

Registered Number: 3823436

MUKBL Radio Services Limited

Directors' Report and Financial Statements

For the year ended 30 September 2007

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MUKBL Radio Services Limited

Company information

Directors	D Anthony T O'Connor (resigned 17/10/2006) Richard Manning (appointed 10/10/2006)
Secretary	T O'Connor (resigned 17/10/2006) Richard Manning (appointed 17/10/2006)
Company number	3823436
Registered office	30 Leicester Square London WC2H 7LA
Auditors	KPMG Audit Plc Chartered Accountants & Registered Auditors 8 Salisbury Square London EC4Y 8BB

MUKBL Radio Services Limited

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MUKBL Radio Services Limited

Directors' Report

For the year ended 30 September 2007

The directors present their report and the audited financial statements for the year ended 30 September 2007

Principal activities and review of business

The Company owns a Digital Service Provider License to operate a digital radio service and does so in conjunction with Planet Rock Limited who operate the Planet Rock radio station which is also a wholly owned subsidiary of GCap Media Digital Limited. The service is transmitted on the Digital One Multiplex, the cost of which is borne by the Company. The shareholders have agreed to ensure that the Company is adequately funded while revenue levels for the radio station are insufficient to cover its operating costs. Accordingly no charge is currently made for the right to use the licence. Revenue from the operation of the radio station is recognised in the Planet Rock Limited financial statements.

Prices for transmission and audience fees are set annually and the Company's costs will then fluctuate to the number of transmitters in use and radio station audience numbers.

The key risks to the business and uncertainties facing the Company are those that face the Planet Rock radio station, namely the challenge to operate a successful and profitable station in an ever changing and competitive broadcasting market.

The Company intends to hold the license for the foreseeable future. Shareholders have given assurances such that sufficient resources will be made available for the foreseeable future so that the Company can meet its liabilities as and when they fall due and as such the financial statements have been prepared on the going concern basis.

Significant events during the year

On 17th October 2006, GCap Media Digital Limited purchased 75% of the Company from MUKBL Digital Radio Limited. GCap Media Digital Limited is ultimately wholly owned by GCap Media plc. Following this acquisition, the Company was 100% owned by GCap Media plc.

Results and dividends

The profit for the year, after taxation, amounted to £88,000 (three month period ended 30 September 2006 loss £351,000).

The directors do not recommend the payment of a dividend (three month period ended 30 September 2006 £nil).

Directors

The directors who held office during the year were as follows

D Anthony
T O'Connor (resigned 17/10/2006)
Richard Manning (appointed 10/10/2006)

MUKBL Radio Services Limited

Directors' Report

For the year ended 30 September 2007

Political and charitable contributions

The company made no political or charitable donations or incurred any political expenditure during the year

Policy and practice on payment of creditors

The company does not follow a code but operates a payment policy to agreed terms in settling outstanding debts. For certain types of regular contracted services direct debit or standing order arrangements are encouraged. Most other supplies are on an ad hoc basis and the terms of payment are agreed when the order is placed. The majority of payments are made by electronic transfer direct to suppliers' bank accounts. All of the payments are undertaken on the company's behalf by GCap Media Services Limited under an agency agreement.

Provision of information to auditors

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Directors' and officers' insurance

The company maintains cover for all directors and officers against liabilities which may be incurred by them whilst acting as directors or officers

Auditors

KPMG Audit Plc will be proposed for reappointment in accordance with section 385 of the Companies Act 1985

This report was approved by the board on 27 March 2008 and signed on its behalf



Director

RICHARD MANNING

MUKBL Radio Services Limited

Statement of directors' responsibilities in respect of the Directors' Report and the 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK 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 keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities



KPMG Audit Plc

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Independent Auditors' Report to the members of MUKBL Radio Services Limited

We have audited the financial statements of MUKBL Radio Services Limited for the year ended 30 September 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 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 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 financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

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 judgments 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.

Independent Auditors' Report to the members of MUKBL Radio Services Limited

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2007 and of its profit for the year then ended,
- the financial statements that 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

KPMG Audit Plc

28 March 2008

KPMG Audit Plc
Chartered Accountants and Registered Auditor
8 Salisbury Square
London
EC4Y 8BB

MUKBL Radio Services Limited

Profit and loss account

For the year ended 30 September 2007

	Note	Year ended 30 September 2007 £'000	Three month period ended 30 September 2006 £'000
Operating charges	2 - 5	(1,472)	(351)
Operating Profit/(loss)		(1,472)	(351)
Other income	6	1,560	-
Profit/(loss) on ordinary activities before taxation		88	(351)
Tax on profit/(loss) on ordinary activities	7	-	-
Profit/(loss) on ordinary activities after taxation		88	(351)

All amounts relate to continuing operations

The company has no other recognised gains or losses other than the results for the year

A note on historical profits and losses has not been included as part of these financial statements as there is no material difference between the results as disclosed in the profit and loss account and the result on an unmodified historical cost basis

The notes on pages 8 to 12 form part of these financial statements

MUKBL Radio Services Limited

Balance Sheet

As at 30 September 2007

	Note	30 September 2007 £'000	30 September 2006 £'000
Current assets			
Debtors	8	-	52
Cash at bank and in hand		-	79
		<u>-</u>	<u>131</u>
Creditors: amounts falling due within one year	9	(6,229)	(6,448)
Net current liabilities		(6,229)	(6,317)
Net assets liabilities		(6,229)	(6,317)
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	(6,230)	(6,318)
Shareholders' deficit		(6,229)	(6,317)

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 27 March 2008



Director

MUKBL Radio Services Limited

Notes to the financial statements For the year ended 30 September 2007

1 Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

In these financial statements the following new standard has been adopted for the first time, FRS 20 'Share Based Payment' FRS 20 has had no effect on the company as the company does not directly employ any staff

1.2 Cashflow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS1

1.3 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

MUKBL Radio Services Limited

Notes to the financial statements

For the year ended 30 September 2007

1 Accounting policies (continued)

1.4 Going concern

The company has net liabilities of £6,229,000. This is mainly represented by an intercompany balance with GCap Media Services Limited ("GMSL") and MUKBL Radio Services Limited. The Board has received appropriate assurances from GCap Media plc, the ultimate parent company of both the company and GMSL, that it will continue to provide financial and other support to the company for the foreseeable future to enable it to meet its liabilities as they fall due. GMSL has confirmed that it will not seek repayment of the outstanding intercompany creditor balance within 12 months from the date of approval of these financial statements. On this basis, the directors consider it appropriate to prepare the accounts on a going concern basis.

2 Operating charges

	Year ended 30 September 2007 £'000	Three month period ended 30 September 2006 £'000
Audience and transmission fees	<u>1,472</u>	<u>351</u>

3 Staff costs

The Company does not directly employ any staff (Three month period ended 30 September 2006 nil)

4 Disclosure of auditors' remuneration

Amounts receivable by the company's auditor in respect of services to the company and its associates, other than the audit of the company's financial statements, have not been disclosed, as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's parent, GCap Media plc. The audit fee in respect of the company was £1,000 (Three month period ended 30 September 2006 £1,000).

5 Directors' emoluments

None of the Directors are employees of the Company and no Director received any remuneration from the Company during the year. There have been no direct recharges made to the Company in respect of the services provided by either of the Directors, as their services as a Director to the Company are considered to be incidental to their other services.

6 Other income

This represents the management charge from MUKBL to Planet Rock which is a wholly owned subsidiary of GCap Media Digital Limited, for the use of the licences held by MUKBL Radio Services Limited.

MUKBL Radio Services Limited

Notes to the financial statements For the year ended 30 September 2007

7 Taxation

	Year ended 30 September 2007 £'000	Three month period ended 30 September 2006 £'000
Analysis of tax on profit/(loss) on ordinary activities	<u>88</u>	<u>(351)</u>
Current tax		
UK corporation tax on profit/(loss) for the year/period at 30% (three month period ended September 2007 30%)	26	(105)
(Relief from b/f losses)/Unrelieved tax losses	(26)	105
Total current tax	<u>-</u>	<u>-</u>

A deferred tax asset of £1,726,000 (three month period ended 30 September 2006 £1,752,000) has not been recognised in respect of tax losses as there is insufficient certainty as to the availability of future taxable profits

8 Debtors

	30 September 2007 £'000	30 September 2006 £'000
Prepayments and accrued income	<u>-</u>	<u>52</u>

9 Creditors

	30 September 2007 £'000	30 September 2006 £'000
Trade creditors	-	508
Amounts owed to parent and other group undertakings	<u>6,229</u>	<u>5,940</u>
	<u>6,229</u>	<u>6,448</u>

MUKBL Radio Services Limited

Notes to the financial statements For the year ended 30 September 2007

10 Share capital

	30 September 2007 £'000	30 September 2006 £'000
Authorised		
1,000 Ordinary shares of £1 each	<u>1</u>	<u>1</u>
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

11 Reserves

	Profit and loss account £'000
At 30 September 2006	(6,318)
Profit for the year	88
At 30 September 2007	<u>(6,230)</u>

12 Reconciliation of movement in shareholder's deficit

	30 September 2007 £'000	30 September 2006 £'000
Opening equity shareholders' deficit	(6,317)	(5,966)
Retained profit/(loss) loss for the year/period	88	(351)
Closing equity shareholders' deficit	<u>(6,229)</u>	<u>(6,317)</u>

MUKBL Radio Services Limited

Notes to the financial statements For the year ended 30 September 2007

13 Contingent liabilities

Contingent liabilities are as follows

- a) Various inter-group cross guarantees are held by Barclays Bank
- b) The company is a member of a group for VAT purposes, resulting in a joint and several liability for amounts owing by other group companies for unpaid VAT

14 Related party transactions

As the company is a wholly owned subsidiary of GCap media plc the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities, which form part of the group

15 Ultimate parent undertaking and controlling party

The Company is 75% owned by GCap Media Digital Limited who purchased the remaining shareholding on 17th October 2006 and 25% by GCap Media Services Limited. Both GCap Media Digital Limited and GCap Media Services Limited are ultimately wholly owned by GCap Media plc which is listed on the London Stock Exchange. Copies of GCap Media plc's consolidated financial statements can be obtained from the company secretary at 30 Leicester Square, London, WC2H 7LA.