LIMITED****PROFIT AND LOSS ACCOUNT**  
for the year ended 30 September 1995

	Notes	1995	1994
		£	£
Turnover	1	143,702	-
Staff costs	4	(249,685)	-
Depreciation	6	(42,278)	-
Other operating charges		(1,235,368)	(23,816)
Operating loss	2	(1,383,629)	(23,816)
Loss on ordinary activities before taxation		(1,383,629)	(23,816)
Tax on loss on ordinary activities	5	-	-
Loss on ordinary activities after taxation	11	(1,383,629)	(23,816)
Profit and loss account brought forward		(23,816)	-
Profit and loss account carried forward		(1,407,445)	(23,816)

All income and expenditure derives from the continuing activities of the company and there were no acquisitions in the period.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

There are no recognised gains or losses other than those shown in the profit and loss account.

# RADIO VIVA LIMITED

## BALANCE SHEET as at 30 September 1995

	Notes	1995	1994
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	6	211,653	-
<b>CURRENT ASSETS</b>			
Debtors	7	68,525	-
		68,525	-
<b>CREDITORS: amounts falling due within one year</b>	8	(987,623)	(23,814)
<b>Net current liabilities</b>		(919,098)	(23,814)
<b>Total asset less current liabilities</b>		(707,445)	(23,814)
<b>CREDITORS: amounts falling due after more than one year</b>	9	(400,000)	-
<b>Net liabilities</b>		(1,107,445)	(23,814)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	300,000	2
Profit and loss account		(1,407,445)	(23,816)
<b>Shareholders' funds</b>	11	(1,107,445)	(23,814)

The financial statements on pages 5 to 12 were approved by the Board on 22 December 1995

*Richard Wheatly*

RJN Wheatly  
Director

*MJ Sebba*

MJ Sebba  
Director



**NOTES TO THE FINANCIAL STATEMENTS**

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**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements have been prepared on the going concern basis on the understanding that the ultimate parent undertaking will supply the necessary financial support for the foreseeable future.

**Turnover**

Turnover represents the amounts invoiced to customers excluding value added tax, in respect of the sale of airtime, sponsorship and related services.

**Depreciation**

Provision for depreciation of tangible assets is made on the straight line basis at rates calculated to write off the cost of the assets, less their estimated residual values, over their expected working lives, which are considered to be:

Leasehold improvements	- over period of lease
Studio equipment	- 5 years
Computer equipment	- 5 years
Office equipment	- 8 years

**Assets held under lease agreements**

Tangible assets acquired under finance lease agreements are capitalised at cost and are written off over the shorter of their expected working lives or the lease term. The related finance costs are charged to profit and loss account on bases appropriate to the terms of the agreements.

Payments under operating leases are charged to profit and loss account in the period to which they relate.

**Pension scheme**

Contributions made by the company to employees' personal pension plans are charged to the profit and loss account in the period in which they accrue.

**Deferred taxation**

Provision for deferred taxation is made, using the liability method, in respect of the taxation effect of all timing differences, to the extent that it is probable that liabilities or assets will crystallise in the foreseeable future.

**NOTES TO THE FINANCIAL STATEMENTS**

**2 OPERATING LOSS**

Operating loss for the year is  
stated after charging:

	1995	1994
	£	£
Depreciation of tangible fixed assets	42,278	-
Operating lease rentals - equipment and vehicles	21,981	-
Auditors' remuneration - audit fees	2,500	600

**3 DIRECTORS' EMOLUMENTS**

The aggregate emoluments (including pension contributions)  
of the directors were as follows:

Remuneration	76,551	-
Fees	33,750	-
Compensation for loss of office	46,338	-
	156,639	-

Richard Wheatly, David Maker, the Hon. Robert Rayne and Mark Sebba were all directors of Golden Rose Communications plc, the ultimate parent undertaking during the year, and their remuneration is shown in the financial statements of that company.

The emoluments (excluding pension contributions) of directors of the company were as follows:

Chairman (see also note 13)	26,250	-
Highest paid director		
- remuneration	68,595	-
- compensation for loss of office	46,338	-
	114,933	

Directors' emoluments (excluding pension contributions and compensation for loss of office) were in the following ranges:

£0 - £5,000	7	1
£25,001 - £30,000	1	-
£65,001 - £70,000	1	-

5 of the directors in the band £0 - £5,000 received no remuneration from the company during the year.

**NOTES TO THE FINANCIAL STATEMENTS**

**4 EMPLOYEES**

The average number of persons (including executive directors) employed by the company since the company commenced broadcasting was:

	1995 Number	1994 Number
Selling and marketing	1	-
Programming	6	-
Administration	2	-
	9	-

	1995 £	1994 £
The related staff costs amounted to:		
Wages and salaries	220,968	-
Social security costs	20,761	-
Other pension costs	7,956	-
	249,685	-

**Pension commitments**

The company made payments to one employee's personal pension plans. The assets of each scheme are held separately from those of the company in independently administered funds. The pension cost charged represents contributions payable by the company to the funds and amounted to £7,956 (1994: £Nil). At 30 September 1995 no outstanding contributions were payable to the funds (1994: Nil).

**5 TAXATION**

There is no charge to corporation tax for the year as a result of the losses incurred in the year. These losses are available for offset against future taxable profits.

**NOTES TO THE FINANCIAL STATEMENTS**

**6 TANGIBLE FIXED ASSETS**

	Leasehold improvements £	Studio and office equipment £	Total £
<b>Cost</b>			
1 October 1994	-	-	-
Additions	121,900	132,031	253,931
<b>30 September 1995</b>	<b>121,900</b>	<b>132,031</b>	<b>253,931</b>
<b>Depreciation</b>			
1 October 1994	-	-	-
Charge	6,772	35,506	42,278
<b>30 September 1995</b>	<b>6,772</b>	<b>35,506</b>	<b>42,278</b>
<b>Net book value</b>			
<b>30 September 1995</b>	<b>115,128</b>	<b>96,525</b>	<b>211,653</b>
30 September 1994	-	-	-

<b>7 DEBTORS</b>	<b>1995</b>	<b>1994</b>
	<b>£</b>	<b>£</b>
Trade debtors	68,525	-
	<b>68,525</b>	<b>-</b>

<b>8 CREDITORS: amounts falling due within one year</b>	<b>1995</b>	<b>1994</b>
	<b>£</b>	<b>£</b>
Amounts owed to parent undertaking	67,567	23,814
Amounts owed to fellow subsidiary undertaking	920,056	-
	<b>987,623</b>	<b>23,814</b>

**9 CREDITORS: amounts falling due after more than one year**

Redeemable Loan Stock due 2000 at 2% over National Westminster Bank plc base rate	400,000	-
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The loan stock was issued on 31 March 1995 to provide extra working capital for the company. Interest on the loan stock in the period has been waived by the stockholders.

**NOTES TO THE FINANCIAL STATEMENTS**

**10 SHARE CAPITAL**

	1995 £	1994 £
<b>Authorised</b>		
Ordinary shares of £1 each	300,000	1,000
<b>Allotted and called up</b>		
	<b>Fully paid</b>	<b>Unpaid</b>
Ordinary shares of £1 each	300,000	2

On 31 March 1995, the authorised share capital was increased to 300,000 £1 ordinary shares and 299,998 ordinary shares of £1 each were issued in order to provide additional working capital for the company.

**11 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

£

Retained loss for the year	(1,383,629)
Issue of share capital	299,998
	(1,083,631)
Shareholders' funds brought forward	(23,814)
Shareholders' funds carried forward	(1,107,445)

**12 CONTINGENCIES**

**Financial commitments**

At 30 September 1995, the company had commitments in respect of non-cancellable operating leases.

The rentals payable under these leases in the year to 30 September 1996 are as follows:

	1995 Equipment and vehicles £	1994 Equipment and vehicles £
Date of lease termination:		
Within one year	-	-
In second to fifth years inclusive	7,230	-
After five years	36,500	-
	43,730	-

**NOTES TO THE FINANCIAL STATEMENTS**

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**Deferred tax**

No potential deferred tax liability exists as a result of the losses available for offset against future profits.

**13 DIRECTOR'S INTEREST IN TRANSACTION**

Lynne Franks as well as being a director is also a programme presenter. Her fees for this have been negotiated on an arms length basis.

The Hon Robert Rayne is also a director of London Merchant Securities Plc (LMS). Radio Viva Limited occupies offices which are leased from Portman Investments (Baker Street) Limited, a company in which LMS has a 55% holding.

**14 ULTIMATE PARENT COMPANY**

The directors consider that the ultimate parent undertaking is Golden Rose Communications plc, a company registered in England and Wales.

Golden Rose Communications plc is the parent undertaking of the largest and the smallest group of which Radio Viva Limited is a member and for which group accounts are drawn up. Copies of those group accounts are available from the Registrar of Companies.