

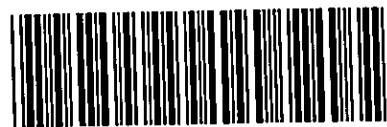
Company Registration No. 4034961

Lisson Street (Properties) Limited

Report and Financial Statements

31 March 2008

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Lisson Street (Properties) Limited
Report and financial statements 2008

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Lisson Street (Properties) Limited

Report and financial statements 2008

Officers and professional advisers

Directors

Timothy Blackmore MBE (Resigned 08 August 2007)
Jennifer Donald (Resigned 04 December 2007)
Gregory Watson (Resigned 23 April 2007)
John Baish (Resigned 29 June 2007)
Richard Manning (Appointed 23 April 2007, resigned 29 June 2007)
John Quinn
Gavin Rigby (Appointed 04 December 2007)

Secretary

Simon Howell

Registered Office

50 Lisson Street
London
NW1 5DF

Principal bankers

Barclays Bank plc
27 Soho Square
London
W1D 3QR

Solicitors

Wragge & Co LLP
55 Colmore Row
Birmingham
B3 2AS

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

Lisson Street (Properties) Limited

Directors' report (continued)

The directors present their annual report and the audited financial statements for the year ended 31 March 2008.

Principal activities

The company ceased trading during the year. Until cessation the principal activity of the company was the production and broadcasting of digital and analogue radio programmes. The company has taken advantage of s246 of the Companies act 1895 not to provide an enhanced business review.

On 30 June 2007 the business and assets, including licences, of Classic Gold Digital Limited, were sold to GCap Media (AM) Limited, a wholly owned subsidiary of GCap Media plc. On 30 June 2007 the 20% shareholding in Classic Gold Digital Limited held by GCap Media Services Limited (formerly GWR Radio Services Limited) was transferred to UBC Media Group plc and Classic Gold Digital Limited became a wholly owned subsidiary of UBC Media Group plc and Classic Gold Digital Limited changed its name to Lisson Street (Properties) Limited.

Review of business and future developments

Before disposal of operations, the company made an operating loss of £255,514 (2007: £481,064). Operating profit before amortisation of intangible assets and digital transmission costs amounted to £6,938 (2007: £547,423), with turnover of £1,025,617 (2007: £4,381,631). Details of the disposal of operations are shown in exceptional items.

The directors do not expect the company to trade in the future.

Results and dividends

The directors are satisfied with the performance of the company in the year.

No dividend payment has been proposed by the directors (2007: £nil). The retained profit for the year of £4,839,962 (2007: loss of £541,718) has been transferred to reserves.

Directors

The directors of the company during the year were as shown on page 1.

Lisson Street (Properties) Limited

Directors' report (continued)

Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'Simon Howell', is written over a horizontal line.

Simon Howell
Secretary

26 June 2008

Lisson Street (Properties) Limited

Statement of 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on a basis other than the going concern basis

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report to the members of Lisson Street (Properties) Limited

We have audited the financial statements of Lisson Street (Properties) Limited for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 19. 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 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 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 for the above period 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 Lisson Street (Properties) Limited

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 31 March 2008 and of its profit 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 - Financial statements prepared on a basis other than that of a going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

2008

28 June

Lisson Street (Properties) Limited
Profit and loss account
Year ended 31 March 2008

	Note	2008 £	2007 £
Turnover	2	1,025,617	4,381,631
Cost of sales		(805,282)	(3,159,964)
Gross profit		220,335	1,221,667
Administrative expenses before amortisation of intangible assets and digital transmission costs		(213,397)	(674,244)
Amortisation of intangible assets	3	(2,057)	(8,229)
Digital transmission costs		(260,395)	(1,020,258)
Total administrative expenses		(475,849)	(1,702,731)
Operating loss	3	(255,514)	(481,064)
Interest payable and similar expenses	4	(111)	(81,715)
Interest receivable and similar income	5	524,307	3,303
Exceptional items	8	4,571,280	-
Profit/(loss) on ordinary activities before taxation		4,839,962	(559,476)
Taxation	9	-	17,758
Retained profit/ (loss) for the year	16	4,839,962	(541,718)

The directors do not expect the company to trade in future, therefore all amounts relate to discontinued operations.

The company has no recognised gains and losses other than those included in the profit/(loss) above and therefore no separate statement of total recognised gains and losses has been presented.

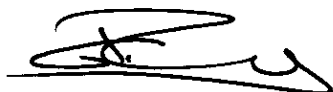
There is no difference between the profit/(loss) on ordinary activities before taxation and the retained profit/(loss) for the years stated above, and their historical cost equivalents.

Lisson Street (Properties) Limited
Balance sheet
31 March 2008

	Note	2008 £	2007 £
Fixed assets			
Intangible assets	10	-	39,853
Tangible assets	11	-	139
		<hr/>	<hr/>
		-	39,992
Current assets			
Debtors	12	-	1,255,116
Cash at bank and in hand		500	48,268
		<hr/>	<hr/>
		500	1,303,384
Creditors: amounts falling due within one year	13	(208,609)	(2,663,403)
		<hr/>	<hr/>
Net current liabilities		(208,109)	(1,360,019)
		<hr/>	<hr/>
Total assets less current liabilities		(208,109)	(1,320,027)
Creditors: amounts falling due after more than one year	14	-	(3,728,044)
		<hr/>	<hr/>
Net liabilities		(208,109)	(5,048,071)
		<hr/>	<hr/>
Capital and reserves			
Called up equity share capital	15	100,000	100,000
Share premium	16	510,487	510,487
Profit and loss account	16	(818,596)	(5,658,558)
		<hr/>	<hr/>
Shareholders' deficit	17	(208,109)	(5,048,071)
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 26 June 2008.

Signed on behalf of the Board of Directors



Gavin Rigby
Director

Lisson Street (Properties) Limited

Notes to the accounts

Year ended 31 March 2008

1. Accounting policies

The financial statements have been prepared in accordance with applicable law and accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been consistently applied throughout the current and prior year except as noted, is set out below.

Basis of preparation

As explained in the directors' report, the company ceased trading on 30 June 2007. The financial statements have been prepared on a basis other than that of a going concern, which includes, where appropriate, writing down the company's assets to net realisable value. Provision has also been made for any onerous contractual commitments at the balance sheet date. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such were committed at the balance sheet date.

Cash flow statement

The company is a wholly-owned subsidiary of UBC Media Group plc and is included in the consolidated financial statements of UBC Media Group plc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

Tangible fixed assets

The cost of fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The residual value is estimated taking into account obsolescence, technological development and expected proceeds on disposal. The annual rates used for this purpose are:

Motor Vehicles	25%
Computer Equipment	33%

The company selects its depreciation rates carefully and reviews them regularly to take into account any changes in circumstances. When setting useful economic lives, the principal factors the company takes into account are the expected rate of technological developments, expected market requirements for the equipment and the intensity at which the assets are expected to be used. The carrying value of the tangible fixed assets is assessed annually and any impairment is charged to the profit and loss account.

Goodwill and licences

Goodwill in relation to the Classic Gold analogue service is amortised over the life of the underlying licences. The carrying value of goodwill is assessed annually and any impairment in value is charged to the profit and loss account.

Licences are amortised on a straight-line basis over the remaining life of the licence as at the date of their acquisition.

Pension scheme

The group operates a money purchase pension scheme. The contributions are accounted for as they fall due. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, and excludes Value Added Tax and trade discounts. Turnover comprises advertising fees received from GCap Media plc based on the numbers of listeners to the Classic Gold Digital network of stations and the sale of advertising time. Advertising revenue is recognised on the date the relevant advertisement appears.

Lisson Street (Properties) Limited
Notes to the accounts
Year ended 31 March 2008

Taxation

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

Deferred taxation arises as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future. The deferred tax liability that is the result of timing differences that are not permanent is recognised in full. Deferred tax assets are only recognised to the extent that, on the basis of all available evidence, they are recoverable. Deferred tax assets and liabilities recognised have not been discounted.

2. Turnover

The directors consider that the company's business consists of one business segment, being the sale of advertising time. In the current and prior year all the activities were carried out in the United Kingdom.

3. Operating loss

Operating loss is stated after charging:

	2008 £	2007 £
Amortisation of intangible assets	2,057	8,229
Depreciation	139	833
Staff costs	152,848	437,759
	<u>154,044</u>	<u>446,821</u>

A detailed analysis of auditors remuneration charged to operating loss is provided below:

	2008 £	2007 £
Audit fees:		
Fees payable to the company's auditors for the audit of the company's annual accounts	5,000	20,000
Non-audit fees:		
- Tax services	3,000	3,000
- Other services	-	1,875
Total fees paid to company's auditors	<u>8,000</u>	<u>24,875</u>

4. Interest payable and similar expenses

	2008 £	2007 £
Bank interest	111	37
Interest payable on loan from group undertaking	-	81,678
	<u>111</u>	<u>81,715</u>

Lisson Street (Properties) Limited
Notes to the accounts
Year ended 31 March 2008

5. Interest receivable and similar income

	2008	2007
	£	£
Bank interest	1	2,550
Other interest	524,306	753
	<u>524,307</u>	<u>3,303</u>

6. Employee information

The average weekly number of persons employed by the company until cessation, including executive directors was 13 (2007: 12), analysed as follows:

	2008	2007
	Number	Number
Management and administration (including director)	1	1
Production, editorial and sales	12	11
	<u>13</u>	<u>12</u>

Staff costs (for the above persons):

	2008	2007
	£	£
Wages and salaries	136,563	390,377
Social security costs	14,926	42,176
Pension costs	1,359	5,206
	<u>152,848</u>	<u>437,759</u>

7. Director's emoluments

	2008	2007
	£	£
Aggregate emoluments (excluding pensions)	<u>31,566</u>	<u>85,672</u>

Retirement benefits are accruing to 1 (2007: 1) director under a money purchase pension scheme.

Emoluments payable to the highest paid director are as follows:

	2008	2007
	£	£
Aggregate emoluments (excluding pensions)	<u>31,566</u>	<u>67,672</u>

Lisson Street (Properties) Limited
Notes to the accounts
Year ended 31 March 2008

8. Exceptional items

	2008	2007
	£	£
i) Disposal of operations		
Sale of operation	3,950,000	-
Costs of disposal	(117,904)	-
Disposal of tangible fixed assets	(37,796)	-
Contribution to licence costs	(500,000)	-
Discharge of loan from related party (see Note 18)	337,219	-
	<u>3,631,519</u>	<u>-</u>
Profit on disposal		

On 30 June 2007 the business and assets, including licences, of Classic Gold Digital Limited, were sold to GCap Media (AM) Limited, a wholly owned subsidiary of GCap Media plc. On 30 June 2007 the 20% shareholding in Classic Gold Digital Limited held by GCap Media Services Limited (formerly GWR Radio Services Limited) was transferred to UBC Media Group plc and Classic Gold Digital Limited became a wholly owned subsidiary of UBC Media Group plc and Classic Gold Digital Limited changed its name to Lisson Street (Properties) Limited.

	2008	2007
	£	£
ii) Write back of inter-company loans		
Write back of inter-company loans	939,761	-
	<u>939,761</u>	<u>-</u>

On 31 March 2008 the inter-company loan from UBC Media plc of £941,261 was written back and the company wrote off an inter-company loan of £1,500 owed by Oneword Radio Limited as it is no longer trading.

	2008	2007
	£	£
Total exceptional items	<u>4,571,280</u>	<u>-</u>

Lisson Street (Properties) Limited
Notes to the accounts
Year ended 31 March 2008

9. Taxation

	2008 £	2007 £
Current tax		
UK Corporation Tax @ 30% (2007: 30%)	-	-
Over provision for prior year	-	(17,758)
	<u>-</u>	<u>(17,758)</u>
Total current tax	<u>-</u>	<u>(17,758)</u>

The tax for the year is different from the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2008 £	2007 £
Profit/ (loss) on ordinary activities before tax	4,839,962	(559,476)
Tax on above loss at UK Corporation Tax rate of 30% (2007:30%)	1,451,989	(167,843)
Effects of:		
Exceptional items	(1,371,384)	-
Accelerated capital allowances	(1,660)	250
Tax losses not utilised	77,203	164,614
Expenses not deductible for tax purposes	990	2,979
Non-taxable – intra-group loan interest write back	(157,138)	-
Prior year adjustment	-	(17,758)
	<u>-</u>	<u>(17,758)</u>

A deferred tax asset for losses available for carry forward against future UK taxable profits of £527,498 (2007: £404,069) in respect of the trading losses and capital allowances of the company has been extinguished with the cessation of trade.

Lisson Street (Properties) Limited
Notes to the accounts
Year ended 31 March 2008

10. Intangible assets

	Goodwill £	Licences £	Total £
Cost			
At 1 April 2007	4,248,526	165,004	4,413,530
Disposals	(4,248,526)	(165,004)	(4,413,530)
At 31 March 2008	-	-	-
Amortisation			
At 1 April 2007	4,248,526	125,151	4,373,677
Charge for the year	-	2,057	2,057
Disposals	(4,248,526)	(127,208)	(4,385,634)
At 31 March 2008	-	-	-
Net book value at 31 March 2008	-	-	-
Net book value at 31 March 2007	-	39,853	39,853

11. Tangible assets

	Computer equipment £	Total £
Cost		
At 1 April 2007	13,559	13,559
Disposals	(13,559)	(13,559)
At 31 March 2008	-	-
Depreciation		
At 1 April 2007	13,420	13,420
Charge for the year	139	139
Disposals	(13,559)	(13,559)
At 31 March 2008	-	-
Net book value at 31 March 2008	-	-
Net book value at 31 March 2007	139	139

Lisson Street (Properties) Limited
Notes to the accounts
Year ended 31 March 2008

12. Debtors

	2008	2007
	£	£
Amounts falling due within one year		
Trade debtors	-	734,279
Other debtors	-	1,125
VAT	-	176,879
Prepayments and accrued income	-	342,833
	<u>-</u>	<u>1,255,116</u>

13. Creditors: amounts falling due within one year

	2008	2007
	£	£
Trade creditors	124,983	476,835
Amounts owed to group undertakings	-	1,916,637
Other taxation and social security costs	7,788	12,915
Accruals and deferred income	75,838	257,016
	<u>208,609</u>	<u>2,663,403</u>

14. Creditors: amounts falling due after more than one year

	2008	2007
	£	£
Amounts owed to group undertakings	<u>-</u>	<u>3,728,044</u>
Borrowings were repayable as follows:		
	2008	2007
	£	£
Amounts owed to group undertakings:		
After five years	<u>-</u>	<u>3,728,044</u>
	<u>-</u>	<u>3,728,044</u>

Lisson Street (Properties) Limited
Notes to the accounts
Year ended 31 March 2008

15. Share capital

	2008 £	2007 £
Authorised		
99,920 'A' ordinary shares of £1 each	99,920	99,920
100 'B' ordinary shares of £1 each	100	100
	<u>100,020</u>	<u>100,020</u>
Allotted, called up and fully paid		
99,900 'A' ordinary shares of £1 each	99,900	99,900
100 'B' ordinary share of £1 each	100	100
	<u>100,000</u>	<u>100,000</u>

The rights of A and B shareholders rank pari passu in all respects and can be regarded as a single class of share.

16. Reserves

	Share premium account £	Profit and loss account £	Total £
At 1 April 2007	510,487	(5,658,558)	(5,148,071)
Retained profit for the year	-	4,839,962	4,839,962
	<u>510,487</u>	<u>(818,596)</u>	<u>(308,109)</u>
At 31 March 2008			

17. Reconciliation of movement in shareholders' deficit

	2008 £	2007 £
Opening shareholders' deficit	(5,048,071)	(4,506,353)
Profit for the year	4,839,962	(541,718)
	<u>(208,109)</u>	<u>(5,048,071)</u>
Closing shareholders' deficit		

18. Related party transactions

During the year, the company charged £1,061,129 (2007: £3,738,795) to and was charged £515,418 (2007: £1,972,350) by GCAP Media plc ("GCAP"), a 20% shareholder in the Company until disposal of operations. Charges to GCAP were for the provision of airtime advertising slots for resale. Charges from GCAP were for the provision of facilities and services.

At the year end there was an outstanding trading debtor balance with GCAP of £nil (2007: £721,059 creditor) mainly in relation to service charges during the year.

The company had a long-term loan from GCAP of £337,219 which was discharged on disposal of operations.

Lisson Street (Properties) Limited
Notes to the accounts
Year ended 31 March 2008

19 Controlling party

The company's ultimate parent undertaking and controlling party is UBC Media Group plc, a company registered in England and Wales. The directors consider UBC Media Group plc to be the ultimate controlling party. UBC Media Group plc is the parent undertaking of the smallest and largest group for which group accounts are prepared and of which the Company is a member. A copy of the group financial statements can be obtained from its registered office at 50 Lisson Street, London NW1 5DF.