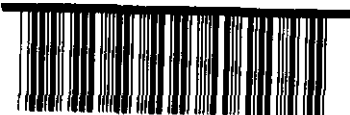


TFM Radio Limited

Report and Accounts

For the year ended 31 March 2006

Company Registration No. 728006



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TFM Radio Limited
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For the year ended 31 March 2006

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TFM Radio Limited

Directors, officers and auditors

Directors	C Ellington R Elliot C M Goodwin
Company secretary	M Hogg
Auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Registered office	40 Bernard Street London WC1N 1LW
Company number	728006

TFM Radio Limited

Directors' Report

For the year ended 31 March 2006

The directors submit their report and accounts for the year ended 31 March 2006.

Results and dividends

The loss for the year after taxation amounted to £68,000 (2005: £457,000 profit). An interim dividend of £nil (2005: £1,000,000) was paid in the period. The directors do not recommend the payment of a final dividend (2005: £nil)

Review of business and future developments

The Company is engaged in the operation of independent radio stations in the Durham, Cleveland and North Yorkshire area under licence from Ofcom. No change in the Company's operations is envisaged in the immediate future.

Directors and their interests

The current directors are shown on page 1. The directors who held office during the year are given below:

C Ellington	
R Elliot	(Appointed 11 July 2005)
D J Embley	(Resigned 21 April 2005)
C M Goodwin	
C Paterson	(Resigned 30 September 2005)

The directors have no interest in the share capital of the Company (2005: nil).

The interest of the directors in the share capital and share options of the ultimate parent Company, Emap plc, at the beginning of the year, or subsequent date of appointment, and at the end of the year were as follows:

Ordinary shares in issue

	At 31 March 2006	At 31 March 2005
--	------------------	------------------

C Ellington	7,139	7,348
R Elliot	2,098	6,488
C M Goodwin	5,041	4,620

Ordinary shares under option (SAYE)

	At 1 April 2005	Granted in year	Exercised/lapsed in year	At 31 March 2006
C Ellington	2,608	-	-	2,608
R Elliot	1,479	-	-	1,479
C M Goodwin	295	-	-	295

Executive share plan under option (ESOP, PRP & EIP)

	At 1 April 2005	Granted in year	Exercised/lapsed in year	At 31 March 2006
R Elliot	-	15,582	-	15,582

TFM Radio Limited

Directors' Report

For the year ended 31 March 2006

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 of the profit or loss of the Company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2006 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the persons who is a director at the date of approval of this report confirms that (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware (2) the director has taken all the steps s/he ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Acts 1985 (as amended).

Auditors

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office. The Company has elected under section 386 of the Companies Act 1985 not to re-appoint auditors annually. Therefore the auditors, PricewaterhouseCoopers LLP, are deemed to be re-appointed for the next financial year.

Approved by the board of directors on 18/8/06



M Hogg
Secretary

TFM Radio Limited
Independent Auditors' Report
For the year ended 31 March 2006

Independent auditors' report to the members of TFM Radio Limited

We have audited the financial statements of TFM Radio Limited for the year ended 31 March 2006 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the Company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We report to you whether, in our opinion, the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2006 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

TFM Radio Limited
Profit and Loss Account
For the year ended 31 March 2006

	Notes	2006 £'000	2005 £'000
Turnover	2	3,854	4,171
Cost of sales		(710)	(617)
Gross profit		3,144	3,554
Administrative expenses		(3,116)	(2,782)
Operating profit	3	28	772
Net Interest	5	(93)	(140)
(Loss)/profit on ordinary activities before taxation		(65)	632
Tax on (loss)/profit on ordinary activities	6	(3)	(175)
(Loss)/profit after taxation		(68)	457
Dividends	7	-	(1,000)
Loss for the year	13	(68)	(543)

The above results relate to continuing operations.

The company has no recognised gains and losses other than those included above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the reported losses and the historical cost losses on ordinary activities before taxation for both years being reported.

The notes on pages 7 to 12 form part of these accounts.

TFM Radio Limited
Balance Sheet
At 31 March 2006

	Notes	2006 £'000	2005 £'000
Fixed assets			
Tangible assets	8	72	81
Current assets			
Debtors	9	1,091	1,401
Cash at bank and in hand		3	3
		1,094	1,404
Creditors: amounts falling due within one year	10	(437)	(688)
Net current assets		657	716
Net assets		729	797
Capital and reserves			
Called up share capital	12	254	254
Share premium account	14	2	2
Profit and loss account	13	473	541
Total shareholders' funds	14	729	797

The financial statements on pages 5 to 12 were approved by the board of directors on 18/8/2006 and were signed on its behalf by:



R Elliot
Director

TFM Radio Limited

Notes to the accounts

For the year ended 31 March 2006

1 Accounting policies

Basis of accounting

These accounts have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The directors, in accordance with the Financial Reporting Standard 18, "Accounting Policies" ("FRS 18"), confirm that the accounting policies used by the Company are the most appropriate, consistently applied (with the exception of the adoption of the new accounting standards as set out below) and adequately disclosed. A summary of the more important accounting policies is set out below.

The Company has adopted the presentational requirements of FRS 25, 'Financial Instruments: disclosure and presentation', in these financial statements. The adoption of this standard represents a change in accounting policy. The effect of the change has not yielded any differences to the results for the year or that of the comparative year.

Depreciation

The cost of tangible fixed assets less estimated residual value on disposal is written down evenly over their expected useful lives as follows:

Office equipment and motor vehicles	- 3 to 5 years
-------------------------------------	----------------

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Tax deferred or accelerated by the effect of timing differences is accounted for to the extent that a transaction or event that has occurred at the balance sheet date gives rise to an obligation to pay more tax or a right to pay less tax in the future. Deferred tax assets are only recognised to the extent that, based on available evidence, it is more likely than not suitable taxable profits will arise from which the reversal of the asset can be deducted. The Company does not discount deferred tax assets or liabilities.

Dividends

Dividend distributions to the Company's shareholders are recognised as a liability either in the period in which the dividends are approved by the Company's shareholders or, in the case of interim dividends when the dividend is paid.

Leasing

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the lease.

Pensions

The ultimate parent company, Emap plc, operates a defined contribution pension plan, Flexiplan, for eligible staff across the Group. The cost of providing pensions under the defined contribution scheme is charged to the profit and loss account as it becomes payable.

The Group also operates a number of other schemes which are closed to new members. The principal scheme is the Emap earnings Related Pension Plan (ERRPP), a defined benefit scheme which is operated by Emap plc through payments to trustee administered funds. Only the cost of current pension contributions are borne by the Company and are charged to the profit & loss account as they become payable. The liability for any scheme deficit is borne by Emap plc.

Cash flow statement and related party disclosures

The Company is a wholly owned subsidiary of Emap plc and is included in the consolidated financial statements of Emap plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Emap plc group or investees of the Emap plc group.

2 Turnover

Revenue is recognised when the significant risks and rewards of ownership have been transferred to a third party, or for services provided, at the point when it is probable that the economic benefits will flow to the Company and when the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration and represents amounts receivable for services and goods provided in the normal course of business, net of discounts, custom duties and sales taxes. Revenue is only recognised for barter transactions which are considered dissimilar to each other in nature, and a corresponding amount is included in operating costs.

Radio revenue is recognised on the date of broadcast. Sponsorship revenue is recognised evenly over the life of the contract. All turnover is derived from within the United Kingdom.

TFM Radio Limited

Notes to the accounts

For the year ended 31 March 2006

3 Operating profit

(a) This is stated after charging

	2006 £'000	2005 £'000
Depreciation of owned tangible fixed assets	44	52
Operating lease rentals - Plant and machinery	55	68
- Other	89	89

Auditors' remuneration is borne and not recharged by another Group undertaking.

(b) Directors' emoluments

	2006 £'000	2005 £'000
Aggregate emoluments	149	185
Pension contributions under the defined contribution scheme	7	9
	156	194

Retirement benefits are accruing to nil (2005: nil) directors under the defined benefit scheme.

4 Staff costs

(a) Costs (including directors' emoluments)

	2006 £'000	2005 £'000
Wages and salaries	907	852
Social security costs	97	97
Other pension costs	26	28
	1,030	977

(b) Pension costs

The Company participates in pension schemes operated by the Group. The two largest, one defined contribution, the other defined benefit, cover between them over 90% of total membership. In all cases the assets of the schemes are held in separate trustee administered funds.

The latest actuarial assessment of the main defined benefit scheme was at 5 April 2003, further details of which can be found in the annual report and accounts of Emap plc.

Defined contribution plan (Flexiplan)

The pension charge for Flexiplan represents contributions due from the employer. During the year it amounted to £26,000 (2005 : £28,000). The pension schemes are administered by Emap plc and as such all outstanding liabilities are held by Emap plc.

(c) Employees

The average weekly number of persons (including executive directors) employed by the Company during the year was 34 (2005: 33).

(d) Staff share bonus

Through the Emap Share Plan, Emap plc has this year offered free shares to the value of £820 (2005: £820) to qualifying staff. Sharemap is part of Lifemap, Emap's flexible benefits plan and allows staff to save up to £1,500 a year to buy Emap plc shares. Emap plc will then match the cumulative investment in shares on a one to one basis. The shares are held in trust for staff for three years, after which time they can be sold. After five years, the shares are free of income tax on release from the trust. The Emap SAYE scheme has now run in the UK for 21 consecutive years.

TFM Radio Limited

Notes to the accounts

For the year ended 31 March 2006

5	Net interest	2006 £'000	2005 £'000
	Interest payable		
	Interest payable to Group undertakings	(93)	(140)
		(93)	(140)
6	Tax on (loss)/profit on ordinary activities	2006 £'000	2005 £'000
	Corporation tax at 30%	1	195
	Corporation tax prior year adjustment	2	(21)
	Total current tax	3	174
	Deferred tax - current year	1	1
	Deferred tax - prior year adjustment	(1)	-
	Tax on (loss)/profit on ordinary activities	3	175
The difference between tax as per the financial statements and tax at the UK nominal rate is explained below:			
		2006 £'000	2005 £'000
	(Loss)/Profit before tax	(65)	632
	Tax (credit)/charge at 30% (2005: 30%)	(20)	190
	Corporation tax prior year adjustments	2	(21)
	Non-tax deductible expenses	22	6
	Deferred tax accelerated capital allowances	(1)	(1)
	Tax charge for the current year	3	174
7	Dividend paid	2006 £'000	2005 £'000
	Dividend of £nil per share (2005: £3.93 per share)	-	1,000

TFM Radio Limited
Notes to the accounts
For the year ended 31 March 2006

8 Tangible fixed assets

	Office equipment and vehicles £'000
Cost	
At 1 April 2005	517
Additions	35
At 31 March 2006	552
Depreciation	
At 1 April 2005	436
Provided during the year	44
At 31 March 2006	480
Net book value	
At 31 March 2006	72
At 31 March 2005	81

9 Debtors

	2006 £'000	2005 £'000
Trade debtors	917	1,179
Other debtors	6	74
Taxation and social security	2	-
Prepayments and accrued income	140	122
Deferred tax (Note 11)	26	26
	1,091	1,401

10 Creditors: amounts falling due within one year

	2006 £'000	2005 £'000
Trade creditors	97	40
Amounts owed to Group undertakings	70	40
Other taxation and social security	154	175
Accruals and deferred income	71	238
Other creditors	44	-
Corporation tax	1	195
	437	688

Amounts due to Group undertakings are unsecured, bearing interest at the LIBOR rate (2005: LIBOR rate) and repayable on demand.

TFM Radio Limited
Notes to the accounts
For the year ended 31 March 2006

11 Deferred taxation

The movement on deferred tax is:

	Deferred tax £'000
At 1 April 2005	26
Transferred from profit and loss account	-
At 31 March 2006	26

The deferred taxation asset has been recognised in the accounts as follows:

	2006 £'000	2005 £'000
Depreciation in advance of capital allowances	26	26

There is no unprovided deferred taxation (2005: £nil).

The Company is recognising a deferred tax asset on the basis that it will available for Group relief in future years.

12 Called up share capital

	2006 £'000	2005 £'000
Authorised		
400,000 ordinary shares of £1 each	400	400
Allotted, called up and fully paid		
254,150 ordinary shares of £1 each	254	254

13 Profit and loss account

	Profit and loss account £'000
At 1 April 2005	541
Loss for the year	(68)
At 31 March 2006	473

TFM Radio Limited

Notes to the accounts

For the year ended 31 March 2006

14 Reconciliation of movements in shareholders' funds

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 April 2005	254	2	541	797
Loss for the year	-	-	(68)	(68)
At 31 March 2006	254	2	473	729

15 Lease commitments

At 31 March 2006 the Company had annual commitments under non cancellable operating leases expiring as follows:

	2006 Land and buildings £'000	2006 Other £'000	2005 Land and buildings £'000	2005 Other £'000
Within one year	-	-	-	4
Within two to five years	-	6	-	3
After five years	89	-	89	-
	89	6	89	7

16 Ultimate parent company

The immediate parent undertaking is Emap Radio Limited.

The ultimate parent Company and controlling party is Emap plc, which is the parent undertaking of the smallest and largest Group to consolidate these financial statements. Copies of Emap plc's consolidated financial statements can be obtained from the Registered Office at 40 Bernard Street, London WC1N 1LW.