

WESTCOM MEDIA LIMITED
FINANCIAL STATEMENTS
FOR
30 SEPTEMBER 2001

Company Registration Number 03591977



WESTCOM MEDIA LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2001

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WESTCOM MEDIA LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

T Smallwood
J R Darch
S J Kitney
W J 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

WESTCOM MEDIA LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 SEPTEMBER 2001

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 September 2001.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the operation of a commercial radio station broadcasting to Weston-Super-Mare and surrounding areas under a Radio Authority licence.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 30 September 2001	At 1 October 2000 or later date of appointment
T Smallwood	-	25,000
J R Darch	-	25,000
S J Kitney	-	-
W J Rogers	-	-

The company is a subsidiary of UKRD Group Limited and the interests of W Rogers, S Kitney, J Darch and T Smallwood, who are also directors of the holding undertaking, are disclosed in the financial statements of that company.

S J Kitney was appointed as a director on 7 September 2001.

W J Rogers was appointed as a director on 7 September 2001.

H B Champion resigned as a director on 7 September 2001.

D A Demetriou resigned as a director on 7 September 2001.

B M Driscoll resigned as a director on 7 September 2001.

M Michael resigned as a director on 7 September 2001.

C M Sanders resigned as a director on 7 September 2001.

MONETARY UNION

The single European currency is in existence but the board considers that the euro has had no significant impact on the business. However they will continue to monitor the situation.

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 7, 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.

WESTCOM MEDIA LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2001

DIRECTORS' RESPONSIBILITIES *(continued)*

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

The directors appointed Menzies to fill a casual vacancy of auditors during the year. 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 26.2.2002

WESTCOM MEDIA LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 30 SEPTEMBER 2001

We have audited the financial statements on pages 5 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on pages 2 to 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility 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.

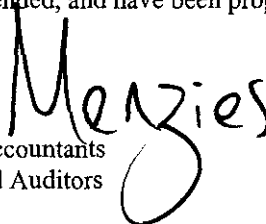
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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 2001 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Sandringham
Guildford Road
Woking
Surrey
GU22 7QL

MENZIES
Chartered Accountants
& Registered Auditors



20 March 2002

WESTCOM MEDIA LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 SEPTEMBER 2001

	Note	2001 £	2000 £
TURNOVER		348,816	358,550
Variable costs		121,637	156,063
GROSS PROFIT		227,179	202,487
Operating expenses		411,297	258,071
OPERATING LOSS	2	(184,118)	(55,584)
Profit on disposal of fixed assets		412,006	-
		227,888	(55,584)
Interest receivable		1,777	3,424
Interest payable		(327)	(36)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		229,338	(52,196)
TAXATION		-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		229,338	(52,196)
Equity dividends paid		145,000	-
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		84,338	(52,196)

The notes on pages 7 to 10 form part of these financial statements.

WESTCOM MEDIA LIMITED

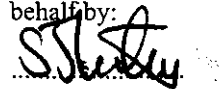
BALANCE SHEET

30 SEPTEMBER 2001

	Note	2001	2000
		£	£
FIXED ASSETS			
Tangible assets	4	98,303	107,619
Investments	5	-	-
		<u>98,303</u>	<u>107,619</u>
CURRENT ASSETS			
Debtors	6	1,905,736	105,110
Cash at bank and in hand		5,190	27,010
		<u>1,910,926</u>	<u>132,120</u>
CREDITORS: Amounts falling due within one year	7	<u>(179,223)</u>	<u>(69,071)</u>
NET CURRENT ASSETS		1,731,703	63,049
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,830,006</u>	<u>170,668</u>
CAPITAL AND RESERVES			
Called-up equity share capital	10	446,875	250,000.
Share premium account	11	1,378,125	-
Profit and Loss Account	12	5,006	(79,332)
SHAREHOLDERS' FUNDS		<u>1,830,006</u>	<u>170,668</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 March 2000).

These financial statements were approved by the directors on the 26/2/02, and are signed on their behalf by:


S J Kitney

The notes on pages 7 to 10 form part of these financial statements.

WESTCOM MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2001

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 March 2000).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax, trade discounts and agency commissions.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & fittings	-	20% straight line per annum.
Motor vehicles	-	25% straight line per annum.
Office equipment	-	20% and 33.3% straight line per annum.
Transmitter	-	12.5% and 20% straight line per annum
Music	-	25% straight line per annum.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Profit and Loss Account on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. OPERATING LOSS

Operating loss is stated after charging:

	2001 £	2000 £
Directors' emoluments	19,613	30,000
Directors compensation for loss of office	30,000	-
Depreciation of tangible fixed assets	27,761	17,774
Auditors' fees	2,500	-
Costs of integrating the company into UKRD Group	60,000	-

WESTCOM MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2001

3. DIRECTORS' PENSION SCHEMES

The number of directors who are accruing benefits under company pension schemes were as follows:

	2001 No.	2000 No.
Money purchase schemes	<u>1</u>	<u>1</u>

4. TANGIBLE FIXED ASSETS

	Fixtures & fittings £	Motor vehicles £	Equipment £	Transmitter and studio equipment £	Music £	Total £
COST						
At 1 Oct 2000	1,748	3,050	10,969	110,242	296	126,305
Additions	4,862	-	8,229	5,354	-	18,445
At 30 Sep 2001	<u>6,610</u>	<u>3,050</u>	<u>19,198</u>	<u>115,596</u>	<u>296</u>	<u>144,750</u>
DEPRECIATION						
At 1 Oct 2000	447	763	2,920	14,488	68	18,686
Charge for the year	450	791	7,057	19,389	74	27,761
At 30 Sep 2001	<u>897</u>	<u>1,554</u>	<u>9,977</u>	<u>33,877</u>	<u>142</u>	<u>46,447</u>
NET BOOK VALUE						
At 30 Sep 2001	<u>5,713</u>	<u>1,496</u>	<u>9,221</u>	<u>81,719</u>	<u>154</u>	<u>98,303</u>
At 30 Sep 2000	<u>1,301</u>	<u>2,287</u>	<u>8,049</u>	<u>95,754</u>	<u>228</u>	<u>107,619</u>

5. INVESTMENTS

	Subsidiary undertaking £
COST	
Additions	931,146
Disposals	(931,146)
At 30 September 2001	<u>-</u>
NET BOOK VALUE	
At 30 September 2001	<u>-</u>

On 7 January 2001 the company acquired a 100% holding in the ordinary shares of CAT FM Limited, a company incorporated in England and Wales. The administration of the sale of CAT FM Limited to UKRD Group Limited was completed on 7 January 2002, after that company became the parent undertaking of Westcom Media Limited on 7 September 2001. The directors consider this to be an adjusting post balance sheet event and following the Substance over Form basis of Financial Reporting Standard 5 "Substance of Transactions" the accounts for the year ended 30 September 2001 have been adjusted for this transaction.

WESTCOM MEDIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 SEPTEMBER 2001****6. DEBTORS**

	2001	2000
	£	£
Trade debtors	63,447	94,025
Amounts owed by group undertakings	1,831,854	-
Other debtors	10,435	11,085
	<u>1,905,736</u>	<u>105,110</u>

The debtors above include the following amounts falling due after more than one year:

	2001	2000
	£	£
Amounts owed by group undertakings	<u>1,700,000</u>	<u>-</u>

7. CREDITORS: Amounts falling due within one year

	2001	2000
	£	£
Bank loans and overdrafts	-	9,668
Trade creditors	46,330	24,759
Amounts owed to group undertakings	455	-
Other creditors	14,117	20,835
Accruals and deferred income	118,321	13,809
	<u>179,223</u>	<u>69,071</u>

8. COMMITMENTS UNDER OPERATING LEASES

At 30 September 2001 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2001	2000
	£	£
Operating leases which expire:		
After more than 5 years	<u>10,500</u>	<u>-</u>

9. RELATED PARTY TRANSACTIONS

As permitted by Financial Reporting Standard 8 "Related Party Disclosure", no disclosures have been provided 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.

WESTCOM MEDIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 SEPTEMBER 2001****10. SHARE CAPITAL****Authorised share capital:**

	2001	2000
	£	£
500,000 Ordinary shares of £1.00 each	<u>500,000</u>	<u>500,000</u>

Allotted, called up and fully paid:

	2001	2000
	£	£
Ordinary share capital brought forward	250,000	250,000
Issue of ordinary shares	<u>196,875</u>	<u>-</u>
	<u>446,875</u>	<u>250,000</u>

On 5 January 2001 the company effected a rights issue, allotting an additional 196,875 Ordinary shares of £1 each nominal value, with a premium of £7 per share. All allotted and issued shares are fully paid up for cash and rank pari passu in all respects with the existing shares.

11. SHARE PREMIUM ACCOUNT

	2001	2000
	£	£
Premium on shares issued in the year	<u>1,378,125</u>	<u>-</u>

12. PROFIT AND LOSS ACCOUNT

	2001	2000
	£	£
Balance brought forward	(79,332)	(27,136)
Retained profit/(loss) for the financial year	<u>84,338</u>	<u>(52,196)</u>
Balance carried forward	<u>5,006</u>	<u>(79,332)</u>

13. ULTIMATE PARENT COMPANY

Following a share purchase on 7 September 2001 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.