

Red Rose Radio Limited
Annual report
for the year ended 31 March 2002

Registered in England and Wales, Number 1372170



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for the year ended 31 March 2002

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Red Rose Radio Limited

Directors and Advisors

Chairman

T Finney *

Managing director

P A Jordan

Other directors

A P France *

T R Schoonmaker

A J Bickerstaff *

C Mosley

M D Brow (Appointed 26 October 2001, resigned 31 October 2002)

D J Embley (Appointed 14 January 2002)

B Crombie (Appointed 1 November 2002)

* Non-executive

Secretary

M R Henson

Auditors

PricewaterhouseCoopers

1 Embankment Place

London

WC2N 6RH

Bankers

Barclays Bank Plc

Peterborough Business Centre

PO Box 294

1 Church Street

Peterborough

PE1 1EZ

Registered Office

1 Lincoln Court

Lincoln Road

Peterborough

PE1 2RF

Red Rose Radio Limited

Directors' report for the year ended 31 March 2002

The directors present their report and the audited financial statements of the company for the year ended 31 March 2002.

Principal activity

The company is engaged in the operation of independent radio stations under licence from the Radio Authority. No change in the company's operations is envisaged in the immediate future.

Results and dividends

The results for the period are shown in the profit and loss account on page 5. The directors do not recommend the payment of a dividend (2001: £6,238,000). Transfers to reserves are shown in note 12.

Directors and their interests

The current directors are shown on page 1. Other directors who served during the year are shown below:

B McCluskey (Resigned 28 September 2001)

The directors have no interests in the share capital of the company. The interests of the directors in the share capital of the ultimate parent company, EMAP plc, were as follows:

Ordinary shares in issue		
	At 1 April 2001*	At 31 March 2002
T R Schoonmaker	36,194	29,338
M Bawden	1,333	1,434
P A Jordan	976	6,754
A R Wilkinson	900	900
M D Brow*	101	101

Executive share plan under trust				
	At 1 April 2001*	Allotted	Released	At 31 March 2002
T R Schoonmaker	17,915	-	(7,067)	10,848
M Bawden	400	-	(400)	-
P A Jordan	1,431	-	(1,031)	400

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Ordinary shares under option				
	At 1 April 2001*	Granted	Lapsed/ exercised	At 31 March 2002
T R Schoonmaker	1,860	955	(861)	1,954
M Bawden	500	318	-	818
P A Jordan	2,971	-	(2,971)	-

Executive shares under option				
	At 1 April 2001*	Granted	Lapsed/ exercised	At 31 March 2002
T R Schoonmaker	-	219,079	-	219,079
D J Embley*	-	15,503	-	15,503

*or at the date of appointment

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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 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, with the exception of the changes arising on the adoption of new accounting standards as explained on page 7 under "Accounting policies". They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2002 and that applicable accounting standards have been followed.

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

Auditors

The company has elected, under section 386 of the Companies Act 1985, not to reappoint auditors annually. Therefore the auditors, PricewaterhouseCoopers, are deemed to be re-appointed for the next financial year.

For and on behalf of the Board



D J Embley
Director
23 January 2003

Red Rose Radio Limited

Independent auditors' report to the members of Red Rose Radio Limited

We have audited the financial statements, which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This opinion has been prepared for and only for the company's members 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 in to 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 also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

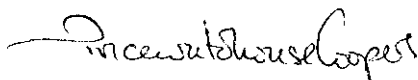
Basis of audit opinion

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 company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors
London

23 January 2003

Red Rose Radio Limited

Profit and loss account for the year ended 31 March 2002

	Note	2002 £'000	2001 £'000
Turnover	1	6,522	6,828
Cost of sales		(939)	(1,448)
Gross profit		5,583	5,380
Administrative expenses		(2,591)	(2,875)
Operating profit	3	2,992	2,505
Profit on ordinary activities before taxation		2,992	2,505
Tax on profit on ordinary activities	4	(847)	(769)
Profit on ordinary activities after taxation		2,145	1,736
Dividends	5	-	(6,238)
Retained profit /(loss) for the financial year	12	2,145	(4,502)

All of the above activities relate to continuing operations.

The company has 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 profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

Red Rose Radio Limited

Balance sheet as at 31 March 2002

	Note	2002 £'000	2001 £'000
Fixed assets			
Tangible assets	6	833	818
Current assets			
Debtors	7	4,589	4,451
Cash at bank and in hand		9,395	11,413
		13,984	15,864
Creditors: amounts falling due within one year	8	(8,755)	(12,730)
Net current assets		5,229	3,134
Total assets less current liabilities		6,062	3,952
Provisions for liabilities and charges			
Deferred tax	9	-	(35)
Net assets		6,062	3,917
Capital and reserves			
Called up share capital	10	1,239	1,239
Share premium account	12	625	625
Revaluation reserve	12	317	317
Profit and loss account	12	3,881	1,736
Equity shareholders' funds	12	6,062	3,917

The financial statements on pages 5 to 13 were approved by the board of directors on 23 January 2003 and were signed on its behalf by:



D J Embley
Director

Red Rose Radio Limited

Accounting policies

Accounting standards

These financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of the freehold land and buildings.

Turnover

Turnover represents income received from the sales of advertising time together with sponsorship and other associated services, and is net of value added tax.

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.

Tangible fixed assets

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write tangible fixed assets down to their estimated residual values over their expected useful lives. Certain leasehold properties are carried at revalued amounts, as permitted by the transitional arrangements of FRS 15 "Tangible fixed assets". Fixed assets are stated at cost or revalued amount less accumulated depreciation. The expected useful lives are as follows:

Long leasehold premises	50 years
Office equipment and motor vehicles	3 to 5 years

Operating leases

Rentals payable under operating lease agreements are charged to the profit and loss account as incurred.

Pensions

The company participates in a defined contribution scheme operated by EMAP plc. The assets of the scheme are held in separately administered funds.

Cash flow statement and related party transactions

The company is a wholly owned subsidiary of EMAP plc and the cash flows of the company are included in the consolidated cash flow statement of EMAP plc. Consequently, the company is exempt under the terms of Financial Reporting Standard No 1 (Revised) from publishing a cash flow statement.

The company has taken advantage of the exemption within Financial Reporting Standard 8 not to disclose related party transactions with undertakings controlled within the Group.

Red Rose Radio Limited

Notes to the financial statements for the year ended 31 March 2002

1 Turnover

Turnover all relates to the principal activity of the company, which is that of a radio station. All turnover is derived within the United Kingdom.

2 Staff numbers and costs

The average number of employees, including directors, during the period were as follows:

	2002 £'000	2001 Number
Broadcasting operations	51	58

The aggregate payroll costs of these persons were as follows:

	£'000	£'000
Wages and salaries	944	1,019
Social security costs	75	113
Pension costs	20	25
	1,039	1,157

The emoluments in respect of directors were as follows:

Fees	8	6
Directors emoluments excluding pension contributions	258	80
	266	86

Total pension contributions for directors were £6,000 (2001: £4,000). All directors participate in the defined contribution scheme.

The emoluments of the highest paid director are made up of:

	2002 £'000	2001 £'000
Salary and benefits	124	78
Pension contributions	6	4
	130	82

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3 Operating profit

	2002 £'000	2000 £'000
Operating profit is stated after charging:		
Depreciation on tangible owned fixed assets	67	91
Operating lease rentals:		
Plant and machinery	59	75
Other assets	-	57
Auditors' remuneration for audit work	5	6

4 Tax on profit on ordinary activities

	2002 £'000	2001 £'000
Taxation charged on the profit for the year comprises:		
Corporation tax at 30% (2000:30%)	908	769
Deferred taxation (see Note 9)	(61)	-
	847	769

5 Dividend

	2002 £'000	2001 £'000
Proposed dividend at £ nil per share (2001: 50 pence)	-	6,238

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6 Tangible fixed assets

	Freehold property £'000	Office equipment and vehicles £'000	Total £'000
Cost or valuation			
At 1 April 2001	788	1,059	1,847
Additions	-	82	82
At 31 March 2002	788	1,141	1,929
Depreciation			
At 1 April 2001	(49)	(980)	(1,029)
Depreciation	(11)	(56)	(67)
At 31 March 2002	(60)	(1,036)	(1,096)
Net book value			
At 31 March 2002	728	105	833
At 31 March 2001	739	79	818

The freehold land and buildings were valued at their open market value for existing use on 15 August 1994 by EMAP Properties Ltd. Included in freehold land and buildings is land valued at £185,000 which is not depreciated.

The historical cost of freehold land and buildings is as follows:

	£'000
At 1 April 2001 and 31 March 2002	471

The cumulative depreciation based on historical cost is as follows:

At 1 April 2001	43
At 31 March 2002	46

7 Debtors

	2002 £'000	2001 £'000
Trade debtors	1,107	1,005
Amounts owed by group undertakings	3,413	3,388
Deferred taxation (Note 9)	26	-
Other debtors	-	12
Prepayments	43	46
	4,589	4,451

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8 Creditors: amounts falling due within one year

	2002 £'000	2001 £'000
Trade creditors	1	23
Amounts owed to group undertakings	7,530	11,190
Corporation tax	908	769
Other taxation and social security payable	128	467
Other creditors	91	250
Accruals and deferred income	97	31
	8,755	12,730

Amounts owed to group undertakings are repayable on demand.

9 Deferred tax

Deferred tax recognised in the financial statements is as follows:

	2002 £'000	2001 £'000
Excess of capital allowances over depreciation	(26)	35
Other timing differences	-	-
	(26)	35

There are no unprovided deferred tax liabilities. Deferred taxation has not been quantified or provided on revalued assets as it is not expected that a timing difference will arise in respect of those assets.

The movement in the provision in the year is as follows:

	£'000
At 1 April 2001	35
Credited to the profit and loss account (Note 4)	(61)
At 31 March 2002	(26)

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10 Called up share capital

	2002 £'000	2001 £'000
Equity shares		
Authorised		
530,000 ordinary shares of 10p each	53	53
30,000,000 "A" ordinary non-voting shares of 10p each	3,000	3,000
	3,053	3,053
Allotted, called up and fully paid		
517,520 ordinary shares of 10p each	52	52
11,875,740 "A" ordinary non-voting shares of 10p each	1,187	1,187
	1,239	1,239

With the exception of having no voting rights, non-voting shares rank pari-passu with ordinary shares in all other respects.

11 Financial commitments

The annual commitments under operating leases are as follows:

	2002 £'000	2001 £'000
Land and buildings – leases expiring:		
After five years	-	57
Other assets – leases expiring:		
Within one year	-	6
Within two to five years	59	69
	59	75

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12 Reconciliation of movement in equity shareholders' funds

	Share capital	Share premium	Revaluation reserve	Profit and loss account	Total
	£'000	£'000	£'000	£'000	£'000
Profit for the year after taxation				2,145	2,145
Dividends				-	-
Movement in equity				2,145	2,145
Shareholders' funds at 1 April	1,239	625	317	1,736	3,917
Shareholders' funds at 31 March 2002	1,239	625	317	3,881	6,062

13 Ultimate parent company

The ultimate parent company is EMAP plc. The parent undertaking of the largest group accounts which are drawn up and of which the company is a member is EMAP plc, registered in England and Wales. Copies of EMAP plc's accounts may be obtained from the registered office EMAP plc, 1 Lincoln Court, Lincoln Road, Peterborough PE1 2RF.