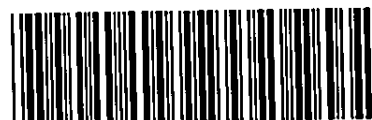


COMPANY REGISTRATION NUMBER 2967748

REGISTRAR
OF COMPANIES

SPECTRUM RADIO (HOLDINGS) LIMITED
FINANCIAL STATEMENTS
30 SEPTEMBER 2007

WEDNESDAY



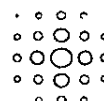
LJJAP1UH

LD8

30/07/2008

105

COMPANIES HOUSE



MacIntyre Hudson

THE FUTURE IS WHAT YOU MAKE IT •

SPECTRUM RADIO (HOLDINGS) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

T R Aldrich
R J Bullock
Dr A H Masry

Company secretary

P Austin

Registered office

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Auditor

MacIntyre Hudson LLP
Chartered Accountants
& Registered Auditors
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

SPECTRUM RADIO (HOLDINGS) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 SEPTEMBER 2007

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

PRINCIPAL ACTIVITIES

The principal activity of the company is acting as an investment and holding company

DIRECTORS

The directors who served the company during the year were as follows

T R Aldrich
R J Bullock
Dr A H Masry

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgements and estimates that are reasonable and prudent,

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 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.

In so far as the directors are aware

there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

SPECTRUM RADIO (HOLDINGS) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2007

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
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Signed on behalf of the directors



T R Aldrich
Director

Approved by the directors on 29/7/08 .

SPECTRUM RADIO (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SPECTRUM RADIO (HOLDINGS) LIMITED

YEAR ENDED 30 SEPTEMBER 2007

We have audited the financial statements of Spectrum Radio (Holdings) Limited for the year ended 30 September 2007 on pages 6 to 11, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and on the basis of the accounting policies set out on page 8

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing 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 Directors' Responsibilities.

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 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.

SPECTRUM RADIO (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SPECTRUM RADIO (HOLDINGS) LIMITED *(continued)*

YEAR ENDED 30 SEPTEMBER 2007

OPINION

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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 Directors' Report is consistent with the financial statements

EMPHASIS OF MATTER - GOING CONCERN

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in note 16 of the financial statements concerning the company's reliance on the continued financial support of a director. The director's representations was the primary audit evidence relating to the ability of the company to continue in operational existence.

In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.



New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

MACINTYRE HUDSON LLP
Chartered Accountants
& Registered Auditors

29 July 2008

SPECTRUM RADIO (HOLDINGS) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 SEPTEMBER 2007

	Note	2007 £	2006 £
TURNOVER		16,000	—
Administrative expenses		136,337	115,147
Other operating income	2	(8,333)	—
OPERATING LOSS		(112,004)	(115,147)
Income from fixed asset investments	4	19,876	15,470
Interest payable and similar charges		4,416	4,375
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(96,544)	(104,052)
LOSS FOR THE FINANCIAL YEAR		(96,544)	(104,052)

The notes on pages 8 to 11 form part of these financial statements.

SPECTRUM RADIO (HOLDINGS) LIMITED

BALANCE SHEET

30 SEPTEMBER 2007

	Note	2007 £	2006 £
FIXED ASSETS			
Tangible assets	5	407,745	—
Investments	6	3,286,337	3,286,337
		<u>3,694,082</u>	<u>3,286,337</u>
CURRENT ASSETS			
Debtors	7	24,154	15,901
CREDITORS: Amounts falling due within one year	8	<u>861,559</u>	<u>377,829</u>
NET CURRENT LIABILITIES		<u>(837,405)</u>	<u>(361,928)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,856,677</u>	<u>2,924,409</u>
CREDITORS: Amounts falling due after more than one year	9	<u>2,542,303</u>	<u>2,513,491</u>
		<u>314,374</u>	<u>410,918</u>
CAPITAL AND RESERVES			
Called-up equity share capital	12	1,000,000	1,000,000
Profit and loss account	14	(685,626)	(589,082)
SHAREHOLDERS' FUNDS		<u>314,374</u>	<u>410,918</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 January 2005)

These financial statements were approved by the directors and authorised for issue on 29/7/08, and are signed on their behalf by


T R Aldrich
Director

The notes on pages 8 to 11 form part of these financial statements.

SPECTRUM RADIO (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2007

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 January 2005)

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year

Fixed assets

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

2. OTHER OPERATING INCOME

	2007 £	2006 £
Rent receivable	<u>8,333</u>	<u>-</u>

3. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	2007 £	2006 £
Aggregate emoluments	<u>73,136</u>	<u>73,136</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2007 No	2006 No
Money purchase schemes	<u>1</u>	<u>1</u>

4. INCOME FROM FIXED ASSET INVESTMENTS

	2007 £	2006 £
Income from other fixed asset investments	<u>19,876</u>	<u>15,470</u>

SPECTRUM RADIO (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2007

5. TANGIBLE FIXED ASSETS

	Freehold Land £
COST	
Additions	407,745
At 30 September 2007	<u>407,745</u>
DEPRECIATION	
At 1 October 2006 and 30 September 2007	<u>—</u>
NET BOOK VALUE	
At 30 September 2007	<u>407,745</u>
At 30 September 2006	<u>—</u>

6. INVESTMENTS

	Other Investments £	Shares in group undertakings £	Total £
COST			
At 1 October 2006 and 30 September 2007	<u>60,000</u>	<u>3,226,337</u>	<u>3,286,337</u>
NET BOOK VALUE			
At 30 September 2007	<u>60,000</u>	<u>3,226,337</u>	<u>3,286,337</u>
At 30 September 2006	<u>60,000</u>	<u>3,226,337</u>	<u>3,286,337</u>

The above investment of shares in group undertakings represents a holding of 98% of the issued ordinary share capital of Spectrum Radio Limited, a company incorporated in England & Wales. Spectrum Radio Limited has authorised and ordinary share capital only.

The principal activity of Spectrum Radio Limited is radio broadcasting.

The aggregate of the share capital and reserves of that company at 30 September 2007 was £1,157,790 (2006 £1,137,001).

The results of that company for the year ended 30 September 2007 was a profit after tax of £20,789 (2006 £7,253 profit).

Other investments relates to a one third capital share in Diamond Advertising LLP.

SPECTRUM RADIO (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2007

7. DEBTORS

	2007 £	2006 £
Trade debtors	16,000	—
Other debtors	8,154	15,901
	<u>24,154</u>	<u>15,901</u>

8. CREDITORS: Amounts falling due within one year

	2007 £	2006 £
Amounts owed to group undertakings	824,987	377,829
Other creditors	36,572	—
	<u>861,559</u>	<u>377,829</u>

Amounts owed to group undertakings represents an amount due to the company's subsidiary, Spectrum Radio Limited

Other creditors represents amounts loaned to the company by T R Aldrich, a director of the company. The maximum outstanding during the year was £40,000 (2006 £nil)

9. CREDITORS: Amounts falling due after more than one year

	2007 £	2006 £
Other creditors	<u>2,542,303</u>	<u>2,513,491</u>

Other creditors represents a loan from Dr A H Masry who is a director. Dr A H Masry has confirmed that the loan facility will be available to the company until such time as it is in a position to make repayments.

10. DEFERRED TAXATION

There is a deferred tax asset of £177,574 (2006 £149,646) in relation to losses carried forward.

11. RELATED PARTY TRANSACTIONS

The company met expenditure on behalf of Diamond Advertising LLP of £3,197 (2006 £4,322), an entity in which the company holds a one third capital share.

During the year rent was charged to Spectrum Radio Limited of £8,333 (2006 £nil). At 30 September 2007 Spectrum Radio (Holdings) Limited owed an amount of £824,987 to Spectrum Radio Limited (2006 £377,829). The directors of Spectrum Radio (Holdings) Limited are also directors of Spectrum Radio Limited.

All of the above transactions were carried out on an arms length basis.

SPECTRUM RADIO (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2007

12. SHARE CAPITAL

Authorised share capital:

	2007	2006
	£	£
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid:

	2007		2006	
	No	£	No	£
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

13. 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.

14. PROFIT AND LOSS ACCOUNT

	2007	2006
	£	£
Balance brought forward	(589,082)	(485,030)
Loss for the financial year	<u>(96,544)</u>	<u>(104,052)</u>
Balance carried forward	<u>(685,626)</u>	<u>(589,082)</u>

15. ULTIMATE CONTROLLING PARTY

During the years ended 30 September 2007 and 2006 the company was controlled by T r Aldrich, a director, by virtue of being the majority shareholder.

16. GOING CONCERN

The financial statements have been prepared on a going concern basis which may not be appropriate as the company has recorded a loss of £96,544 (2006: £104,052).

The continuation of the company's activities is dependent on the continuing support of its director Dr A H Masry who has loaned the company £2,542,303 (2006: £2,513,491) and who has confirmed that this loan would not be repayable to the detriment of other creditors.