

COMPANY NUMBER
715143



A04 *A5LQIKA2* 513
COMPANIES HOUSE 30/03/96

GWR group plc

Report and Accounts 1995



GWR aims to become
the premier radio group
in the UK by

Using strategy and research
to increase audiences and
sales revenue to the
maximum.

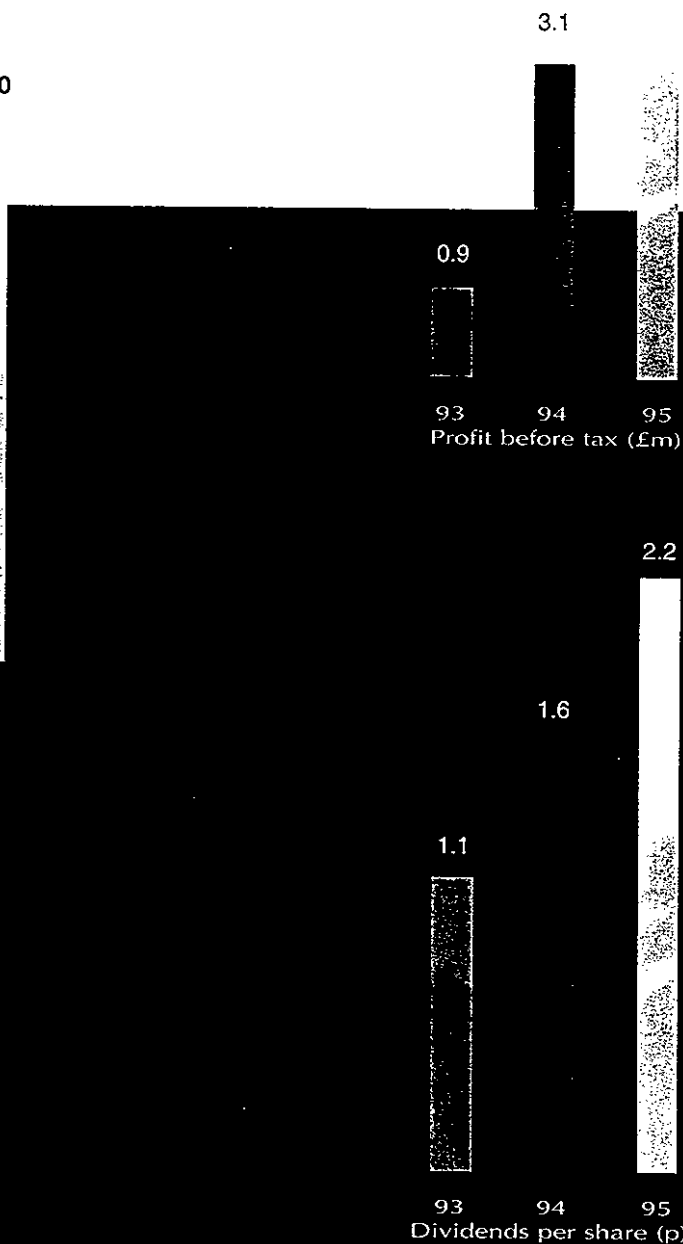
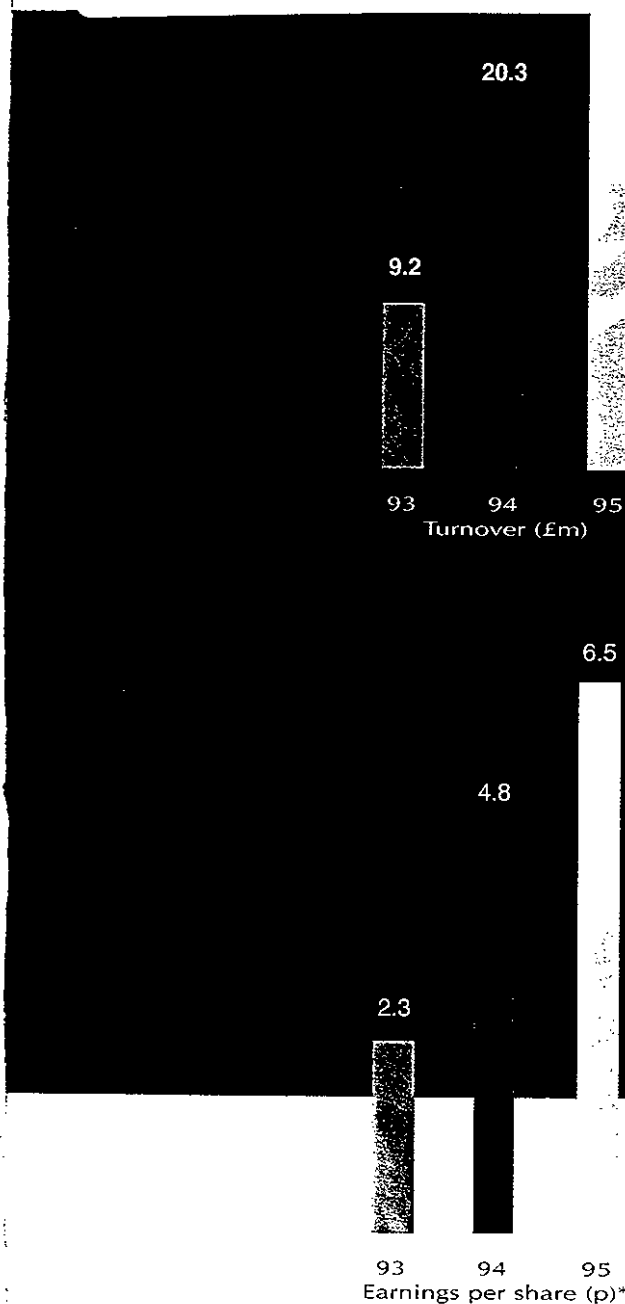
Seeking every opportunity to
increase the company's
profitability by greater
efficiency, expansion and
acquisition.

Demonstrating its belief that
training, developing,
promoting and rewarding its
people is the key to success.

Contents

Financial Highlights
Chairman's Statement
Chief Executive's Review
Financial Review
Directors and Advisers
Directors' Report
Statement of Directors' Responsibilities
Report of the Auditors
Consolidated Profit and Loss Account
Balance Sheets
Consolidated Cash Flow Statement
Notes to the Financial Statements
Five Year Record / Financial Calendar
Notice of Annual General Meeting

Financial Highlights



Movement over the previous year

- Turnover increased 57%
- Profit before tax increased 71%
- Earnings per share increased 35%
- Dividend per share increased 38%

*1993 and 1994 figures are adjusted for capital changes resulting in an 8 for 1 increase in the number of shares in issue



MORE LOCAL RADIO

CHAIRMAN'S STATEMENT

In a year of major developments for the group, I am pleased to report on another period of substantial growth. Turnover for the year rose 57% to £32.0 million. Profits before tax increased by 71% to £5.3 million, with earnings per share of 6.5p up 35% from last year 4.8p. A final dividend of 1.31p is proposed, an increase of 39%, bringing the total for the year to 2.25p, and maintaining our progressive dividend policy.

In all areas where we have been operating for a year or more, our stations continue to dominate their market places. In areas where our licences were acquired more recently, we believe that we are on course to win the highest share of listening.

Highlights of 1994/5 Operations

Following legislation which raised the limit on the number of radio licences permitted to one operator to 35, the group made a £20.6 million bid for Chiltern Radio which had 9 licences. This was declared unconditional in July enlarging GWR to a broadcasting group of 29 licences. For regulatory reasons, Galaxy Radio one of the Chiltern Radio licences was then sold in October for £4.1 million, eliminating the group's debt.

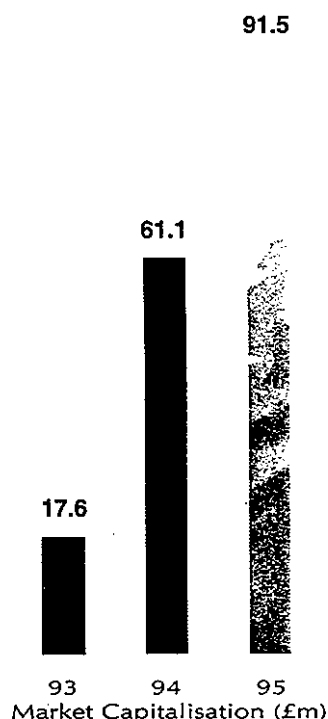
GWR's stations now broadcast to a potential audience of 10 million listeners across a broad area of Southern England and the Midlands. The majority of Chiltern's licences, which serve communities in Hertfordshire, Bedfordshire, Buckinghamshire and Gloucestershire have now been re-launched. Early research suggests that the re-launched stations are gaining listeners, helped by the debut of a new station to serve the Bedford area and a very big increase in local content and programming.

We have already begun integrating Chiltern into the group to achieve operating efficiencies and are investing in technology and training to enable the Chiltern stations to match the standards the group achieves elsewhere.

The group's original stations in the South have continued their steady growth with turnover this year up by 14% on 1994. Of particular note during the year 2-TEN FM has achieved a 42% increase in market share.

In the Midlands stations, acquired in January 1994, turnover has increased by 34% on 1994. Trent FM and Leicester Sound FM have this year achieved a 30% audience reach for the first time since the





current audience measurement system began.

Turnover at the four Mid Anglia stations, which joined the group in June 1994 increased by 42% year on year with audience share increasing by 71% after the stations were relaunched.

These increases in market penetration and listening numbers have enabled GWR to increase revenues on a regional, national and local basis.

UK And Overseas Investments

In view of the limit on the total population coverage by any one operator in the UK, GWR has broadened its opportunities with minority investments in the UK and operations in Eastern Europe. Classic FM has continued to grow its audiences and revenues both at home and in Holland, Finland and Sweden and we believe our 17% interest is an asset of considerable value. Our minority investments in West Country Broadcasting, Spire FM, Minster Sound Radio and Stray FM have continued to make further progress.

In Bulgaria, excellent progress is being made as increasingly significant profits are being made by Radio FM Plus in which the Group has a 48% interest. The station now has the highest listening figures for a private radio station in Sofia,

demonstrating the benefits of GWR's broadcasting experience. We continue to pursue other opportunities in Eastern Europe and further afield.

We intend to be involved in applications for the new UK regional licences which have begun to be advertised.

We have announced that GWR and Radio Investments Limited have established a new company, The Local Radio Company ("TLRC"), that will specialise in the ownership of small radio stations and will be involved in applying for some new licences.

UK Commercial Radio Industry

Radio continues to be the fastest growing sector of the UK media, having grown from 45 stations a decade ago to 181 today. Commercial radio's share of total advertising has risen from 3.6% in June 1994 to 4.1% in June 1995. Our industry is entering an exciting technological revolution as Digital Audio Broadcasting (DAB) becomes available and affordable during the next five to ten years. We urge that the legislation for DAB licences will allow operators adequate investment returns over the licence tenure. At the same time we believe that DAB licences should be awarded to existing broadcasters with the experience and resources to maximise audiences in order

to encourage listeners to buy new DAB radios and equipment.

The second major issue facing the radio industry is that of regulation and control of media ownership. GWR favours the extension of the "points system" based on population coverage. The market would then grow automatically as new entrants commenced operations. Within this framework, we would advocate media companies should be permitted to own 20% of any media sector at any national or regional level.

The objectives of the current Broadcasting Act include widening listening choice. We believe that operators should be free to hold more than one licence on FM or AM per area as in the United States and New Zealand which have successful and mature commercial radio industries. Operators would then provide genuinely different services to maximise revenues, which would coincide with the public interest.

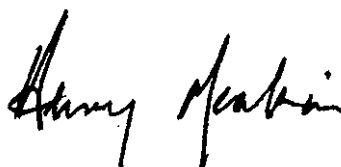
Board, Management and Staff

Our management has again proved its ability to meet new challenges and to build on past successes. The team has demonstrated particular skill in developing marketing and programming strategies to reinvigorate newly acquired stations and to deliver higher profits. On

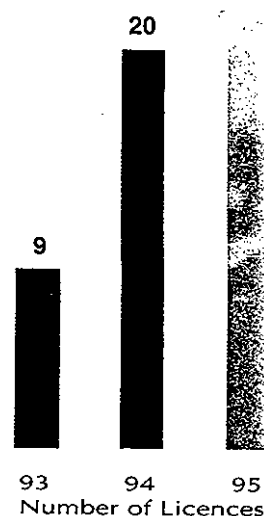
behalf of the shareholders and the Board, I welcome the local Board Directors and staff of Chiltern to the group and thank everyone for their contribution to this year's record results.

Outlook

Radio continues to be an exceptionally buoyant sector which is again expected to be the fastest area of advertising growth in the UK this year. In addition, there remains considerable potential to improve our performance in each of the areas that we have acquired since January 1994 - the Midlands, Mid Anglia and Chiltern. The group has played a major part in the consolidation of the UK radio industry from which further benefits are expected to flow. At the same time, we are successfully applying our skills in overseas markets which provides confidence for further potential international expansion. The current year has started very well with revenues ahead of expectations and the Board anticipates further success in the years ahead.



Henry Meakin
Chairman
7th December 1995





Multi-station

CHIEF EXECUTIVE'S REVIEW

Ten years ago, on 1 October 1985, GWR was formed and went on air for the first time. We covered a little over a million people and our first year profits were around £100,000. Today, GWR stations broadcast to a population of over 10 million, profits have increased fifty-fold and we are one of the UK's largest commercial radio businesses.

A successful year

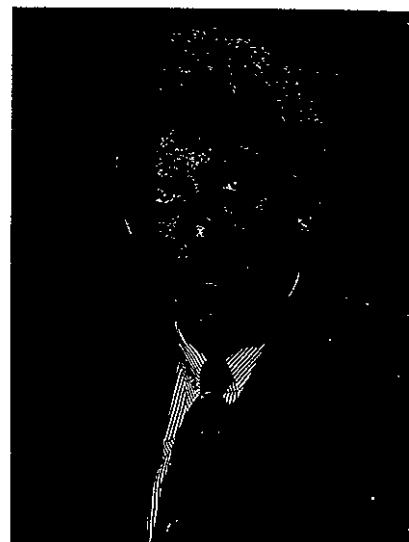
The 28 licences that comprise the group today form a complex and sophisticated operation. Each station is independent and managed locally within a group structure which sets the highest standards in programming, advertising, commercial production, training, marketing and research. This provides the quality and professionalism that characterises GWR stations, while helping to keep costs under close control.

It was another excellent year for the radio industry in general but this should not mask the superb performance by GWR's stations, which increased audiences and revenues handsomely. The longest established of these, and therefore those where the group's strategic approach and management techniques have taken fullest effect are GWR FM and Brunel Classic Gold, serving Bristol, Bath and Wiltshire.

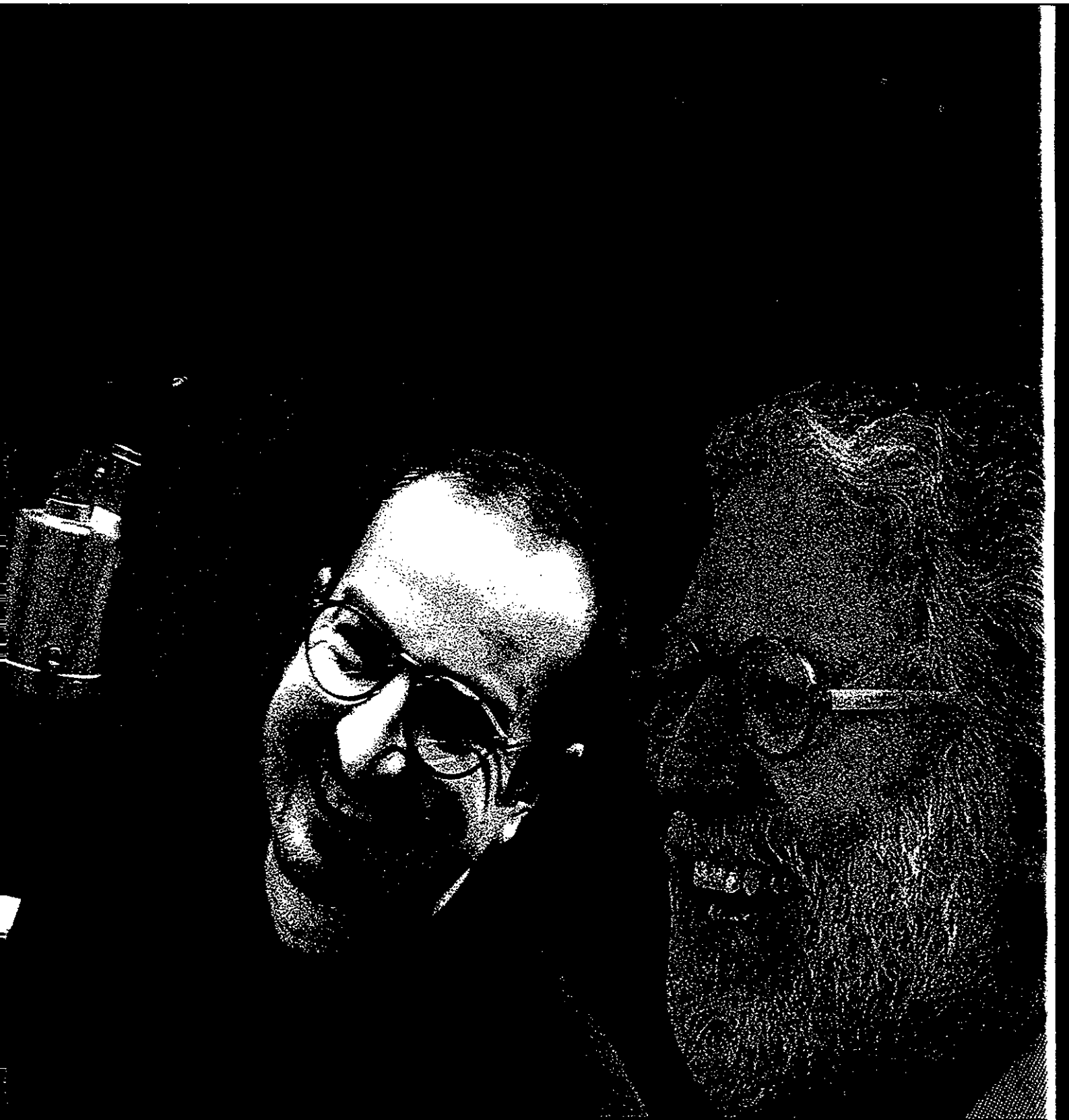
These stations, together with Reading's 2-TEN FM and Bournemouth's 2CR FM and their companion AM Classic Gold

"GWR's stations increased audiences and revenues"

stations, have retained market dominance. A particular highlight was 2-TEN FM's record revenue achievement which has demonstrated the success of our computerised inventory management system. This



management



Diversity and Quality

provides our sales staff with up to the minute information on airtime availability and enables GWR to maximise revenue. Radio airtime is a perishable commodity and now that the system is proven, the introduction of this software throughout the group is one of our priorities for the coming year.

"Increased local programming has brought rapid results"

During 1994, the group acquired 12 stations in the Midlands and Mid Anglia. These stations have been using our listener research-based programming techniques for over a year, and the results confirm the success of the group's approach. Of particular note is Q103 in the Cambridge and Newmarket area, which was re-launched in the autumn of 1994 and has more than doubled its audiences, making it the number one station in its area with consequent improvement in its revenues. The community's enthusiastic support for the station was an important factor in the renewal of Q103's licence for another eight years.

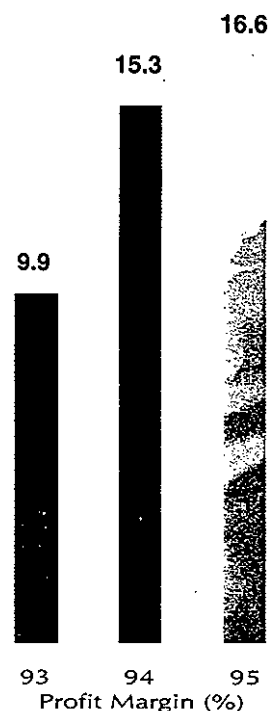
Another outstanding result was recorded by Leicester Sound FM which passed £1 million in local advertising revenue for the first time ever, an increase of 48%. Audience tracking research indicates

that Leicester Sound's increased local content continues to lift ratings.

The growth of GWR has also strengthened our ability to attract top-flight celebrity presenters to our stations. During the year, we were delighted that Dave Lee Travis and Steve Wright agreed to join the group. Both are household-name broadcasters with millions of loyal listeners who recall their ground-breaking days with the BBC. In addition to his regular on-air music radio show exclusively produced for us, Steve Wright has also made a major contribution to GWR's in-house broadcast and presentation training programme. As competition for listeners intensifies, presentation style has never been more important.

The Chiltern acquisition

The single biggest event for the executive management this year was the hard fought acquisition of the Chiltern group. Having acquired the Chiltern stations, the first task has been to assess the reasons underlying their historic under-performance. Our suspicions that the stations had lacked investment and customer focus were confirmed. However, we were delighted by the enthusiasm of Chiltern staff and the way that, once reassured about our plans,



A black and white photograph of a woman with dark, shoulder-length hair, wearing a dark top, sitting at a desk. She is looking down at a laptop screen. The screen displays the text "OUR BUSINESS IS MAKING YOUR BUSINESS GROW".

OUR BUSINESS
IS MAKING YOUR
BUSINESS
GROW

Station Sales Growth

they responded most positively to GWR's approach and training. The stations, which serve Gloucestershire, Northamptonshire, Milton Keynes, Luton and Dunstable, were re-launched simultaneously, and a new station, B97, was created for Bedford. To satisfy the need for greater local focus, we introduced 70 additional hours of local programming per week and increased the number of presenters. These actions have brought rapid results: audience tracking figures show that within four weeks of the re-launch all but one of the stations had achieved their preliminary commercial targets. We remain confident about their audience prospects in the coming year.

"Local commercial radio's key strength is its freedom to respond to local concerns"

The next step in relation to Chiltern is to translate improved ratings into increased revenues. Intensive training schemes are already underway to equip staff with the skills which will enable them to attain their full potential. We also plan additional investment in the stations' technical facilities and buildings. GWR's experience suggests that stations

take between two and three years to reach optimum performance, and we expect the Chiltern stations to match results elsewhere in the group within that time.

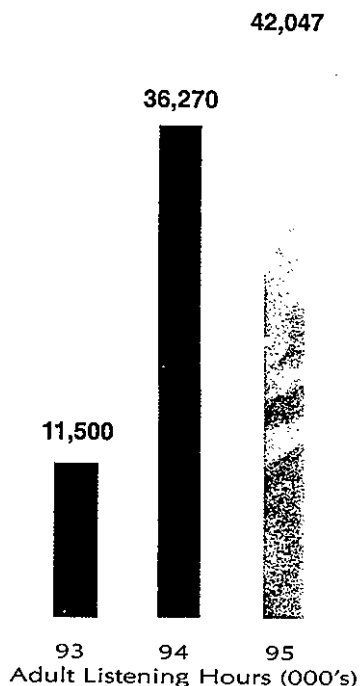
Marketing and advertising

GWR strengthened its marketing and advertising capabilities during the year with the formation of a dedicated marketing team and conducted sponsorships and promotions with national companies. Among the highlights were the BT Expose your Code campaign to promote PhoneDay, the Destination Australia promotion for Fosters lager and a test programme to raise awareness for DHL, as well as rolling campaigns for Blockbuster Video, Carphone Warehouse and B&Q.

Other successes included the development of entry level advertising packages for small businesses that previously might not have considered radio advertising. GWR in Swindon is offering, on a trial basis, a scheme which enables the station to maximise yield from unsold inventory. If the initiative is successful, it will be extended to provide a substantial boost to group revenues.

10,881





Programming

For many listeners, one of local commercial radio's key strengths is its freedom to respond to local concerns and keep the public in touch with events as they happen. Isle of Wight residents, for example, relied on the island's radio station for information about the manhunt that followed the escape of three prisoners from the high-security Parkhurst jail. The station provided a forum for developing leads as to their whereabouts.

GWR's listener research has shown repeatedly that radio audiences want familiar music, friendly presenters and news of local interest, including weather forecasts, traffic updates and what's on information. The results are borne out by both ratings success and our ability to mobilise public support. Audience identification with "their" station also makes local radio a powerful medium for community service and charity fundraising appeals. Group-wide, our listeners contributed some £450,000 to local causes during 1994/95.

Licence applications

We are currently embarking on a new round of licence applications. In December 1995, we announced our intention to apply for the four new regional licences in Yorkshire, Solent,

East Anglia and the East Midlands. We also plan to apply for the new London station which we would like to operate as a specialist business radio service.

"We intend to apply for four new regional licenses and for the new London station"

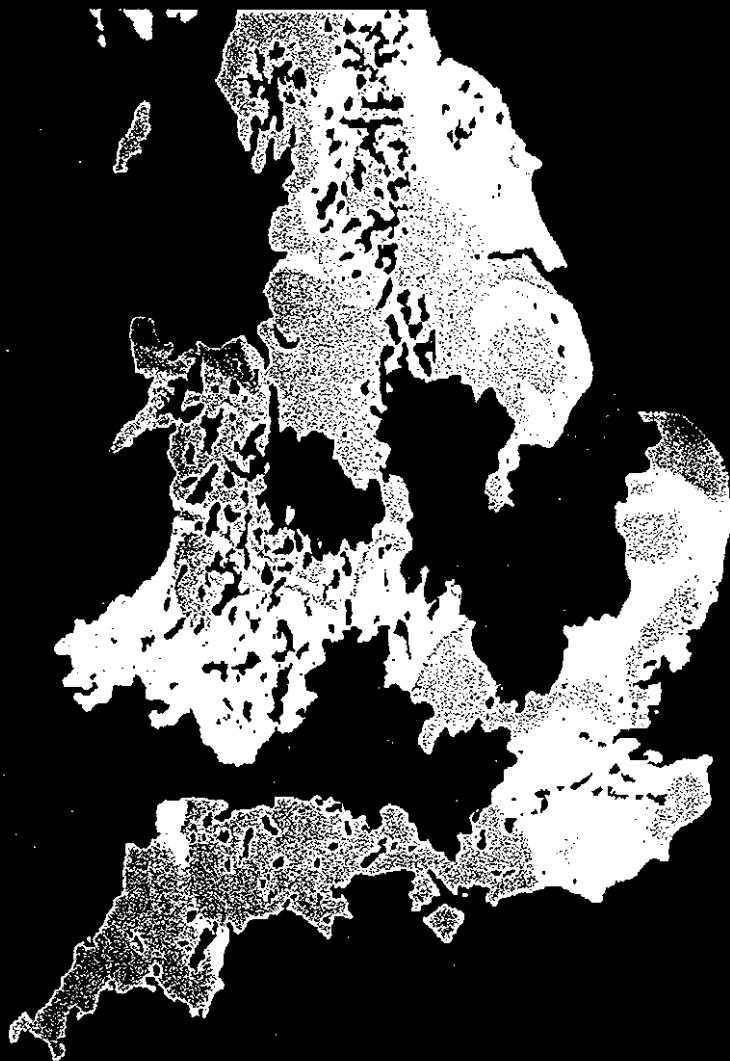
We were delighted to learn early in the new year that our licences in Nottingham/Derby have been re-awarded by the Radio Authority for a further eight years. Three more GWR licences come up for renewal in the current year: two in Reading/Basingstoke and one in Milton Keynes. All three are performing extremely well. This licence round brings to an end the re-advertisement process for all 28 of our licences.

The year ahead promises to be as exciting and challenging as the past twelve months for all our staff and we look forward to it with great anticipation.

Ralph Bernard

Chief Executive

FM Services



AM Services

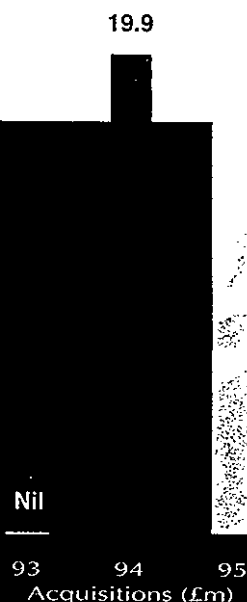


Financial Review

23.3 ACQUISITIONS

In 1994 GWR Group acquired the Midlands stations and Mid Anglia Radio. Since then we have relaunched these stations, increased their adult listening hours and their revenues. During July 1995 the group acquired Chiltern Radio PLC. Your board believes that these stations also offer significant potential for future growth. The majority of the Chiltern stations were already relaunched by the end of September 1995.

This graph shows the cost of our acquisitions in both years.



67.3

SHARES IN ISSUE

14 million shares were issued during the year as consideration for the acquisition of Chiltern Radio PLC in July. It is anticipated that a further 2.2 million shares will be issued after the year end in respect of this acquisition. The acquisitions during 1994 were also funded by way of share issues, with the equivalent of 26.4 million shares being issued for the acquisition cost and associated working capital requirements.

In order to improve the marketability of the company's shares a share sub-division and capitalisation took place during the year, with the result that the nominal value of the shares moved from 20 pence to 5 pence each and the share price was divided by eight. The capitalisation issue was credited from the company's share premium account.

53.1

24.9

Shares in Issue (m)

32.0

TURNOVER

Radio continues to grow faster than any other advertising medium and GWR Group, with its proven advertising sales abilities is taking full advantage of that growth. Total turnover in 1995 has increased by 57% to £32.0 million. Compared to last year, turnover in the original South stations is up by 14%, in the Midlands stations it is up by 34% and at Mid Anglia it is up by 42%.

The accounting policy for turnover has been changed this year to bring the company into line with the standard practice of all the major radio groups, with turnover now being stated net of advertising commission. This adjustment has had no effect on operating profits.

20.3

9.2

Turnover (£m)

1.1

(0.5)

(1.8)

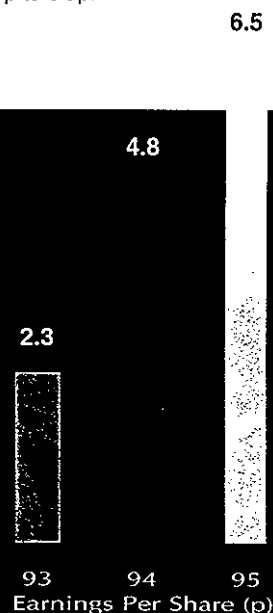
Cash Flow (£m)

CASH FLOW

Operating activities have generated £5.3 million in cash this year compared to £4.6 million in 1994. The group doubled its investment in technology this year to £2 million. Dividends paid to shareholders increased in cash terms by £480,000. Expenses of £1.3 million were paid in cash as a part of the group's acquisition of Chiltern Radio PLC in July 1995, reflecting a period of major change in the Radio Industry's regulation and legislation.

EARNINGS PER SHARE

The strong growth in profits has lead to an increase in earnings per share this year of 35% from 4.8p to 6.5p.



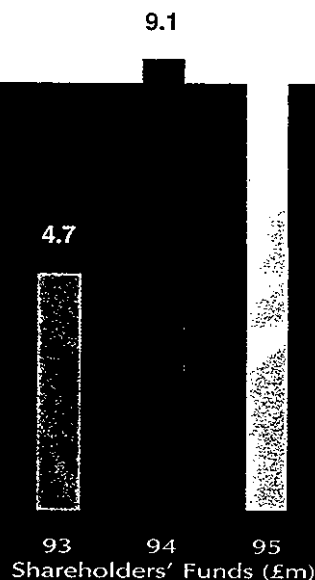
OPERATING PROFIT

Operating profit has increased by 85% to £5.3 million. This figure includes results for the two months to 30 September 1995 for the Chiltern stations which contributed a loss of £10,000.



SHAREHOLDERS' FUNDS

Total shareholders' funds have risen to £11.2 million, an increase of 23% on last year. £23.3 million was paid in consideration for the net assets of Chiltern Radio PLC, included in these accounts at their fair value of £3.1 million. The resulting goodwill of £20.2 million was written off to the merger reserve.



DIVIDEND COVER

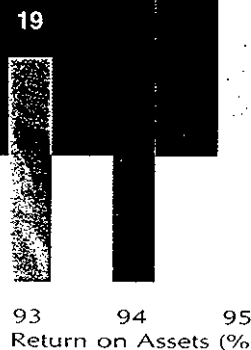
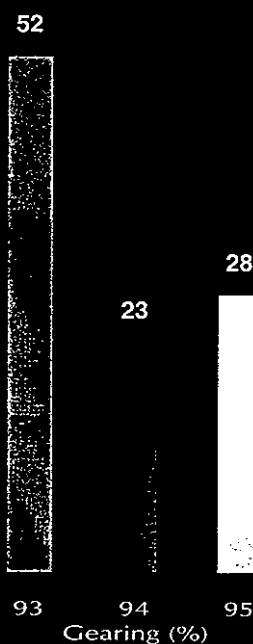
Dividend cover has been maintained at a similar level to last year.



GEARING

Gearing, as defined by borrowings as a percentage of total shareholders' funds, rose from 23% to 28%.

In October 1995 the group made £4.1 million in cash from the sale of Galaxy Radio, which was acquired as part of the Chiltern Radio PLC acquisition and eliminated the group's bank borrowings. The sale was a requirement of the ownership provisions of the Broadcasting Act 1990.



RETURN ON ASSETS

Return on assets, as defined by profit before interest and tax as a percentage of assets employed, has risen by 50% to 42%.

DIRECTORS AND ADVISERS

Secretary

B Giffard-Taylor F.C.A.

Registered Office

*The Watershed, Canons Road
Bristol BS99 7SN*

Advisers

Auditors

KPMG

*1 Cricklade Court
Cricklade Street, Old Town
Swindon, Wiltshire SN1 3EY*

Solicitors

Osborne Clarke

*30 Queen Charlotte Street
Bristol BS99 7QQ*

Nicholson Graham & Jones

*25-31 Moorgate
London EC2R 6AR*

Principal Bankers

*National Westminster Bank PLC
84 Commercial Road, Swindon
Wiltshire SN1 5NU*

Barclays Bank PLC

*28 Regent Street, Swindon
Wiltshire SN1 1JW*

Stockbrokers

James Capel & Co

*Thames Exchange
10 Queen Street Place
London EC4R 1BL*

Registrars

Royal Bank of Scotland

Registrar's Department

PO Box 82

*Caxton House, Redcliffe Way
Bristol BS99 7YA*

‡ Henry Meakin (Chairman)

Aged 52, Chairman of Aspen Communications PLC, of which he was a founding director in 1969.

A founder Director of Wiltshire Radio in 1982. Chairman of GWR Group since January 1988. Founding Chairman of Classic FM PLC in 1991 and a Director since 1993.

Ralph Bernard (Chief Executive)*

† ‡ Roger Gilbert F.C.A. (Deputy Chairman)

Aged 51, Managing Director of Harmsworth Media Limited, a subsidiary of Daily Mail and General Trust plc. Other directorships include a wide range of media related companies.

† ‡ Richard Palmer (Vice Chairman)

Aged 69, Director of Thames Valley Broadcasting Plc since 1982 and Chairman since 1985. A Magistrate since 1960 and Deputy Lieutenant of the Royal County of Berkshire.

Eddie Blackwell (Operations Director)*

Stella Pirie F.C.A. (Finance Director)*

Patrick Taylor F.C.A.

Aged 47, Director of Finance and Business Development at Capital Radio plc. Other directorships include Independent Radio News Limited, Satellite Media Services Limited, Essex Radio plc and First Oxfordshire Radio Limited.

† Jonathan Trafford

Aged 62, the senior partner of Bond Pearce, solicitors with offices in Plymouth, Exeter and Southampton. A founder director of Plymouth Sound Limited, a GWR Group Director since 1987.

Nicholas Tresilian (Development Director)*

* Executive Directors

† Member of the Audit Committee

‡ Member of the Remuneration Committee

The directors present their report and the audited financial statements for the year ended 30 September 1995.

Principal activities

The consolidated profit and loss account for the year is set out on page 24. The principal activity of the group is the operation of independent radio licences in the South, Midlands and East of England.

A business review is included within the Chief Executive's report on pages 7-12.

Dividends and transfers to reserves

An interim dividend of 0.94p per share (1994: 0.69p) was paid on 29 September 1995. The directors recommend the payment of a final dividend of 1.31p per share (1994: 0.94p) on 6 April 1996 to shareholders on the register of members at the close of business on 5 March 1996, making a total net dividend per share for 1995 of 2.25p per share (1994: 1.63p).

After payment of the interim dividend costing £499,000 (1994: £365,000) and the recommended final dividend costing £911,000 (1994: £498,000), a balance of £2,185,000 (1994: £1,241,000) will be transferred to reserves.

Chiltern Radio acquisition

On 26 May 1995 the company announced an offer to acquire the whole of the issued share capital of Chiltern Radio PLC not already owned by the company at a valuation at that date of £20.6 million, to be satisfied by the issue of new GWR Group plc shares. Chiltern Radio PLC operates independent radio licences in the northern Home Counties and the West Country. At 30 September 1995 the company owned 91.72% of the issued share capital of Chiltern Radio PLC.

Further details of this acquisition are set out in note 21 to the financial statements on pages 40-42.

Post balance sheet event

On 25 October 1995 the company announced the sale of Bristol Channel Broadcasting Company Limited and certain other assets, which together comprise the Galaxy Radio business. The total cash received by GWR Group plc on the sale was £4.1 million. The disposal of Galaxy Radio, which was acquired as part of the Chiltern Radio PLC acquisition, results from an undertaking given to the Radio Authority at that time to reduce the company's interest in that licence to 20 per cent. or less in order to comply with current broadcasting legislation.

Share capital

At the company's annual general meeting on 30 March 1995 resolutions were passed, inter alia, sub-dividing each 20p share in the capital of the company into 4 ordinary shares of 5p each, increasing the authorised share capital of the company from £1,690,000 to £3,500,000 and authorising a capitalisation issue of one share for every one share held. At an extraordinary general meeting on 11 July 1995 the authorised share capital of the company was further increased by £1,165,000 to £4,665,000.

During the year 14,036,139 ordinary shares were allotted, credited as fully paid, as consideration for the acquisition of the issued share capital of Chiltern Radio PLC not already owned by GWR Group plc. At 30 September 1995 there were 67,292,973 fully paid shares of 5p each in issue.

Further details are set out in note 20 to the financial statements on page 40.

DIRECTORS' REPORT

Share option schemes

The directors strongly believe in encouraging employees to participate in share schemes, thereby aligning their interests with those of the shareholders.

The GWR Group plc 1985 Executive Share Option Scheme ended on 14 August this year. At 30 September 1995, 1,267,912 options granted under this scheme were outstanding as follows:

Period of exercise	Exercise price	Number of shares of 5p each
To 26 October 1997	15.625p	24,000
To 4 March 1998	15.625p	4,400
To 15 November 1998	30.125p	320
To 31 January 2001	24.75p	116,000
To 11 February 2002	32.375p	40,000
To 2 March 2002	32.25p	32,000
1 February 1996 to 31 January 2003	47.5p	528,000
10 March 1997 to 9 March 2004	47p	3,192
28 July 1998 to 27 July 2005	122p	520,000

The above option numbers have been adjusted to reflect the share sub-division and capitalisation issue that occurred during the year.

At the annual general meeting on 30 March 1995 approval was given to renew and extend the existing arrangements for shares as follows:

The new GWR Group plc 1995 Executive Share Option Scheme is available to all full-time employees, options are priced at not less than the greater of the nominal value and the market value of a share. The Remuneration Committee is responsible for setting performance targets and share capital limits in line with the guidelines of institutional investors. Options are exercisable if the percentage growth in the group's earnings per share from the date of grant of the option to the third anniversary of the grant, is equal to or greater than the percentage increase in the Retail Prices Index plus 6%. At 30 September 1995 no options had been granted under this scheme.

The new GWR Group plc 1995 Savings-Related Share Option Scheme is available to employees working a minimum number of hours per week and who have been in continuous service for a minimum period. Options are priced at not less than the greater of the nominal value and 80 per cent. of the market value of a share. At 30 September 1995 no options had been granted under this scheme.

The mid market price of the company's shares on 30 September 1995 was 136p, the range of mid market prices during the year was 108.6p to 138p.

Details of options held by directors are set out on page 19.

Directors

Details of the directors of the company at 30 September 1995, all of whom have been directors for the whole of the year ended on that date, are listed on page 16. Lord Stokes retired from the board on 27 October 1994.

DIRECTORS' REPORT

In accordance with the articles of association, RN Gilbert, RJ Palmer and CE Blackwell retire by rotation and, being eligible, offer themselves for re-election. CE Blackwell holds a director's service contract which is terminable by the company giving twelve months notice. The other directors standing for re-election do not have a service contract.

Information on directors' emoluments, which are controlled by the Remuneration Committee, is given in note 3 to the financial statements on pages 28-30.

Directors' interests

The interests of the directors in the shares of the company at 30 September 1995, together with their interests at 1 October 1994, are as follows:

	Shares			Share options		
	1 October 1994	30 September 1995	30 September 1995	Exercise price	Date from which exercisable	Expiry date
HPJ Meakin	3,920	10,000	-	-	-	-
RM Bernard	366,480	250,480	320,000	47.5p	1.2.96	31.1.2003
RN Gilbert FCA	9,128	9,128	-	-	-	-
RJ Palmer	90,104	90,104	-	-	-	-
CE Blackwell	80,744	80,744	-	-	-	-
SJ Pirie FCA	14,040	14,040	48,000	47.5p	1.2.96	31.1.2003
JPE Taylor FCA	-	-	-	-	-	-
JH Trafford	10,448	10,448	-	-	-	-
NS Tresilian	27,048	27,048	32,000	32.25p	3.3.95	2.3.2002

All the above shares are held beneficially except for 25,805 held non-beneficially by RM Bernard and 90,104 held by a nominee company on behalf of RJ Palmer.

The holdings as at 1 October 1994 have been adjusted to reflect the share sub-division and capitalisation issue that occurred during the year.

On 11 August 1995, NS Tresilian exercised 32,000 options at 32.25p when the market price of the company's shares was 128p. There were no other movements in directors' share option holdings during the year.

RN Gilbert is a director of Harmsworth Media Limited, which held 13,176,058 shares in GWR Group plc at 30 September 1995. Harmsworth Media Limited is a subsidiary of Daily Mail and General Trust PLC. JPE Taylor is a director of Capital Radio plc, which held 12,792,160 shares in GWR Group plc at 30 September 1995.

There has been no change in the interests set out above between 30 September 1995 and 5 December 1995.

There were no contracts of significance subsisting during or at the end of the financial year in which a director of the company was materially interested and which require disclosure.

DIRECTORS' REPORT

Insurance of directors

The group maintains insurance for the directors of GWR Group plc in respect of their duties as directors of the group.

Employees

The group places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and on factors affecting the performance of the group. This is achieved through formal and informal meetings.

It is the group's policy to give full and fair consideration to the employment of disabled persons, the continuing employment of employees becoming disabled, and to the full development of the careers of disabled employees, having regard to their particular aptitudes and abilities.

Changes in fixed assets

The movements in fixed assets during the year are set out in notes 12 to 14 to the financial statements. In the opinion of the directors there was no significant difference between the market and book values of land and buildings owned by the group at 30 September 1995.

Substantial shareholdings

According to notifications received in accordance with the requirements of the Companies Act, shareholdings of 3 per cent or more of the company's issued share capital at 5 December 1995 are as follows:

	Number of shares	% of issued share capital
Harmsworth Media Limited	13,176,058	19.2%
Capital Radio plc	12,792,160	18.7%
Fidelity International Limited	3,831,872	5.6%
Abtrust Management Limited	2,802,513	4.1%
Henderson Administration Limited	3,087,004	4.5%
Gartmore Investment Management Limited	2,492,597	3.6%

The holding by Capital Radio plc is registered as 3,086,976 shares held by Capital Radio plc, 1,586,128 shares held by Capital Radio Investments Limited and 8,119,056 shares held by Midlands Radio Plc, both of these companies are subsidiaries of Capital Radio plc. The Fidelity International Limited holding is registered principally in the name of Clydesdale Bank Nominees Limited. The Henderson Administration Limited holding is registered principally in the name of Chase Nominees Limited.

Charitable and political contributions

During the year the group made charitable donations of £281 (1994: Nil) and made no political donations (1994: Nil).

Corporate Governance

Code of Best Practice ("the Code")

The Board supports best practice in corporate governance and confirms that the company has complied throughout the period with the Cadbury Committee's Code of Best Practice, apart from the guidance relating to reporting on internal controls which the directors will consider in detail for the next financial year, when the guidance becomes mandatory.

DIRECTORS' REPORT

Going concern

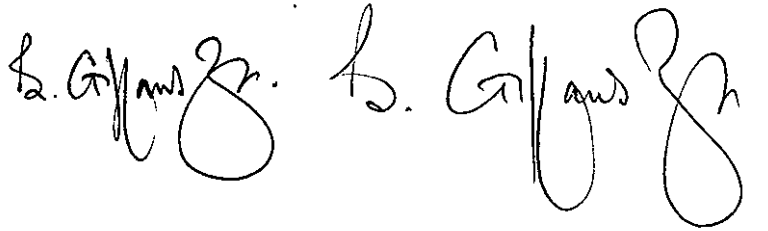
After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

Auditors' statement

The auditors, KPMG, have confirmed that in their opinion with respect to the directors' statement on going concern in the preceding paragraph, the directors have provided the disclosures required by paragraph 4.6 of the Code (as supplemented by the related guidance for directors) and the statement is not inconsistent with the information of which they are aware from their audit work on the financial statements, and that the directors' statement on the above appropriately reflects the group's compliance with the other paragraphs of the Code in force specified by the Listing Rules for their review. They have carried out their review in accordance with the Bulletin issued by the Auditing Practices Board, which does not require them to perform any additional work necessary to express a separate opinion on the effectiveness of the group's system of corporate governance procedures, or on the ability of the group to continue in operational existence.

By order of the board

B Giffard-Taylor FCA
Company secretary
29 January 1996

Two handwritten signatures in black ink, both appearing to read 'B. Giffard-Taylor'. The signatures are written in a cursive, flowing style.

STATEMENT OF 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 group and of the profit or loss for that period. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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 have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

REPORT OF THE AUDITORS

Report of the auditors to the members of GWR Group plc

We have audited the financial statements on pages 24-45.

Respective responsibilities of directors and auditors

As described on page 22 the company's directors are responsible for the preparation of 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 group'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 and the group as at 30 September 1995 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

Chartered Accountants

Registered Auditors

Swindon

29 January 1996

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 30 September 1995

	Notes	1995 £'000	1994 Restated £'000
Turnover			
Continuing operations		30,806	12,000
Acquisitions		1,187	8,330
Total turnover		31,993	20,330
Operating expenses	2	(26,672)	(17,456)
Operating profit			
Continuing operations		5,331	1,757
Acquisitions		(10)	1,117
Total operating profit		5,321	2,874
Income from interests in associated undertakings		131	241
Investment income	5	80	146
Interest payable and similar charges	6	(221)	(149)
Profit on ordinary activities before taxation	7	5,311	3,112
Taxation	8	1,716	1,008
Profit for the financial year	9	3,595	2,104
Dividends	10	1,410	863
Retained profit for the year	22	2,185	1,241
Earnings per ordinary share	11	6.5p	4.8p

The group had no recognised gains and losses other than those included in the profits above and therefore no separate statement of total recognised gains and losses has been presented.

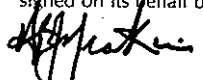
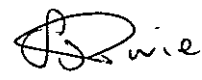
There is no material difference between the group results as reported above and on an unmodified historical cost basis. Accordingly no note of historical cost profits and losses has been included.

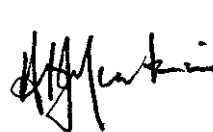
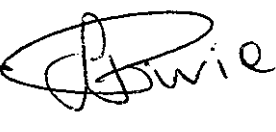
BALANCE SHEETS

As at 30 September 1995

	Notes	Group		Company	
		1995 £'000	1994 £'000	1995 £'000	1994 £'000
Fixed assets					
Intangible assets	12	830	752	-	-
Tangible assets	13	9,589	7,919	665	551
Investments	14	2,315	2,836	26,675	23,308
		12,734	11,507	27,340	23,859
Current assets					
Stocks		-	75	-	-
Debtors	15	14,365	7,823	8,780	6,069
Cash at bank and in hand		170	548	170	169
		14,535	8,446	8,950	6,238
Creditors: amounts falling due within one year	16	(14,160)	(8,412)	(10,175)	(4,498)
Net current assets/(liabilities)		375	34	(1,225)	1,740
Total assets less current liabilities		13,109	11,541	26,115	25,599
Creditors: amounts falling due after more than one year	17	(1,757)	(2,228)	(1,084)	(1,814)
Provisions for liabilities and charges	18	(170)	(241)	(12)	-
Net assets		11,182	9,072	25,019	23,785
Capital and reserves					
Called up share capital	20	3,365	1,328	3,365	1,328
Share premium account	22	1,138	2,684	1,138	2,684
Shares to be issued	21	111	-	111	-
Special capital reserve	22	369	369	369	369
Special reserve	22	-	-	17,781	17,781
Revaluation reserve	22	1,113	1,113	-	-
Merger reserve	22	-	491	-	-
Profit and loss account	22	5,086	3,087	2,255	1,623
Equity shareholders' funds		11,182	9,072	25,019	23,785

The financial statements on pages 24-45 were approved by the board of directors on 29 January 1996 and were signed on its behalf by:



 Henry Meakin Stella Pirie

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 September 1995

	Notes	1995 £'000	1994 £'000
Operating activities			
Net cash inflow from continuing operating activities	24	5,342	4,587
Returns on investments and servicing of finance			
Investment income received		80	128
Interest paid		(128)	(67)
Interest paid on finance leases		(81)	(83)
Dividend received from associated undertaking		16	20
Dividends paid		(997)	(521)
Net cash outflow from returns on investments and servicing of finance		(1,110)	(523)
Taxation			
UK Corporation tax paid		(854)	(806)
Investing activities			
Licence reapplication costs capitalised		(216)	(325)
Purchase of tangible fixed assets		(1,932)	(834)
Sale of tangible fixed assets		60	55
Purchase of fixed asset investments		(28)	(855)
Purchase of subsidiary - Chiltern Radio	21	(2,132)	-
Purchase of subsidiaries - Radio Trent, Mercia Sound, Leicester Sound, Beacon Broadcasting		(59)	(9,628)
Purchase of subsidiary - Mid Anglia Radio		(21)	(3,301)
Purchase of associate		(279)	(86)
Sale of investments		163	-
Net cash outflow from investing activities		(4,444)	(14,974)
Net cash outflow before financing		(1,066)	(11,716)
Financing			
Issue of shares		38	13,579
Repayment of loan		(121)	(119)
Expenses of share issue		(249)	(405)
Repayment of principal under finance leases		(365)	(251)
Net cash (outflow)/inflow from financing		(697)	12,804
(Decrease)/increase in cash and cash equivalents	25	(1,763)	1,088

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 1995

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, modified by the revaluation of certain fixed assets.

Basis of consolidation and treatment of goodwill

The consolidated financial statements include the company and all its subsidiary undertakings. The results of subsidiaries acquired are included in the consolidated profit and loss account from the date control passes.

An associated undertaking is one in which the group holds a substantial holding and is able to exercise a significant influence. The group's share of profits of associated undertakings is included in the consolidated profit and loss account, and the group's share of their net assets is included in the consolidated balance sheet.

Goodwill arising on the acquisition of subsidiaries and associates is written off immediately against reserves.

In the company's accounts investments in subsidiary and associated undertakings are stated at cost less amounts written off. Dividends received and receivable are credited to the company's profit and loss account to the extent that they represent a realised profit for the company.

Intangible fixed assets

Expenditure incurred on the successful reapplications for licences and relaunches of newly acquired stations is capitalised and amortised on a straight line basis over the remaining period of the licences.

Tangible fixed assets

Tangible fixed assets are stated at their purchase price less accumulated depreciation, adjusted for the revaluation of certain properties. The basis of valuation of those properties is explained in note 13.

Depreciation is calculated so as to write off the cost, or valuation, of tangible fixed assets, less their estimated residual values on a straight line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:

Freehold buildings	2%
Fixtures and technical equipment	10%-20%
Motor vehicles	20%

Leasehold land and buildings are amortised over 50 years or, if shorter, the period of the lease.

Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Assets held under finance leases are included in tangible fixed assets. The capital element of the leasing commitments is shown as obligations under finance leases. The interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 1995

1 Principal accounting policies (continued)

Turnover

In previous years turnover has been calculated as amounts invoiced in respect of all services and goods provided during the year, excluding value added tax and gross of advertising agency commission. In order to bring our accounting policy into line with the majority of groups within the radio industry, this policy has now been changed and turnover is calculated net of such commission. Prior year figures in these financial statements have been restated accordingly. The effect of this change in accounting policy is to decrease turnover by £1,884,000 (1994: £1,407,000) and to decrease operating expenses by £1,884,000 (1994: £1,407,000). There has been no effect on operating profit in either year.

The group has only one material class of business. All of the group's turnover was generated in the United Kingdom.

Deferred taxation

Provision for deferred taxation is made using the liability method where there is a reasonable probability that the liability or asset will crystallise.

Pension costs

Some of the group companies participate in defined contribution pension schemes, where pension costs are calculated as the amount of contributions payable to the schemes in respect of the accounting period. Other group companies participate in a defined benefit pension scheme which is contracted out of the state scheme. The funds are valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the relevant company benefits from the employees' services. The effects of variations from regular cost are spread over the expected average remaining service life of members of the scheme.

2 Operating expenses

	Continuing Acquisitions		1995 Total	Continuing Acquisitions		1994 Total
	£'000	£'000	£'000	Restated £'000	Restated £'000	Restated £'000
Selling and administration expenses	19,261	739	20,000	8,496	4,906	13,402
Other operating expenses	6,215	457	6,672	1,747	2,307	4,054
	25,476	1,196	26,672	10,243	7,213	17,456

3 Directors' emoluments

	1995 £'000	1994 £'000
Fees	112	133
Salary payments (including benefits in kind)	379	369
Pension contributions	21	22
	512	524

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 1995

3 Directors' emoluments (continued)

The above total includes:

	1995 £'000	1994 £'000
Performance related emoluments:		
Based on earnings per share	62	57
Based on profit before taxation	19	32
	<u>81</u>	<u>89</u>

Fees include amounts paid to third parties for the services of directors of £92,000 (1994: £111,000).

Payments can be made under the performance related bonus scheme based on earnings per share up to a maximum of 50% of salary.

Fees and other emoluments include amounts paid to:

	1995 £'000	1994 £'000
The chairman:		
Fees	20	20
Other fees for services in respect of acquisitions	45	35
	<u>65</u>	<u>55</u>

All the amounts shown as the Chairman's fees were paid to Aspen Communications PLC and he received no pension contributions.

The highest paid director:

Fees and other emoluments	136	126
Performance related bonus	62	68
	<u>198</u>	<u>194</u>
Pension contributions	19	17
	<u>217</u>	<u>211</u>

Directors' interests in the share options of the company are shown in the Directors' Report on page 19.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 1995

3 Directors' emoluments (continued)

The number of directors (including the chairman and the highest paid director) who received fees and other emoluments (excluding pension contributions) in the following ranges was:

	1995 Number	1994 Number
£0 to £5,000	3	3
£10,001 to £15,000	-	1
£15,001 to £20,000	2	-
£45,001 to £50,000	1	2
£50,001 to £55,000	-	2
£55,001 to £60,000	1	-
£60,001 to £65,000	1	-
£80,001 to £85,000	1	-
£85,001 to £90,000	-	1
£190,001 to £195,000	-	1
£195,001 to £200,000	1	-

4 Employee information

The average weekly number of persons (including executive directors) employed during the year, analysed by category, was as follows:

	1995 Number	1994 Number
Selling, programming, engineering and news	394	315
Administration	95	78
	489	393

	1995 £'000	1994 £'000
Staff costs (for the above persons):		
Wages and salaries	8,159	6,188
Social security costs	792	535
Pension costs (see note 19)	238	160
	9,189	6,883

5 Investment income

	1995 £'000	1994 £'000
Rents receivable	17	112
Interest receivable	36	18
Dividends receivable	27	16
	80	146

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 1995

6 Interest payable and similar charges

	1995 £'000	1994 £'000
On bank loans/overdrafts/other loans:		
Repayable within 5 years, not by instalments	106	17
Repayable within 5 years, by instalments	34	49
	140	66
On finance leases	81	83
	221	149

7 Profit on ordinary activities before taxation

	1995 £'000	1994 £'000
Profit on ordinary activities before taxation is stated after crediting:		
Profit on disposal of tangible fixed assets	14	28
Profit on disposal of investments	143	-
And after charging:		
Depreciation charge for the year:		
Intangible fixed assets	138	132
Tangible owned fixed assets	848	515
Tangible fixed assets held under finance leases	287	228
Auditors' remuneration - KPMG		
Audit (company 1995: £3,300 (1994: Nil))	48	-
Other services to the company	20	-
Auditors' remuneration - Coopers & Lybrand		
Audit (company 1995: Nil (1994: £3,300))	-	44
Other services to the company	59	32
Hire of plant and machinery - operating leases	77	222
Hire of other assets - operating leases	326	444

The company incurred £156,000 (1994: £184,000) of auditors' fees from Coopers & Lybrand and £54,000 (1994: Nil) from KPMG for other services in addition to that above, which have been capitalised as part of the cost of the acquisition made during the year.

8 Taxation

	1995 £'000	1994 £'000
United Kingdom corporation tax at 33% (1994: 33%)		
Current	1,701	865
Deferred	(11)	9
Under provision in respect of prior years:		
Current	-	18
Deferred	-	36
	1,690	928
Associated undertakings	26	80
	1,716	1,008

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 1995

9 Profit for the financial year

As permitted by section 230 of the Companies Act 1985, the parent company's profit and loss account has not been included in these financial statements. Of the profit for the financial year £2,042,000 (1994: £1,885,000) is dealt with in the financial statements of the company.

10 Dividends

	1995 £'000	1994 £'000
Interim paid of 0.94p per share (1994: 0.6875p per share)	499	365
Final proposed of 1.31p per share (1994: 0.9375p per share)	911	498
	1,410	863

11 Earnings per share

The calculation of earnings per share was based on 55,445,262 (1994: 43,851,608) ordinary shares, being the weighted average number of ordinary shares in issue during the year and on the profit on ordinary activities after taxation of £3,595,000 (1994: £2,104,000).

12 Intangible fixed assets

Group	£'000
Cost	
At 1 October 1994	1,721
Additions	216
At 30 September 1995	1,937
Depreciation	
At 1 October 1994	969
Charge for year	138
At 30 September 1995	1,107
Net book value	
At 30 September 1995	830
Net book value	
At 30 September 1994	752

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 1995

13 Tangible fixed assets

Group	Land and buildings	Fixtures and technical equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 October 1994	5,591	7,534	609	13,734
Acquisitions	709	1,860	581	3,150
Additions	16	1,911	42	1,969
Disposals	-	(73)	(181)	(254)
At 30 September 1995	6,316	11,232	1,051	18,599
Depreciation				
At 1 October 1994	591	4,833	391	5,815
Acquisitions	551	1,448	270	2,269
Charge for year	71	941	123	1,135
Disposals	-	(67)	(142)	(209)
At 30 September 1995	1,213	7,155	642	9,010
Net book value				
At 30 September 1995	5,103	4,077	409	9,589
Net book value				
At 30 September 1994	5,000	2,701	218	7,919
Cost or valuation at 30 September 1995 is represented by:				
Valuation in 1988	1,750	-	-	1,750
Cost	4,566	11,232	1,051	16,849
	6,316	11,232	1,051	18,599

In respect of assets held under finance leases, the net book value of tangible fixed assets includes an amount of £821,000 (1994: £790,400) and the depreciation charge for the year includes an amount of £287,000 (1994: £228,000).

The freehold land and buildings that have been revalued were the subject of a valuation in June 1988 by Conrad Ritblat and Co., a firm of independent consultant surveyors and valuers on an open market valuation for existing use basis.

If freehold land and buildings had not been revalued they would have been included in the financial statements at an original cost of £3,204,000 (1994: £3,033,000).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 1995

13 Tangible fixed assets (continued)

Land and buildings at net book value comprise:

	1995 £'000	1994 £'000
Freeholds	4,317	4,146
Long leaseholds	71	74
Short leaseholds	715	780
	5,103	5,000

Company	Fixtures and technical equipment £'000	Motor vehicles £'000	Total £'000
Cost			
At 1 October 1994	664	47	711
Additions	276	4	280
At 30 September 1995	940	51	991
Depreciation			
At 1 October 1994	129	31	160
Charge for year	158	8	166
At 30 September 1995	287	39	326
Net book value			
At 30 September 1995	653	12	665
Net book value			
At 30 September 1994	535	16	551

The net book value of tangible fixed assets includes an amount of £208,000 (1994: £304,000) in respect of assets held under finance leases and the depreciation charge for the year includes an amount of £96,000.

14 Investments

Group	Associated undertakings £'000	Other investments £'000	Total £'000
Cost			
At 1 October 1994	505	2,331	2,836
Additions	279	28	307
Disposals	-	(20)	(20)
Transfer to associated undertakings	163	(163)	-
Transfer to subsidiary undertakings	-	(441)	(441)
Share of results for year	86	-	86
Goodwill write off	(453)	-	(453)
At 30 September 1995	580	1,735	2,315

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 1995

14 Investments (continued)

	Other investments	
	1995	1994
	£'000	£'000
Investments included above listed on the London Stock Exchange	-	441
Stock Exchange value of listed investments	-	340

The associated undertakings are as follows:

Name	Country of incorporation/ place of registration	Class of capital held	Proportion of nominal value of issued shares held by:	
			Group	Company
West Country Broadcasting Limited	England and Wales	Ordinary £1 shares	50%	50%
Spire FM Limited	England and Wales	Ordinary £1 shares	40%	40%
Minster Sound Radio plc	England and Wales	Ordinary £1 shares	23.3%	23.3%
Radio FM PLUS	Bulgaria	Ordinary 100 leva shares	48%	-
InfoRadio SP ZO O	Poland	Ordinary 10,000 old zloty shares	33%	-
Network News (Radio) Limited	England and Wales	Ordinary shares	25.1%	-

All of the above companies operated in their country of incorporation or place of registration, and all of them are local radio contractors, except for InfoRadio SP ZO O which has applied for a licence to broadcast a news and information service in Warsaw, Poland and Network News (Radio) Limited which provides radio news services.

The group's holding in Minster Sound Radio plc increased during the year from 15.8% to 23.3%, accordingly the investment is now accounted for as an associated undertaking.

Company	Interests in group undertakings	Associated undertakings	Other investments	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 October 1994	20,769	258	2,281	23,308
Additions	3,060	279	28	3,367
Transfers	441	163	(604)	-
At 30 September 1995	24,270	700	1,705	26,675

All of the associated undertakings are stated in the company at the cost of investment.

Interests in group undertakings

The directors consider that to give full particulars of all subsidiary undertakings would lead to a statement of excessive length. The following information relates to those subsidiary undertakings whose results or financial position, in the opinion of the directors, principally affected the figures of the group:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 1995

14 Investments (continued)

Name of undertaking	Principal activity	Proportion of nominal value of issued shares held by:	
		Group	Company
Wiltshire Radio plc	Independent local radio contractor	100%	100%
GWR (West) Limited	Independent local radio contractor	100%	100%
Thames Valley Broadcasting plc	Independent local radio contractor	100%	-
Two Counties Radio Limited	Independent local radio contractor	100%	-
Chiltern Radio PLC	Independent local radio contractor	91.7%	91.7%
Radio Trent Limited	Independent local radio contractor	100%	100%

All of the above companies have only one class of issued share capital, voting ordinary shares, except for Wiltshire Radio plc which also has non-voting ordinary shares, all of which are held by the company. All of the above companies are registered and operated in England and Wales. A full list of the group companies will be included in the company's annual return.

Other investments

The company owns 17.2% of the Ordinary 1p shares of Classic FM plc.

The company's holding in Stray FM plc increased during the year from 22.4% to 29.9% of the issued Ordinary 50p shares of Stray FM plc. The group has no influence over Stray FM plc, with no involvement in their financial and operating policy decisions. The investment in that company is therefore not treated as an associated undertaking, but is accounted for at cost.

Both companies are registered in England and Wales.

15 Debtors

	Group		Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Amounts falling due after more than one year				
Other debtors	-	71	-	50
Amounts falling due within one year				
Trade debtors	8,182	5,672	63	-
Amounts owed by subsidiary undertakings	-	-	7,947	4,976
Amounts owed by associated undertakings	157	283	139	253
Assets held for resale	3,721	-	-	-
Other debtors	499	931	274	420
Prepayments and accrued income	1,762	866	320	370
Corporation tax	31	-	31	-
Advance corporation tax	13	-	6	-
	14,365	7,752	8,780	6,019
Total debtors	14,365	7,823	8,780	6,069

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 1995

16 Creditors: amounts falling due within one year

	Group		Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Bank loans and overdrafts	2,366	983	4,228	2,177
Obligations under finance leases	323	346	127	150
Trade creditors	2,455	1,108	189	138
Amounts owed to subsidiary undertakings	-	-	2,369	11
Amounts owed to associated undertakings	64	41	-	-
Corporation tax	1,691	823	-	90
Advance corporation tax	349	125	349	125
Other taxation and social security	1,326	821	1	35
Other creditors	350	1,001	411	605
Accruals	4,325	2,666	1,590	669
Dividends payable	911	498	911	498
	14,160	8,412	10,175	4,498

17 Creditors: amounts falling due after more than one year

	Group		Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Bank loans and overdrafts	263	383	219	336
Obligations under finance leases	383	347	123	245
Other creditors	1,111	1,498	742	1,233
	1,757	2,228	1,084	1,814

Bank loans and overdrafts

	Group		Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Repayable as follows:				
In one year or less	2,366	983	4,228	2,177
Between one and two years	120	120	118	118
Between two and five years	107	225	101	218
In five years or more	36	38	-	-
	2,629	1,366	4,447	2,513
Repayable by instalments wholly or partly in more than five years:	46	49	-	-

This bank loan is repayable in monthly instalments of £184. Interest is charged on the loan at Barclays Bank Base Rate plus 2.5%, subject to a lower limit of 7.5%. The loan is secured by a legal charge over freehold property which is stated at a net book value of £106,000 in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 1995

17 Creditors: amounts falling due after more than one year (continued)

Finance leases

The net finance lease obligations to which the group and company are committed are as follows:

	Group		Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
In one year or less	323	346	127	150
Between one and two years	313	183	76	130
Between two and five years	70	144	47	115
Over five years	-	20	-	-
	706	693	250	395

18 Provisions for liabilities and charges

	Group		Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Deferred taxation	127	241	12	-
Relocation provision	43	-	-	-
	170	241	12	-

Deferred taxation:

	Group £'000	Company £'000
At 1 October 1994	366	-
Profit & loss account	(11)	12
Advance corporation tax	(228)	-
At 30 September 1995	127	12

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 1995

18 Provisions for liabilities and charges (continued)

Deferred taxation provided in the financial statements, which represents the total potential liability for deferred taxation, is as follows:

Group	1995 £'000	1994 £'000
Accelerated capital allowances	135	136
Other timing differences	220	230
	355	366
Less: advance corporation tax	(228)	(125)
	127	241

The potential capital gains tax that might arise if the group's freehold property was realised at the net amount included in the financial statements is estimated at £81,000 (1994: £107,000).

Company	1995 £'000	1994 £'000
Accelerated capital allowances	12	-

19 Pension obligations

- (a) Some of the subsidiaries of GWR Group plc participate in defined contribution pension schemes available to their permanent employees.

The schemes are funded by the payment of contributions to separately administered funds, which are independent of the group's finances.

- (b) Eligible employees at Radio Trent Limited, Leicester Sound Limited and Mercia Sound Limited are members of the Midlands Radio Group Pension Scheme. Pension costs relating to this Scheme are assessed with the advice of independent qualified actuaries.

The Pension Scheme is a defined benefit scheme and is established under trusts with the assets held separately from those of the group.

Contributions to the Scheme are charged to the profit and loss account so as to spread the cost of pensions over the members' working lives with the group. The pension cost charged to the profit and loss account is calculated by a qualified actuary and is determined as a substantially level percentage of the current and expected future pensionable payroll.

The last actuarial valuation was carried out as at 1 October 1993. At that date the market value of the Scheme's assets was £2,334,356. The actuarial value of the scheme's assets represented 93.3% of the benefits that had accrued to members after allowing for the expected future increases in earnings.

The assumptions having the greatest effect on the pension cost are those relating to the rate of return on Scheme investments and the rate of increase in pensionable earnings. In calculating the pension cost it was assumed that over the long-term the yield earned on investments would exceed the effective rate of increase in pensionable earnings by 2.25% per annum. Allowance was made for increases to pensions in payment in accordance with Scheme rules.

The total pension cost to the group for the year was £238,000 (1994: £160,000).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 1995

20 Called up share capital

	Authorised		Allotted, called-up and fully paid	
	Number	£'000	Number	£'000
Ordinary shares of 20p each				
At 1 October 1994	8,450,000	1,690	6,640,154	1,328
Share sub-division	25,350,000	-	19,920,462	-
Ordinary shares of 5p each				
At 1 October 1994	-	-	1	-
Increase 30 March 1995	36,200,000	1,810	-	-
Capitalisation issue	-	-	26,560,617	1,328
Share options exercised	-	-	135,600	7
Increase 11 July 1995	23,300,000	1,165	-	-
Issued on acquisition	-	-	14,036,139	702
	93,300,000	4,665	67,292,973	3,365

The authorised share capital was increased on 30 March 1995 to enable the share capitalisation issue to take place, and then on 11 July 1995 in order to allow for the increase in issued share capital required for the cost of acquisition of Chiltern Radio PLC.

At 30 September 1995, the company had 1,267,912 options outstanding granted under the Executive Share Option Scheme in respect of 5p Ordinary shares. Further details are given on page 18.

21 Chiltern Radio acquisition

The GWR Group plc offer for the issued share capital of Chiltern Radio PLC was declared unconditional on 28 July 1995. At 30 September 1995 6,257,727 Ordinary shares of 10p each in Chiltern Radio PLC had been acquired under the offer, which together with the 146,000 shares previously acquired in Chiltern Radio PLC, gives a total of 6,403,727 shares representing 91.7% of the total issued share capital of that company.

The consideration for the purchase of the shares under the offer was the issue of 14,036,139 Ordinary shares of 5p each in the shares of GWR Group plc. It is anticipated that a further 2,232,857 shares will be issued after the year end to acquire the remaining shares of Chiltern Radio PLC. These shares have been included within the fair value of the acquisition at a cost based on the share price at 30 September 1995.

In accordance with the merger relief provisions of Section 131 of the Companies Act 1985, the company's investment in Chiltern Radio PLC has been stated as the aggregate of the nominal value of the shares issued, together with associated acquisition costs. The fair value of the consideration including associated acquisition costs is £23,274,000. The premium on shares issued has increased the group's merger reserve, with the goodwill relating to the acquisition being written off against the merger reserve (see note 22).

The group has used acquisition accounting to account for the purchase. The subsidiary made a loss on ordinary activities before taxation of £1,466,000 from 1 October 1994, the beginning of the subsidiary's financial year, to the date of acquisition and made a profit of £514,000 for the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 1995

21 Chiltern Radio acquisition (continued)

The assets and liabilities acquired are set out below:

	Book value	Adjustments	Fair value to the group
	£'000	£'000	£'000
Fixed assets			
Tangible	1,132	(251)	881
Current assets			
Debtors	1,691	3,395	5,086
Total assets	2,823	3,144	5,967
Liabilities			
Creditors	1,786	244	2,030
Bank overdraft	823	-	823
	2,609	244	2,853
Net assets	214	2,900	3,114
Consideration			
14,036,139 Ordinary shares			18,033
2,232,857 shares to be issued at par			111
Premium on shares to be issued			2,925
Cash payment for expenses			1,764
Cash payment for 2.25% stake previously acquired			441
			23,274
Fair value of net assets acquired			3,114
Goodwill			20,160

The principal adjustment to book value relates to the sale of Galaxy Radio. On 25 October 1995 the company announced the sale of the Galaxy Radio business for £4.1 million. Galaxy Radio was acquired as part of the Chiltern Radio PLC acquisition and was held exclusively for resale in order to comply with current broadcasting legislation. The assets sold have been restated in the above table to reflect their fair value to the group based on the net proceeds of sale.

The other adjustments to book value relate to contractual payments made to certain Chiltern employees resulting directly from the acquisition and the alignment of the accounting policy in respect of the treatment of associate balances.

Chiltern Radio PLC contributed an outflow of £110,000 to the group's net operating cash flows, paid £8,000 in respect of net returns on investments and servicing of finance and utilised £173,000 for investing activities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 1995

21 Chiltern Radio acquisition (continued)

Analysis of the net outflow of cash and cash equivalents in respect of the purchase of Chiltern Radio PLC
£'000

Expenses of acquisition	1,309
Bank overdrafts acquired	823
Net outflow of cash and cash equivalents	2,132

Goodwill

The cumulative amount of goodwill resulting from acquisitions which has been written off to reserves is set out below:

	£'000
At 1 October 1994	17,904
Written off to merger reserve - Chiltern Radio PLC	20,160
Written off to merger reserve - Associate	453
Written off to merger reserve - Midlands/Mid Anglia adjustments	134
Written off to profit and loss account - Midlands/Mid Anglia adjustments	186
At 30 September 1995	38,837

22 Reserves

Group	Share premium account £'000	Merger reserve £'000	Profit and loss account £'000
At 1 October 1994	2,684	491	3,087
Capitalisation issue	(1,328)	-	-
Issue of shares (see note 21)	-	20,256	-
Expenses of share issue	(249)	-	-
Exercise of share options	31	-	-
Goodwill written off (see note 21)	-	(20,747)	(186)
Retained profit for the year	-	-	2,185
At 30 September 1995	1,138	-	5,086

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 1995

22 Reserves (continued)

Group	Special capital reserve £'000	Revaluation reserve £'000
At 1 October 1994 and 30 September 1995	369	1,113

Group's share of post acquisition profit and loss account of associated undertakings

	£'000
At 1 October 1994	119
Retained profit for the year	86
At 30 September 1995	205

Company	Share premium account £'000	Special capital reserve £'000	Special reserve £'000	Profit and loss account £'000
At 1 October 1994	2,684	369	17,781	1,623
Capitalisation issue	(1,328)	-	-	-
Expenses of share issue	(249)	-	-	-
Exercise of share options	31	-	-	-
Retained profit for the year	-	-	-	632
At 30 September 1995	1,138	369	17,781	2,255

23 Reconciliation of movements in shareholders' funds

Group	1995 £'000	1994 £'000
Profit for the financial year	3,595	2,104
Dividends	(1,410)	(863)
	2,185	1,241
New share capital issued	740	21,364
Shares to be issued	111	-
Expenses of share issue	(249)	(405)
Premium on shares issued	17,331	-
Premium on shares to be issued	2,925	-
Goodwill written off	(20,933)	(17,872)
Net addition to shareholders' funds	2,110	4,328
Opening shareholders' funds	9,072	4,744
Closing shareholders' funds	11,182	9,072

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 1995

23 Reconciliation of movements in shareholders' funds (continued)

Company	1995 £'000	1994 £'000
Profit for the financial year	2,042	1,885
Dividends	(1,410)	(863)
	632	1,022
New share capital issued	740	21,364
Shares to be issued	111	-
Expenses of share issue	(249)	(405)
Net addition to shareholders' funds	1,234	21,981
Opening shareholders' funds	23,785	1,804
Closing shareholders' funds	25,019	23,785

24 Reconciliation of operating profit to net cash inflow from continuing operating activities

Group	1995 £'000	1994 £'000
Operating profit	5,321	2,874
Depreciation of tangible fixed assets	1,135	743
Amortisation of intangible fixed assets	138	132
Profit on disposal of tangible fixed assets	(14)	(28)
Profit on sale of investments	(143)	-
Decrease in stocks	75	31
Increase in debtors	(1,099)	(1,026)
(Decrease)/increase in creditors	(71)	1,861
	5,342	4,587

25 Cash and cash equivalents

	£'000
Changes during the year	
At 1 October 1994	(315)
Net cash outflow	(1,763)
At 30 September 1995	(2,078)

	1995 £'000	Change in year £'000	1994 £'000	Change in year £'000	1993 £'000
Analysis of balances					
Cash at bank and in hand	170	(378)	548	548	-
Bank overdrafts	(2,248)	(1,385)	(863)	540	(1,403)
At 30 September	(2,078)	(1,763)	(315)	1,088	(1,403)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 1995

26 Analysis of changes in financing during the year

	Share capital (including premium) £'000	Loans and finance lease obligations £'000
At 1 October 1994	4,012	1,196
Net cash flows from financing	(211)	(486)
Inception of finance lease contracts	-	36
Shares issued for non-cash consideration	18,033	-
Creation of merger reserve	(17,331)	-
On acquisition	-	341
At 30 September 1995	4,503	1,087

27 Contingent liabilities

Contingent liabilities are as follows:

- (a) On 14 June 1995 the company announced that it had entered into a conditional agreement to purchase 21 per cent. of the issued share capital of the German company Antenne Sachsen Horfunk-Versorgung GmbH ("Antenne Sachsen"). The total consideration is £1.54 million. Antenne Sachsen operates a commercial radio station serving six million people in the German State of Saxony and surrounding areas, including the cities of Leipzig and Dresden.
- (b) Various inter-group cross guarantees are held by National Westminster Bank and Barclays Bank.
- (c) National Westminster Bank holds a charge over £169,000 of credit balances.
- (d) Barclays Bank holds a charge over freehold property which is stated at £106,000 in these financial statements.
- (e) The company is a member of a group for VAT purposes, resulting in a joint and several liability for amounts owing by other group companies for unpaid VAT.

28 Financial commitments

At 30 September 1995 the group had annual commitments under non-cancellable operating leases as follows:

	1995		1994	
	Land & Buildings £'000	Other £'000	Land & Buildings £'000	Other £'000
Expiring within one year	13	169	-	201
Expiring between two and five years inclusive	7	221	-	468
Expiring in over five years	249	-	105	10
	269	390	105	679

The company has no annual commitments under non-cancellable operating leases.

FIVE YEAR RECORD / FINANCIAL CALENDAR

	1995	1994	1993	1992	1991
	£'000	Restated £'000	Restated £'000	Restated £'000	Restated £'000
Results					
Turnover	31,993	20,330	9,215	8,117	7,048
Operating expenses	(26,672)	(17,456)	(8,197)	(7,180)	(6,632)
Operating profit	5,321	2,874	1,018	937	416
Income/(loss) from interests in associated undertakings	131	241	91	(88)	(14)
Net interest payable/investment income	(141)	(3)	(196)	(128)	(63)
Profit before taxation	5,311	3,112	913	721	339
Taxation	(1,716)	(1,008)	(341)	(238)	(98)
Profit for the financial year	3,595	2,104	572	483	241
Dividends	1,410	863	280	217	120
Retained profit for the year	2,185	1,241	292	266	121
Capital employed					
Fixed assets	12,734	11,507	5,503	4,837	3,932
Net current assets	375	34	378	556	512
Non-current liabilities	1,927	2,469	1,137	969	369
Equity shareholders' funds	11,182	9,072	4,744	4,424	4,075
Dividend per share	2.25p	13p	9p	7p	4p
Adjusted dividend per share	-	1.625p	1.125p	0.875p	0.5p
Earnings per share	6.5p	38.4p	18.4p	15.9p	8p
Adjusted earnings per share	-	4.8p	2.3p	2.0p	1.0p

The adjusted earnings per share and dividend per share reflect the share sub-division and capitalisation issue that occurred during 1995.

The financial information set out above has been prepared in accordance with the accounting policies set out on pages 27-28, some periods have been restated in accordance with Financial Reporting Standard No.3. All prior periods have been restated in accordance with the new accounting policy on turnover (see page 28).

Financial Calendar

27 March 1996	Annual general meeting
6 April 1996	Final dividend payable
31 March 1996	Half year end
June 1996	Interim results announcement
September 1996	Interim dividend payable
30 September 1996	Year end
December 1996	Preliminary announcement of full year results

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the twentieth annual general meeting of the company will be held at the Hilton National Hotel, Lydiard Fields, Great Western Way, Swindon on 27 March 1996 at 1.00pm for the transaction of the following business:

Ordinary business

- 1 To receive the annual accounts for the year ended 30 September 1995 together with the reports of the directors and auditors on those accounts.
- 2 To declare a final dividend.
- 3 To re-elect as a director Mr R N Gilbert who is retiring by rotation.
- 4 To re-elect as a director Mr R J Palmer who is retiring by rotation.
- 5 To re-elect as a director Mr C E Blackwell who is retiring by rotation.
- 6 To re-appoint KPMG as auditors of the company and to authorise the directors to fix their remuneration.

Special business

As special business, to consider and, if thought fit, to pass the following resolutions of which Resolution 7 will be proposed as an Ordinary Resolution and Resolution 8 will be proposed as a Special Resolution.

- 7 That the directors be and are hereby generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 ("the Act") to exercise all the powers of the company to allot relevant securities (within the meaning of Section 80(2) of the Act) up to an aggregate nominal amount of £1,179,896 during the period commencing on the date of the passing of this resolution and expiring at the conclusion of the annual general meeting of the company in 1997, save that the company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.
- 8 That, subject to and conditional upon Resolution 7 above being passed, the directors be and are hereby authorised and empowered pursuant to Section 95 of the Act during the period commencing on the date of the passing of this resolution and expiring at the conclusion of the annual general meeting of the company in 1997, to allot equity securities (within the meaning of Section 94 of the Act) for cash pursuant to the authority conferred by Resolution 7 above as if Section 89 (1) of the Act did not apply to any such allotment, provided that this power shall be limited.
 - (i) to the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where such equity securities are offered to ordinary shareholders in proportion (as nearly as may be) to the number of ordinary shares then held or deemed to be held by them, subject only to such exceptions, exclusions or other arrangements as the directors may, in their opinion, deem necessary or expedient to deal with fractional entitlements, legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and
 - (ii) to the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal amount of £168,232.
- 9 That the GWR Group plc 1996 Executive Share Option Scheme, the main features of which are summarised in the Appendix to this Notice, in the form of the rules produced in draft to the meeting and signed by the Chairman for the purposes of identification, be and the same are hereby approved and the directors be and they are hereby authorised to do all acts and things as may be necessary to carry the same into effect.
- 10 That rules 3.2, 3.3 and 3.4 of the GWR Group plc 1995 Executive Share Option Scheme, and rule 6.5 of the GWR Group plc 1995 Savings-Related Share Option Scheme, be and the same are hereby deleted and that the directors be and they are hereby authorised to make all such incidental amendments to the said rules and to do all acts and things as may be necessary to carry the same into effect.
- 11 To transact any other business of an annual general meeting.

Notes

- 1 A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him or her. A proxy need not be a member of the company and the appointment of a proxy will not preclude a member from attending and voting at the meeting. A form of proxy is enclosed for this purpose.
- 2 The instrument appointing a proxy, together with the power of attorney or other authority, if any, under which it is signed (or a duly certified copy of such power or authority) must be lodged with the company's Registrars not later than 48 hours before the time for holding the meeting.
- 3 The register of directors' shareholdings, a copy of all service contracts with directors of the company and the rules of the employee share schemes (with amendments) referred to in the appendix overleaf will be available for inspection at the registered office of the company during normal business hours until the date of the meeting and also at the place of the meeting for at least 15 minutes prior to and during the meeting.

By Order of the Board

B Giffard-Taylor FCA
Company Secretary
29 January 1996

Resolution 9: Summary of Principal Features of the GWR Group plc 1996 Executive Share Option Scheme ("the Executive Scheme")

Eligibility and Grant of Options

All full-time directors and employees of the company and any participating subsidiaries, who are not within two years of their contractual retirement date, will be eligible to participate at the discretion of the Remuneration Committee. Options may normally be granted within 42 days after approval of the Executive Scheme by shareholders and thereafter in each year in a period of 42 days starting on the announcement of the company's interim or final results. Options may not be granted more than 10 years after the date of the adoption of the Executive Scheme by shareholders. No consideration shall be payable for the grant of an option. The price at which participants may acquire ordinary shares shall not be less than the greater of their nominal value and their market value. The right to exercise options shall be made subject to satisfying performance targets imposed by the Remuneration Committee at the date of grant. Taking into account the views of institutional shareholders, it is intended that these targets shall require sustained growth in earnings per share measured against an inflation index. The exact terms of any performance targets imposed shall be disclosed in the next published annual report and accounts.

Limits on Grants

No option may be granted to a participant which would result in:

- (a) the aggregate exercise price of ordinary shares comprised in options or other rights granted to him under the Executive Scheme and any other employee share scheme of the company exceeding eight times his annual remuneration; or
- (b) the number of ordinary shares issued or remaining issuable by virtue of options or other rights granted in the preceding 10 years under the Executive Scheme or any other employee share scheme of the company exceeding 10% of the issued share capital.

Exercise of Options

Options may normally be exercised in whole or in part during the period between the third and seventh anniversaries of their grant provided any performance targets specified at the date of grant have been satisfied. Options may be satisfied by the issue of new ordinary shares or the transfer of existing ordinary shares. Options normally lapse on cessation of employment. However, exercise is permitted for a limited period (irrespective of the period for which the option has been held or whether performance targets have been satisfied) following cessation of employment for specified compassionate reasons. Exercise is also permitted on an amalgamation, take-over or winding-up of the company, and otherwise at the discretion of the Remuneration Committee. Options may be exchanged in specified circumstances.

Adjustments, Rights and Amendments

The number, denomination and class of ordinary shares comprised in an option and/or the exercise price may be adjusted if any capitalisation issue, offer by way of rights or any sub-division, reduction or consolidation of the company's capital occurs. If ordinary shares are to be allotted and issued to a participant pursuant to the exercise of any option the company will apply to the Council of The London Stock Exchange for permission to deal in them on the Unlisted Securities Market. They will rank *pari passu* with all other issued ordinary shares of the company. The Remuneration Committee may amend the Executive Scheme, provided that the prior approval of the company in general meeting is obtained for amendments to the material advantage of participants.

Resolution 10: Summary of Effect of Amendments to the GWR Group plc 1995 Executive Share Option Scheme ("the 1995 Executive Scheme") and 1995 Savings-Related Share Options Scheme ("the Savings-Related Scheme")

The Remuneration Committee wishes to have greater flexibility when allocating the 10% limit on dilution of the issued share capital between each of the employee share schemes of the company. Accordingly, whilst this 10% limit is to be retained in all cases, the proposed amendments to the 1995 Executive Scheme and the Savings-Related Scheme will delete all other limitations on the dilution of the issued share capital, including the 5% limit normally applicable to executive schemes and the 3% limit controlling the rate of flow of options.

STATIONS LISTING

GWR Group plc	Po Box 2345, Swindon, Wiltshire, SN5 7HF TEL: 01793 422700 FAX: 01793 422772	<i>Chief Executive: Ralph Bernard</i>
GWR FM, Wiltshire Brunel Classic Gold	PO BOX 2000, Swindon, Wiltshire, SN4 7EX TEL: 01793 440300 FAX: 01793 440302	<i>Station Director: Neil Cooper</i>
GWR FM, Bristol and Bath Brunel Classic Gold	PO BOX 2000, Bristol, BS99 7SN TEL: 0117 984 3200 FAX: 0117 984 3202	<i>Station Director: Chris Scott</i>
2CR FM Classic Gold 828	5 Southcote Road, Bournemouth, BH1 3LR TEL: 01202 294881 FAX: 01202 299314	<i>Station Director: Roger Brooks</i>
2-TEN FM Classic Gold 1431	PO BOX 210, Reading, Berks, RG31 7RZ TEL: 01734 254400 FAX: 01734 254456	<i>Station Director: Jeff Lee</i>
Isle of Wight Radio	Dodnor Park, Newport, Isle of Wight, PO30 5XE TEL: 01983 822557 FAX: 01983 821690	<i>Station Manager: Glen London</i>
Beacon Radio WABC	267 Tettenhall Road, Wolverhampton, WV6 ODQ TEL: 01902 838383 FAX: 01902 755163	<i>Station Director: Alan Mullet</i>
Leicester Sound FM	Granville House, Granville Road, Leicester, LE1 7RW TEL: 0116 256 1300 FAX: 0116 256 1303	<i>Station Director: Carlton Dale</i>
Mercia FM Classic Gold 1359	Hertford Place, Coventry, CV1 3TT TEL: 01203 868200 FAX: 01203 868202	<i>Station Director: Ian Rufus</i>
RAM FM GEM AM	The Market Place, Derby, DE1 3AA TEL: 01332 292945 FAX: 01332 292229	<i>Station Director: Phil Dixon</i>
96 Trent FM GEM AM	29-31 Castle Gate, Nottingham, NG1 7AP TEL: 0115 952 7000 FAX: 0115 958 864	<i>Station Director: Chris Hughes</i>
102.7 Hereward FM Classic Gold 1332	PO Box 225, Queensgate Centre, Peterborough, PE1 2XJ TEL: 01733 460460 FAX: 01733 281445	<i>Station Director: Lynda Couch-Smith</i>
96.7 KL FM	18 Blackfriars Street, Kings Lynn, Norfolk, PE30 1NN TEL: 01553 772777 FAX: 01553 767200	<i>Station Director: John Sanderson</i>
Q103 FM	Enterprise House, The Vision Park, Chivers Way, Histon, Cambridge, CB4 4WW TEL: 01223 235255 FAX: 01223 235161	<i>Station Director: Alistair Wayne</i>
B97 Chiltern Supergold	Broadcast Centre, 55 Goldington Road, Bedford, Beds, MK40 3LS TEL: 01234 272400 FAX: 01234 218580	<i>Station Manager: Sheila Mallett</i>
97.6 Chiltern FM Chiltern Supergold	Broadcast Centre, Chiltern Road, Dunstable, Beds, LU6 1HQ TEL: 01582 666001 FAX: 01582 661725	<i>Station Director: Simon Cooper</i>
FM103 - Horizon	Broadcast Centre, Crownhill Milton Keynes, MK8 OAB TEL: 01908 269111 FAX: 01908 564893	<i>Station Director: Richard Robinson</i>
96.6 Northants FM Northants Supergold	Broadcast Centre, The Enterprise Park, Boughton Green Road Northampton, NN2 7AH TEL: 01604 792411 FAX: 01604 721934	<i>Station Director: Carlton Dale</i>
102.4 Severn Sound FM Severn Sound Supergold	Broadcast Centre, Southgate Street, Gloucester, GL1 2DQ TEL: 01452 423791 FAX: 01452 529446	<i>Station Director: Penny Holton</i>
Oasis Radio	Broadcast Centre, 7 Hatfield Road, St Albans, AL1 3RS TEL: 01727 831966 FAX: 01727 834456	<i>Station Director: Jeremy Lewis</i>

GWR GROUP PLC
PO BOX 2345, 3B2
WESTLEA, SWINDON
WILTSHIRE SN5 7HF

TELEPHONE: 01793 422700

FAX: 01793 422772