

Company No: 3426787

**Oxford Broadcasting Limited trading as  
Six TV**

**Report and Financial Statements**

**Year Ended**

**30 September 2007**



**BDO Stoy Hayward**  
Chartered Accountants

**Oxford Broadcasting Limited trading as Six TV**

**Annual report and financial statements for the year ended 30 September 2007**

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Director

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**Director**

J Sanderson

**Secretary and registered office**

G Urquhart, 1<sup>st</sup> Floor, 2 Royal Exchange Steps, The Royal Exchange, London, EC3V 3DG

**Company number**

3426787

**Auditors**

BDO Stoy Hayward LLP, Kings Wharf, 20-30 Kings Road, Reading, Berkshire, RG1 3EX

## **Oxford Broadcasting Limited trading as Six TV**

### **Report of the director for the year ended 30 September 2007**

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The director presents his report together with the audited financial statements for the year ended 30 September 2007.

#### **Results and dividends**

The profit and loss account is set out on page 5 and shows the result for the year.

The director does not recommend the payment of a dividend.

#### **Principal activities, trading review and future developments**

The company's principal activity continued to be the operation of two "SIX TV" branded local television services (one in Oxfordshire and one in Southampton). The free-to-air local television licences operated by the company have now been extended by the UK Office of Communications ("Ofcom") until around 2011, providing an enhanced opportunity for the company to review its development strategy and options for rolling out new local channels on digital platforms. Thereafter the director expects to be required to compete with third parties for ongoing access to suitable multiplex capacity for broadcasting on the basis of a cash auction. The director is currently reviewing the likely impact of this on the long-term business prospects for the company. Separately, the company is reviewing the opportunity to offer its production facilities to third parties including associated companies of Milestone Group PLC.

#### **Review of the Business and post balance sheet events**

The business has been scaled-back as the company reviews its long term prospects. The profit and loss account is set out on page 5 and shows the result for the year. Turnover has decreased in the year to 44% of the previous year. Cost of Sales has also fallen but has increased slightly as a percentage of sales so that gross margin has fallen from 20% to 17%. However administration costs have been reduced by £65,000 (65%) and the overall operating loss is £58,000 less than the previous year.

The director does not recommend the payment of a dividend.

Subsequent to the balance sheet date, the company took the decision to cease analogue transmissions in both Oxford and Southampton and, in April 2009, to not renew its lease on its Oxford studio premises. The director is reviewing the opportunity to develop the company's broadcasting services and production facilities business and other potential expansion opportunities..

The company's ultimate parent company, Milestone Group PLC, has expressed its commitment to continue to support the company's development. The ability to supply that support depends on the cash flow projections of the parent company and the rest of the group being achieved.

#### **Principal risks and uncertainties**

Ofcom has offered the company the opportunity to move to digital transmissions for the duration of its licence term. The provision of services over digital platforms requires further investment and in that respect depends on the willingness of shareholders or other funding partners to support the required investment. The opportunity for the development of the business on new platforms is currently being evaluated, together with an immediate focus on seeking to develop production services income

#### **Key Performance Indicators**

In this stage of transition there are no relevant KPI's to monitor the business except for cash flow.

## **Oxford Broadcasting Limited trading as Six TV**

### **Report of the director for the year ended 30 September 2007 (*Continued*)**

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#### **Directors**

The directors of the company during the year and until the date of approval of the financial statements were:

B R Chester (resigned 6 March 2008)

J Sanderson (appointed 4 April 2008)

#### **Director's responsibilities**

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the director to prepare financial statements for each financial year which 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 year. In preparing those financial statements, the director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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 current director has taken all the steps that he ought to have taken to make himself aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of the information. The director is not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to reappoint them as auditors will be proposed at the next annual general meeting.

#### **By order of the Board**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies



J Sanderson  
Director

**Date:** 14<sup>th</sup> April 2009

## **Oxford Broadcasting Limited trading as Six TV**

### **Report of the independent auditors**

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#### **To the shareholders of Oxford Broadcasting Limited trading as Six TV**

We have audited the financial statements of Oxford Broadcasting Limited trading as Six TV 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.

#### *Respective responsibilities of director and auditors*

The director's responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards of Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Director's Report is consistent with those financial statements. We also 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 director's remuneration and other transactions is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *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 judgements made by the director 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.

**Oxford Broadcasting Limited trading as Six TV**

**Report of the independent auditors (*Continued*)**

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*Opinion*

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2007 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Director's Report is consistent with the financial statements.

*Emphasis of matter – going concern*

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 19 to the financial statements concerning the company's ability to continue as a going concern. The company made a loss for the year of £109,301, had net liabilities of £805,868 as at 30 September 2007 and is reliant on the continuing support of its parent company to enable it to meet its commitments as they fall due. The financial position of the parent company indicates that a material uncertainty exists over the ability of the parent company to provide the company with the continuing support that it requires. These circumstances may cast significant doubt over the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.



**BDO STOY HAYWARD LLP**

*Chartered Accountants  
and Registered Auditors*  
Reading

Date: 17 April 2009

**Oxford Broadcasting Limited trading as Six TV**

**Profit and loss account for the year ended 30 September 2007**

	Note	2007 £	2006 £
<b>Turnover</b>	2	<b>50,528</b>	137,718
Cost of sales		<b>50,059</b>	110,156
		<hr/>	<hr/>
<b>Gross profit</b>		<b>469</b>	27,562
Administrative expenses	3,4	<b>134,853</b>	189,354
		<hr/>	<hr/>
		<b>(134,384)</b>	(161,792)
Other operating income	5	<b>25,312</b>	15,360
		<hr/>	<hr/>
<b>Operating loss</b>	6	<b>(109,072)</b>	(146,432)
Interest payable and similar charges	7	<b>(229)</b>	(4,267)
		<hr/>	<hr/>
<b>Loss on ordinary activities before and after taxation and accumulated for the year</b>	8,14	<b>(109,301)</b>	(150,699)
		<hr/>	<hr/>

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account

There were no movements in shareholders' apart from the result for the year

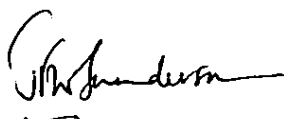
The notes on pages 7 to 13 form part of these financial statements

**Oxford Broadcasting Limited trading as Six TV**

**Balance sheet at 30 September 2007**

	Note	2007 £	2007 £	2006 £	2006 £
<b>Fixed assets</b>					
Tangible assets	9		513		3,377
<b>Current assets</b>					
Debtors	10	42,724		45,456	
Cash at bank and in hand		-		12	
		<u>42,724</u>		<u>45,468</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>849,105</u>		<u>742,352</u>	
<b>Net current liabilities</b>			<u>(806,381)</u>		<u>(696,884)</u>
<b>Total assets less current liabilities</b>			<u>(805,868)</u>		<u>(693,507)</u>
<b>Creditors: amounts falling due after more than one year</b>	12		-		3,060
			<u>(805,868)</u>		<u>(696,567)</u>
<b>Capital and reserves</b>					
Called up share capital	13		1,343,298		1,343,298
Share premium account	14		1,174,599		1,174,599
Capital contribution	14		606,453		606,453
Profit and loss account	14		<u>(3,930,218)</u>		<u>(3,820,917)</u>
<b>Shareholders' deficit</b>			<u>(805,868)</u>		<u>(696,567)</u>

The financial statements were approved by the Board and authorised for issue on 14<sup>th</sup> April 2009



**J Sanderson**  
**Director**

The notes on pages 7 to 13 form part of these financial statements



## **Oxford Broadcasting Limited trading as Six TV**

### **Notes forming part of the financial statements for the year ended 30 September 2007**

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#### **1 Accounting policies**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

##### *Going concern*

These financial statements have been prepared on a going concern basis as it is the director's opinion that the company will have sufficient resources to meet its liabilities as these fall due for the foreseeable future. The company's ultimate parent company, Milestone Group PLC has given an undertaking that it will continue to support the company to the extent necessary to enable liabilities to be met as they fall due (see note 19).

##### *Turnover*

Turnover represents sales to outside customers at invoiced amounts less value added tax.

##### *Depreciation*

Depreciation is provided to write off the cost less estimated residual values, of all fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Leasehold buildings	-	straight line - over the period of the Independent Television Commission licence
Production, office and computer equipment	-	straight line - over the period of the Independent Television Commission licence

##### *Leased assets*

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

## **Oxford Broadcasting Limited trading as Six TV**

### **Notes forming part of the financial statements for the year ended 30 September 2007 (Continued)**

#### **1 Accounting policies (continued)**

##### ***Taxation***

The charge for taxation is based on the profit for the year and takes into account taxation deferred.

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

#### **2 Turnover**

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

#### **3 Employees**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Staff costs consist of:		
Wages and salaries	<b>16,250</b>	31,163
Social security costs	<b>1,424</b>	2,420
	<b>17,674</b>	33,583

The average number of employees, including directors, during the year was 1 (2006 - 2).

#### **4 Director**

There was no director remuneration in either the current or preceding year.

#### **5 Other operating income**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Rental income	<b>25,312</b>	15,360

#### **6 Operating loss**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
This has been arrived at after charging:		
Depreciation	<b>2,864</b>	5,960
Hire of other assets - operating leases	-	625
Land and buildings - operating leases	<b>28,567</b>	22,000
Auditors' remuneration - audit services	<b>8,000</b>	6,870
- non audit services	<b>3,950</b>	3,000

**Oxford Broadcasting Limited trading as Six TV****Notes forming part of the financial statements for the year ended 30 September 2007 (Continued)****7 Interest payable and similar charges**

	2007 £	2006 £
Bank loans and overdrafts	229	4,267

**8 Taxation on loss from ordinary activities**

	2007 £	2006 £
Current tax charge	-	-

The tax assessed for the year is different from the standard rate of corporation tax in the UK. The differences are explained below:

	2007 £	2006 £
Loss on ordinary activities before tax	(109,301)	(150,699)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19% (2006 - 19%)	(20,767)	(28,632)
Effects of:		
Expenses not deductible for tax purposes	-	(45,210)
Depreciation in excess of capital allowances for year	544	1,788
Unutilised tax losses carried forward	20,223	43,422
Current tax charge for the year	-	-

***Factors that may affect future tax charges***

A deferred tax asset of approximately £1,048,169 (2006 - £1,090,248) has not been recognised in the financial statements as there is currently insufficient evidence that any deferred tax asset would be recoverable.

The company has unutilised tax losses of approximately £3,580,244 (2006 - £3,473,806) available for relief against future profits, subject to agreement by HM Revenue & Customs, together with unutilised reliefs of approximately £163,217 (2006 - £160,353) in respect of capital allowances.

# **Oxford Broadcasting Limited trading as Six TV**

Notes forming part of the financial statements for the year ended 30 September 2007 (*Continued*)

## **9 Tangible fixed assets**

	<b>Land and buildings £</b>	<b>Production equipment £</b>	<b>Office equipment £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<i>Cost</i>					
At 1 October 2006 and 30 September 2007	<u>65,197</u>	<u>293,395</u>	<u>30,472</u>	<u>7,718</u>	<u>396,782</u>
<i>Depreciation</i>					
At 1 October 2006	65,197	291,581	29,220	7,407	393,405
Provided for the year	-	1,755	811	298	2,864
	<u>65,197</u>	<u>293,336</u>	<u>30,031</u>	<u>7,705</u>	<u>396,269</u>
<i>Net book value</i>					
At 30 September 2007	<u>-</u>	<u>59</u>	<u>441</u>	<u>13</u>	<u>513</u>
At 30 September 2006	<u>-</u>	<u>1,814</u>	<u>1,252</u>	<u>311</u>	<u>3,377</u>

The net book value of tangible fixed assets includes £Nil (2006 - £854) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £Nil (2006 - £466) for the year.

## **10 Debtors**

	<b>2007 £</b>	<b>2006 £</b>
Trade debtors	24,128	32,029
Prepayments and accrued income	18,596	13,427
	<u>42,724</u>	<u>45,456</u>

All amounts shown under debtors fall due for payment within one year.

**Oxford Broadcasting Limited trading as Six TV****Notes forming part of the financial statements for the year ended 30 September 2007 (Continued)****11 Creditors: amounts falling due within one year**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 12)	-	8,558
Trade creditors	17,836	28,484
Amounts owed to group undertakings	796,322	642,355
Taxation and social security	2,404	1,158
Other creditors	-	9,876
Accruals	32,543	51,921
	<u>849,105</u>	<u>742,352</u>

**12 Creditors: amounts falling due after more than one year**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Bank loans	-	3,060
	<u>-</u>	<u>3,060</u>
	<b>Bank loans and overdrafts</b>	
	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Maturity of debt:		
In one year or less, or on demand	-	8,558
	<u>-</u>	<u>8,558</u>
In more than one year, but not more than two years	-	3,060
	<u>-</u>	<u>3,060</u>

**Oxford Broadcasting Limited trading as Six TV****Notes forming part of the financial statements for the year ended 30 September 2007 (Continued)****13 Share capital**

	<b>Authorised</b>			
	<b>2007</b>	<b>2007</b>	<b>2006</b>	<b>2006</b>
	<b>£</b>	<b>Number</b>	<b>£</b>	<b>Number</b>
Ordinary shares of 5p each	<u>2,000,000</u>	<u>40,000,000</u>	<u>2,000,000</u>	<u>40,000,000</u>
	<b>Allotted, called up and fully paid</b>			
	<b>2007</b>	<b>2007</b>	<b>2006</b>	<b>2006</b>
	<b>£</b>	<b>Number</b>	<b>£</b>	<b>Number</b>
Ordinary shares of 5p each	<u>1,343,298</u>	<u>26,865,963</u>	<u>1,343,298</u>	<u>26,865,963</u>

**14 Reserves**

	<b>Capital contributions</b>	<b>Share premium account</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 October 2006	606,453	1,174,599	(3,820,917)
Loss for the year	-	-	(109,301)
	<u>606,453</u>	<u>1,174,599</u>	<u>(3,930,218)</u>
At 30 September 2007	<u>606,453</u>	<u>1,174,599</u>	<u>(3,930,218)</u>

The capital contribution arose from the write off of financing loans owed to the company's ultimate parent, Milestone Group PLC.

**15 Commitments under operating leases**

As at 30 September 2007, the company had annual commitments under non-cancellable operating leases as set out below:

	<b>Land and Buildings</b>	<b>Land and buildings</b>
	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Within two to five years	<u>29,750</u>	<u>27,750</u>

**16 Related party disclosures**

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by Milestone Group PLC on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in those consolidated financial statements.

## **Oxford Broadcasting Limited trading as Six TV**

**Notes forming part of the financial statements for the year ended 30 September 2007 *(Continued)***

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### **16 Related party disclosures *(continued)***

Transactions and balances with entities not connected to Milestone Group PLC were as follows:

During the year, the company made no purchases from MGH Investments Limited a company controlled by A T Craig (2006 - £7,050).

### **17 Ultimate parent company**

At 30 September 2007 the company's ultimate parent company and controlling party was Milestone Group PLC which is the parent of both the smallest and largest groups of which the company is a member.

Copies of the consolidated financial statements of Milestone Group PLC are available from Companies House.

### **18 Cash flow statement**

The company has used the exemption under Financial Reporting Standard 1, "Cash flow statements", not to prepare a cash flow statement as it is consolidated in the financial statements of its ultimate parent company.

### **19 Going concern**

The financial statements have been prepared on a going concern basis which assumes the continued support of the company's parent company, Milestone Group PLC. The financial position of the Milestone Group PLC, as reported in their financial statements for the year ended 30 September 2008, indicates that a material uncertainty exists over the ability of the parent to provide the company with the continuing support that it requires. These circumstances may cast significant doubt over the company's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.