

UKRD RADIO SERVICES LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

30 SEPTEMBER 2003

COMPANY REGISTRATION NUMBER 3564336



UKRD RADIO SERVICES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2003

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UKRD RADIO SERVICES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

J St. Aubyn
W Rogers

COMPANY SECRETARY

Y Clayton

REGISTERED OFFICE

Carn Brea Studios
Barncoose Industrial Estate
Redruth
Cornwall
TR15 3RQ

AUDITORS

Menzies
Chartered Accountants
& Registered Auditors
Sandringham
Guildford Road
Woking
Surrey
GU22 7QL

BANKERS

Royal Bank of Scotland
10 North Street
Guildford
Surrey
GU1 4AF

UKRD RADIO SERVICES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 SEPTEMBER 2003

The directors present their report and the financial statements of the company for the year ended 30 September 2003.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the maintenance of the sales ledger for some of the subsidiaries of UKRD Group Limited.

DIRECTORS

The directors who served the company during the year were as follows:

W Rogers
J St. Aubyn

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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

A resolution to re-appoint Menzies as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Carn Brea Studios
Barncoose Industrial Estate
Redruth
Cornwall
TR15 3RQ

Signed by order of the directors



Y Clayton
Company Secretary

Approved by the directors on 19. 4. 2004

UKRD RADIO SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 30 SEPTEMBER 2003

We have audited the financial statements on page which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on page.

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 with the company 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 United Kingdom 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.

FUNDAMENTAL UNCERTAINTY

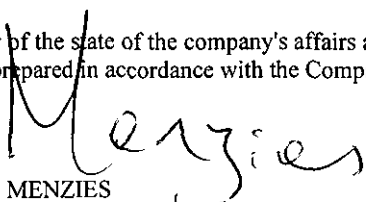
In forming our opinion, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the uncertainty as to the future financing of the group. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in that respect.

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 2003 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Sandringham
Guildford Road
Woking
Surrey
GU22 7QL

28 April 2004


MENZIES
Chartered Accountants
& Registered Auditors

UKRD RADIO SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 SEPTEMBER 2003

	Note	Year to 30 Sep 03 £	Period from 1 Mar 02 to 30 Sep 02 £
TURNOVER		—	—
Administrative expenses		10,446	4,030
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(10,446)</u>	<u>(4,030)</u>
LOSS FOR THE FINANCIAL YEAR		<u>(10,446)</u>	<u>(4,030)</u>

The notes on page 4 form part of these financial statements.

UKRD RADIO SERVICES LIMITED

BALANCE SHEET

30 SEPTEMBER 2003

	Note	2003 £	£	2002 £	£
CURRENT ASSETS					
Debtors	3	2,029,736		658,739	
Cash at bank		33		25,458	
		<u>2,029,769</u>		<u>684,197</u>	
CREDITORS: Amounts falling due within one year					
	4	<u>2,044,243</u>		<u>688,225</u>	
NET CURRENT LIABILITIES			(14,474)		(4,028)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(14,474)</u>		<u>(4,028)</u>
CAPITAL AND RESERVES					
Called-up equity share capital	6		2		2
Profit and loss account	7		(14,476)		(4,030)
DEFICIENCY			<u>(14,474)</u>		<u>(4,028)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 19. 4. 2004 and are signed on their behalf by:


W Rogers

UKRD RADIO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2003

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The accounts are prepared on a going concern basis which is dependent on the continued support of the parent undertaking and the group to which the company belongs. The directors of the group have developed a plan to enable the group to continue trading, which involves the raising of additional funds and the assumption that surplus non-core investments will be sold, to provide adequate finance for the group to reach a position of positive operating cashflows.

In the event that the plan is not achieved or a suitable alternative investment is not available, the going concern basis may be invalid and adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify fixed assets and long term liabilities as current assets and current liabilities.

Fixed assets

All fixed assets are initially recorded at cost.

2. OPERATING LOSS

Operating loss is stated after charging:

	Year to 30 Sep 03 £	Period from 1 Mar 02 to 30 Sep 02 £
Directors' emoluments	—	—

3. DEBTORS

	2003 £	2002 £
Trade debtors	810,212	636,244
Amounts owed by group undertakings	1,219,522	22,493
Called up share capital not paid	2	2
	<u>2,029,736</u>	<u>658,739</u>

4. CREDITORS: Amounts falling due within one year

	2003 £	2002 £
Amounts owed to group undertakings	1,878,895	512,394
Other taxation	162,854	175,831
Other creditors	2,494	—
	<u>2,044,243</u>	<u>688,225</u>

5. RELATED PARTY TRANSACTIONS

The accounts do not include details in respect of transactions with the ultimate parent undertaking and those subsidiary undertakings, where the group controls 90% or more of those companies' voting rights as permitted under Financial Reporting Standard 8, "Related Party Disclosures".

UKRD RADIO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2003

6. SHARE CAPITAL

Authorised share capital:

	2003 £	2002 £
1,000 Ordinary shares of £1 each	1,000	1,000

Allotted and called up:

	2003 No	£	2002 No	£
Ordinary shares of £1 each	2	2	2	2

The amounts of paid-up share capital for the following category of shares differed from the called-up share capital stated above due to unpaid calls and were as follows:

	2003 £	2002 £
Ordinary shares	2	2

7. PROFIT AND LOSS ACCOUNT

	Year to 30 Sep 03 £	Period from 1 Mar 02 to 30 Sep 02 £
Balance brought forward	(4,030)	—
Accumulated loss for the financial year	(10,446)	(4,030)
Balance carried forward	(14,476)	(4,030)

8. ULTIMATE PARENT COMPANY

The directors consider the ultimate parent undertaking to be UKRD Group Limited, a company which is registered in England and Wales. There is no one controlling party of UKRD Group Limited.