

**SAGA RADIO (LONDON) LIMITED**  
**DIRECTORS' REPORT AND ACCOUNTS**

**31 JANUARY 2005**



**Company Registration Number: 5094389**

## **SAGA RADIO (LONDON) LIMITED**

### **Directors' report**

Directors: R M De Haan (Chairman)  
R J Fraser

Secretary: R J Fraser

Registered Office: Strand House, 125 Sandgate High St, Folkestone, Kent CT20 3SE

The directors submit their report together with the audited accounts for the period ended 31 January 2005.

### **Principal activities and review of business**

The company was incorporated on 5 April 2004 under the name Precis (2418) Ltd and subsequently changed its name to Saga Radio (London) Limited on 19 May 2004.

The company's principal activity is the broadcasting of digital radio services in the London area. The company remains in the early stages of its development. On 29 October 2004, the whole of the share capital of the company was acquired by Roger De Haan from its former owner Saga Group Limited.

The period under review includes the trading of the business only for the period commencing 30 October 2004. Prior to that date the trading of the business was included in the accounts of Saga Regional Digital Radio Ltd

### **Results and dividends**

The loss before taxation for the period amounted to £ 69,000. A loss after taxation of £69,000 has been transferred to reserves. No dividends have been paid or proposed in the period. The company's controlling shareholder, Roger De Haan, has agreed to provide the company with the financial support necessary to enable it to meet its liabilities as they fall due.

### **Directors**

The directors of the company during the year ended 31 January 2005 were those listed above and TB Bull who was appointed on 24 May 2004 and resigned on 28 October 2004. Peregrine Secretarial Services Limited was appointed a director on 5 April 2004 and resigned on 24 May 2004.

### **Directors' interests**

Mr R M De Haan owns all the share capital of the company.

**SAGA RADIO (LONDON) LIMITED**  
**Directors' report continued**

**Auditors**

Ernst & Young LLP have expressed their willingness to act as auditors and a resolution proposing their appointment will be submitted at the Annual General Meeting.

**Statement of directors' responsibilities**

The Directors are required by law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss for the period.

The Directors confirm that the accounting policies are appropriate to the company's business and have been applied consistently. In preparing the accounts for the period, the Directors have made reasonable and prudent judgements, have ensured that applicable accounting standards have been followed and confirm that it is appropriate to prepare the accounts on a going concern basis.

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.

By order of the board



R J Fraser  
Secretary  
18 November 2005

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAGA RADIO (LONDON) LIMITED**

We have audited the company's financial statements for the period ended 31 January 2005 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movement in Shareholders' Funds and the related notes 1 to 10. These financial statements have been prepared on the basis of 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**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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 United Kingdom 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 affairs of the company as at 31 January 2005 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP  
Registered Auditor  
London

13 November 2005

*Amal Chy* *LLP*

**SAGA RADIO (LONDON) LIMITED****Profit and loss account for the period 5 April 2004 to 31 January 2005**

	Note	2005 £'000
Turnover	2	12
Cost of sales		(80)
Gross loss		<u>(68)</u>
Administrative expenses		(1)
Loss on ordinary activities before taxation	3	<u>(69)</u>
Taxation	4	-
Retained loss for the period	8	<u><u>(69)</u></u>

There were no recognised gains or losses other than the amounts included above.

<b>Reconciliation of movement in shareholders' funds</b>	2005 £'000
Total recognised gains and losses relating to the period	(69)
Issue of ordinary share capital	-
Net movement in shareholders' funds	<u>(69)</u>
Shareholders' funds brought forward	-
Shareholders' funds carried forward	<u><u>(69)</u></u>

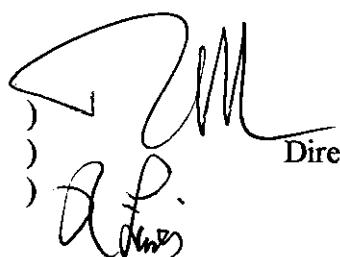
**SAGA RADIO (LONDON) LIMITED**  
**Balance sheet as at 31 January 2005**

	Note	2005 £'000
<b>Current assets</b>		
Debtors	5	9
Cash at bank and in hand		-
		<u>9</u>
<b>Creditors</b>		
- amounts falling due within one year	6	(78)
		<u>(69)</u>
<b>Net current liabilities</b>		
		<u>(69)</u>
<b>Net liabilities</b>		<u><u>(69)</u></u>
<b>Capital and reserves</b>		
Called-up share capital	7	-
Profit and loss account	8	(69)
		<u>(69)</u>
<b>Equity shareholders' deficit</b>		<u><u>(69)</u></u>

RM De Haan

RJ Fraser

18 November 2005

  
 Directors

# SAGA RADIO (LONDON) LIMITED

## Notes to the accounts

### 1 Accounting policies

#### a) Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards. The company's controlling shareholder, Roger De Haan, has agreed to provide the company with the financial support necessary to enable it to meet its liabilities as they fall due.

#### b) Income

Advertising and other related sales are recognised on the date the services are broadcast.

#### c) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that the directors consider it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

#### c) Cash flow statement

The directors have taken advantage of the exemption available under FRS 1 from the requirement to prepare a cash flow statement on the basis that the company qualifies under the exemption for small companies.

### 2 Turnover

Turnover, which all arises from continuing business, represents the invoiced amount of services supplied stated net of value added tax. All business is carried out in the UK.

### 3 Loss on ordinary activities before taxation

2005

£'000

Is stated after charging:-

Audit fees

1

### 4 Tax on loss on ordinary activities

2005

£'000

Current tax

-

Reconciliation of Current Tax charge:

Pre-tax losses at 30%

(21)

Non-relievable losses

21

-

# **SAGA RADIO (LONDON) LIMITED**

## **Notes to the accounts**

<b>5</b>	<b>Debtors</b>	2005
		£'000
	Other debtors	6
	Prepayments	3
		<u>9</u>

<b>6</b>	<b>Creditors</b>	2005
	- amounts falling due within one year	£'000
	Trade creditors	58
	Accruals	20
		<u>78</u>

<b>7</b>	<b>Called up share capital</b>	2005
		£'000
	<b>Authorised</b>	
	100 Ordinary shares of £1 each	<u>-</u>
	<b>Allotted and fully paid</b>	
	At 5 April 2004	-
	Issued and allotted in period -100 Ordinary shares of £1 each	-
	At 31 January 2005	<u>-</u>

On 24 May 2004, 100 ordinary shares of £1 each were allotted on a fully paid basis.

<b>8</b>	<b>Profit and loss account</b>	2005
		£,000
	At 5 April 2004	-
	Loss for year	(69)
	At 31 January 2005	<u>(69)</u>

## **9 Related party transactions**

During the year the company received various services from PrimeTime Radio Ltd, a company under common control. The services, for which no charge was levied, comprised of the provision of accounting services and the payment of invoices on behalf of the company. As at 31 January 2005, £58,493 was due to PrimeTime Radio Ltd in relation to the settlement of invoices paid on behalf of the company.

## **10 Controlling shareholder**

The ultimate controlling shareholder is Roger De Haan.