

Company No: 3426787

**Oxford Broadcasting Limited trading as
SIX TV**

Report and Financial Statements

Year Ended

30 September 2008

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Oxford Broadcasting Limited trading as SIX TV

Annual report and financial statements for the year ended 30 September 2008

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Director

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Director

J Sanderson

Secretary and registered office

Graham Urquhart, 1st 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 2008

The director presents his report together with the audited financial statements for the year ended 30 September 2008.

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

Oxford Broadcasting Limited was established to provide media production and broadcasting services and facilities. During the year, the company operated an analogue terrestrial local TV channel for Oxford on a Restricted Television Service Licence from Ofcom branded as "SIX TV". The Oxford version of the "SIX TV" programme service ceased broadcasting in April 2009 when its contract for transmission expired. A version of the 'SIX TV' programme service targeted at the Southampton area also ceased broadcasting during the year primarily due to the failure to agree ongoing transmission arrangements with its suppliers.

During the year the Board explored a range of opportunities for the company including the potential to expand its studio facilities and services income. The option to launch a range of new digital services and to reduce costs by renegotiating contracts was also explored. In September 2008, the company entered into an agreement to supply studio production facilities to Enrich Social Productions Limited with payments due to commence in early 2009. However, the director increasingly believes it is difficult to justify the fixed costs associated with maintaining the Oxford based studio. The lease on the studio premises expired in April 2009 and has not been renewed.

The communications regulator, Ofcom, has agreed in principle that it is willing to allow the company to launch the 'SIX TV' programme service on the digital terrestrial television ("DTT") platform for the remaining duration of the Oxford licence term. However, the licence must be surrendered in 2011 leaving only a short time to gain a return on any additional investment, including the expenditure required to deliver a service on DTT. For several years the UK government has said it will review options for local TV. Regrettably, this has yet to result in any satisfactory policy conclusions from the company's perspective. Ofcom's review of the "digital dividend" concluded that licences "suitable but not reserved for local television" would be sold to the highest bidder in a series of open auctions in the run up to the switch-off of analogue television.

The director intends to complete a review of the business in the near future.

Principal risks and uncertainties

Advertising revenues have been depressed and, in the current economic climate, the Director concluded that continued investment in analogue transmission could not be justified. The opportunity for the development of the business on new platforms is currently being evaluated, together with other opportunities to expand the company's income from broadcasting services and facilities

Key Performance Indicators ("KPI")

At 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 2008 (Continued)

Directors

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

B R Chester (resigned 7 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: 14th April 2009

Oxford Broadcasting Limited trading as SIX TV

Report of the independent auditors

To the shareholders of Oxford Broadcasting Limited trading as Six TV The Oxford Channel

We have audited the financial statements of Oxford Broadcasting Limited trading as Six TV The Oxford Channel for the year ended 30 September 2008 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*)

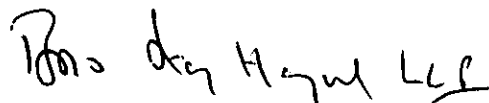
Opinion

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 2008 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 £75,337, had net liabilities of £881,204 as at 30 September 2008 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 2008

	Note	2008 £	2007 £
Turnover	2	16,212	50,528
Cost of sales		51,296	50,059
		<hr/>	<hr/>
Gross profit		(35,084)	469
Administrative expenses	3,4	75,386	134,853
		<hr/>	<hr/>
		(110,470)	(134,384)
Other operating income	5	35,228	25,312
		<hr/>	<hr/>
Operating loss	6	(75,242)	(109,072)
Interest payable and similar charges	7	(95)	(229)
		<hr/>	<hr/>
Loss on ordinary activities before and after taxation and accumulated for the year	8,14	(75,337)	(109,301)
		<hr/> <hr/>	<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' funds apart from the result for the year

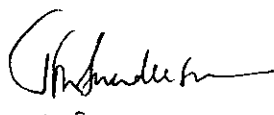
The notes on pages 7 to 13 form part of these financial statements

Oxford Broadcasting Limited trading as SIX TV

Balance sheet at 30 September 2008

	Note	2008 £	2008 £	2007 £	2007 £
Fixed assets					
Tangible assets	9		-		513
Current assets					
Debtors	10	29,570		42,724	
Cash at bank and in hand		-		-	
		<u>29,570</u>		<u>42,724</u>	
Creditors: amounts falling due within one year	11	<u>910,774</u>		<u>849,105</u>	
Net current liabilities			<u>(881,204)</u>		<u>(806,381)</u>
Total assets less current liabilities			<u>(881,204)</u>		<u>(805,868)</u>
Creditors: amounts falling due after more than one year	12		<u>-</u>		<u>-</u>
			<u>(881,204)</u>		<u>(805,868)</u>
Capital and reserves					
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>(4,005,554)</u>		<u>(3,930,218)</u>	
Shareholders' deficit			<u>(881,204)</u>		<u>(805,868)</u>

The financial statements were approved by the Board and authorised for issue on 14th 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 2008

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 2008 (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

	2008	2007
Staff costs consist of:	£	£
Wages and salaries	18,000	16,250
Social security costs	1,622	1,424
	<u>19,662</u>	<u>17,674</u>

The average number of employees, including directors, during the year was 1 (2007 - 1).

4 Director

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

5 Other operating income

	2008	2007
	£	£
Rental income	35,228	25,312
	<u>35,228</u>	<u>25,312</u>

6 Operating loss

	2008	2007
This has been arrived at after charging:	£	£
Depreciation	1,683	2,864
Land and buildings - operating leases	31,248	28,567
Auditors' remuneration	1,160	8,000
- audit services		
- non audit services	950	3,950
	<u>34,041</u>	<u>42,381</u>

Oxford Broadcasting Limited trading as SIX TV

Notes forming part of the financial statements for the year ended 30 September 2008 (Continued)

7 Interest payable and similar charges

	2008	2007
	£	£
Bank loans and overdrafts	95	229

8 Taxation on loss from ordinary activities

	2008	2007
	£	£
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:		
	2008	2007
	£	£
Loss on ordinary activities before tax	(75,337)	(109,301)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 20% (2007 - 19%)	(14,314)	(20,767)
Effects of:		
Expenses not deductible for tax purposes	-	-
Depreciation in excess of capital allowances for year	-	544
Unutilised tax losses carried forward	14,314	20,223
Current tax charge for the year	-	-

Factors that may affect future tax charges

A deferred tax asset of approximately £1,048,169 (2007 - £1,048,169) 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 (2007 - £3,580,244) available for relief against future profits, subject to agreement by HM Revenue & Customs, together with unutilised reliefs of approximately £163,217 (2007 - £163,217) 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 2008 (*Continued*)

9 Tangible fixed assets

	Land and buildings £	Production equipment £	Office equipment £	Computer equipment £	Total £
<i>Cost</i>					
At 1 October 2007 and 30 September 2008	65,197	293,395	30,472	7,718	396,782
<i>Depreciation</i>					
At 1 October 2007	65,197	293,336	30,031	7,705	396,269
Provided for the year	-	59	441	13	513
At 30 September 2007	65,197	293,395	30,472	7,718	396,782
<i>Net book value</i>					
At 30 September 2008	-	-	-	-	-
At 30 September 2007	-	59	441	13	513

10 Debtors

	2008 £	2007 £
Trade debtors	9,554	24,128
Prepayments and accrued income	20,016	18,596
	29,570	42,724

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 2008 (Continued)

11 Creditors: amounts falling due within one year

	2008	2007
	£	£
Bank loans and overdrafts (see note 12)	3,260	-
Trade creditors	35,219	17,836
Amounts owed to group undertakings	857,869	796,322
Taxation and social security	452	2,404
Other creditors	673	-
Accruals	13,301	32,543
	910,774	849,105

12 Creditors: amounts falling due after more than one year

	2008	2007
	£	£
Bank loans	-	-
	Bank loans and overdrafts	
	2008	2007
	£	£
Maturity of debt:		
In one year or less, or on demand	3,260	-
In more than one year, but not more than two years	-	-

Oxford Broadcasting Limited trading as SIX TV

Notes forming part of the financial statements for the year ended 30 September 2008 (Continued)

13 Share capital

	2008	Authorised	2007	2007
	£	2008	£	2007
		Number		Number
Ordinary shares of 5p each	2,000,000	40,000,000	2,000,000	40,000,000
		Allotted, called up and fully paid		
	2008	2008	2007	2007
	£	Number	£	Number
Ordinary shares of 5p each	1,343,298	26,865,963	1,343,298	26,865,963

14 Reserves

	Capital	Share premium	Profit and
	contributions	account	loss account
	£	£	£
At 1 October 2007	606,453	1,174,599	(3,930,217)
Loss for the year	-	-	(75,337)
At 30 September 2008	606,453	1,174,599	(4,005,554)

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 2008, the company had annual commitments under non-cancellable operating leases as set out below:

	Land and	Land and
	Buildings	buildings
	2008	2007
	£	£
Operating leases which expire:		
Within one year	31,250	-
Within two to five years	-	29,750

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.

17 Ultimate parent company

At 30 September 2008 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.