

2967748

Spectrum Radio (Holdings) Limited

Report and Financial Statements

Year Ended

30 September 2000



BDO

BDO Stoy Hayward
Chartered Accountants

SPECTRUM RADIO (HOLDINGS) LIMITED

Report and financial statements for the year ended 30 September 2000

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Directors

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Directors

Dr A H Masry (Saudi Arabian)
Sheikh W B I Al-Ibrahim (Saudi Arabian)
T R Aldrich
R J Bullock

Secretary and registered office

Philip Austin-Gainsley, P.O. Box 2588, 843 Finchley Road, London, NW11 8NQ.

Company number

2967748

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1U 3LL.

SPECTRUM RADIO (HOLDINGS) LIMITED

Report of the directors for the year ended 30 September 2000

The directors present their report together with the audited financial statements for the year ended 30 September 2000.

The company has not traded during the year and accordingly no profit and loss account has been prepared.

Directors

The directors of the company during the year and their beneficial interests in the ordinary share capital of the company at the year end were as follows:

	Ordinary shares of £1 each	
	30 September 2000	30 September 1999
Dr A H Masry	-	1,000,000
W B I Al-Ibrahim	-	-
T R Aldrich	1,000,000	-
R J Bullock	-	-

During the year, the total ordinary share capital of the company was transferred from Dr A H Masry to T R Aldrich.

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 and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 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. They 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.

SPECTRUM RADIO (HOLDINGS) LIMITED


Report of the directors for the year ended 30 September 2000 (*Continued*)

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

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

On behalf of the Board


T R Aldrich

Director

Date 21/03/01

SPECTRUM RADIO (HOLDINGS) LIMITED

Report of the auditors

To the shareholders of Spectrum Radio (Holdings) Limited

We have audited the financial statements on pages 4 to 6 which have been prepared under the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 2000 and have been properly prepared in accordance with the Companies Act 1985.

BDO STOY HAYWARD
*Chartered Accountants
and Registered Auditors*
London

BDO Stoy Hayward

21 March 2001

SPECTRUM RADIO (HOLDINGS) LIMITED**Balance sheet at 30 September 2000**

	Note	2000	1999
		£	£
Fixed assets			
Investments	2	3,226,337	3,226,337
Current assets			
Debtors - due after more than one year	3	448,721	468,767
Net current assets		448,721	468,767
Total assets less current liabilities		3,675,058	3,695,104
Creditors: amounts falling due after more than one year	4	(2,675,058)	(2,695,104)
		1,000,000	1,000,000
Capital and reserves			
Called up share capital	5	1,000,000	1,000,000

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 21/03/01


T R Aldrich
Director

The notes on pages 5 and 6 form part of these financial statements

SPECTRUM RADIO (HOLDINGS) LIMITED

Notes forming part of the financial statements for the year ended 30 September 2000

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 policy has been applied:

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for a permanent diminution in value.

2 Fixed asset investments

	Shares in group undertakings	
	2000 £	1999 £
Cost		
At beginning of year	3,226,337	923,070
Additions	-	2,303,267
	<hr/>	<hr/>
At end of year	3,226,337	3,226,337
	<hr/>	<hr/>

The above investment of shares in group undertakings represents a holding of 98% of the issued share capital of Spectrum Radio Limited.

The principal activity of Spectrum Radio Limited is radio broadcasting.

The aggregate of the share capital and reserves of that company at 30 September 2000 was £783,219 (1999 - £837,640). The loss of that company for the year ended 30 September 2000 was £54,421 (1999 - £177,753).

3 Debtors

	2000 £	1999 £
Amounts due from subsidiary undertaking	448,721	468,767
	<hr/>	<hr/>

This amount is due after one year.

SPECTRUM RADIO (HOLDINGS) LIMITED

Notes forming part of the financial statements for the year ended 30 September 2000 (*Continued*)

4 Creditors: amounts falling due after more than one year

	2000 £	1999 £
Loan from director (Dr Masry)	2,675,058	2,695,104
	<u> </u>	<u> </u>

This loan is interest free with no specified date of repayment. The lender has confirmed that the loan facility will be available to the company until such time as it is in a position to make repayments.

5 Share capital

	2000 £	1999 £
Ordinary shares of £1 each <i>Authorised</i>	1,000,000	1,000,000
	<u> </u>	<u> </u>
<i>Allotted, called up and fully paid</i>	1,000,000	1,000,000
	<u> </u>	<u> </u>

6 Cash flow statement

The company has taken advantage of the exemption under Financial Reporting Standard 1, 'Cash Flow Statements', not to prepare a cash flow statement as the directors believe the company is 'small' as defined by the Companies Act 1985.

7 Group financial statements

The financial statements contain information about Spectrum Radio (Holdings) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by S248 of the Companies Act 1985 not to produce consolidated financial statements as the group it heads qualifies as a small group.