

EMAP Radio Limited

Directors Report and Financial Statements

For the Year Ended 31 March 1996

(Registered In England and Wales, No 1394141)



A57 *ABCOTSTZ* 78
COMPANIES HOUSE 31/01/97

EMAP Radio Limited

DIRECTORS AND ADVISORS

CHAIRMAN

T D Smith (Appointed 20th February 1996)

MANAGING DIRECTOR

T R Schoonmaker

OTHER DIRECTORS

R W Miller

D Grigson

P J Seddon

T D G Arculus (Appointed 13th November 1995)

D A Ford (Appointed 13th November 1995)

D W Latty (Appointed 13th November 1995)

G A McNamee (Appointed 13th November 1995)

R M Walker (Appointed 13th November 1995)

B Gardner (Appointed 13th November 1995)

H Dunne (Appointed 19th June 1996)

P Kavanagh (Appointed 20th March 1996)

SECRETARY

D K Walmsley

REGISTERED OFFICE

1 Lincoln Court
Lincoln Road
Peterborough
PE1 2RF

AUDITORS

Price Waterhouse
York House
York Street
Manchester
M2 4WS

BANKERS

Barclays Bank PLC
Peterborough Business Centre
PO Box 294
1 Church Street
Peterborough
PE1 1EZ

EMAP Radio Limited

DIRECTORS REPORT

The directors submit their report and financial statements for the year ended 31st March 1996

RESULTS AND DIVIDENDS

The profit on ordinary activities after tax amounted to £28,000 (1995: £900,000). The directors do not recommend the payment of a dividend (1995 : nil).

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company's principal activity is that of an investment company, holding shares. No change in the companies operations is envisaged in the immediate future.

FIXED ASSETS

Changes in fixed assets and investments during the period are summarised in notes 8 and 9 to the financial statements.

DIRECTORS AND OFFICERS INSURANCE

During the period the company maintained insurance for Directors and Officers to indemnify them when acting on behalf of the company.

EMPLOYEE INVOLVEMENT

The ultimate parent company, EMAP plc, operates for its eligible staff an Approved Profit-Sharing Scheme, an Approved Savings Related Share Option Scheme and, by invitation only, an Approved Executive Share Plan that replaces the Executive Share Option Scheme.

Since 1985, options have been granted annually in the Savings Related Schemes at prices between 81.5p and 447.7p. The normal exercise dates for these options extends to 2003.

Since 1986, options have been granted annually, with the exception of 1990, in the Executive Option Scheme at prices between 109.8p and 394.8p. The normal exercise dates for these options extends to 2005.

Under the Executive Share Plan, staff who are chosen to participate are provisionally allocated a number of shares. These shares are then held in the EMAP Share Trust for three years at the end of which time they can be distributed to staff to whom they were provisionally allocated provided they continued to be employed by a group company.

EMAP Radio Limited

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS

The directors of the company at the date of this report are shown on page 1. All of these served throughout the period except where indicated. R W Miller resigned as chairman on 20th February 1996 and was replaced by T D Smith.

Other directors who served during the period are set out below :

P M Firth	(Resigned on 12th September 1995)
E A Lawrence	(Appointed on 12th September 1995 : Resigned on 30th November 1995)
P Milburn	(Appointed on 13th November 1995 : Resigned on 31st May 1996)
M T Story	(Resigned on 11th August 1995)
P McPartland	(Appointed on 13th November 1995 : Resigned on 16th February 1996)

No director has any interest in the share capital of the company. The directors interests in the Ordinary Shares of Emap plc at 31st March 1996 and 31st March 1995 were as follows :

	As at 31 March 1996	As at 31 March 1995 or subsequent date of appointment*
<u>Issued</u>		
T R Schoonmaker	22,337	27,855
T D Smith *	81,820	81,820
B Gardner *	350	350
D W Latty *	382	382
G McNamee *	27,363	27,363
P J Seddon	82	-
R M Walker *	2,000	2,000
P Milburn*	82	82

	Executive share plan No	As at 31 March 1995 No	Granted during the year No	Exercised during the year No	As at 31 March 1995 or subsequent date of appointment*
<u>Options</u>					
T R Schoonmaker	-	49,320	-	-	49,320
B Gardner *	1,500	15,550	770	-	14,780
D W Latty *	2,000	28,226	1,742	-	26,484
G McNamee *	1,000	18,230	-	-	18,230
P J Seddon	1,500	5,453	-	-	5,453
P Milburn	-	4,362	-	-	4,362
D A Ford *	2,000	1,541	1,541	-	-

EMAP Radio Limited

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS

R W Miller, D J Grigson and T D G Arculus are directors of the parent company EMAP plc and their interests in the share capital of the parent company are shown in that company's financial statements.

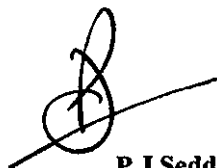
CLOSE COMPANY

The company is not a close company within the provisions of the Income Tax and Corporation Taxes Act 1988.

AUDITORS

An elective resolution pursuant to S386 of the Companies Act 1985 has been passed whereby the company is not obliged to re-appoint auditors annually. Price Waterhouse therefore continue as auditors.

By order of the Board

A handwritten signature in black ink, appearing to be 'P J Seddon', with a long horizontal stroke extending to the right.

P J Seddon
Director

20th January 1997

EMAP Radio Limited

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. In preparing those accounts, 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 ;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

Price Waterhouse



REPORT OF THE AUDITORS TO THE MEMBERS OF EMAP RADIO LIMITED

We have audited the financial statements on pages 7 to 18 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 9 and 10.

Respective responsibilities of directors and auditors

As described on page 5 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 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 the 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 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors

20 January 1997

EMAP Radio Limited**PROFIT AND LOSS ACCOUNT**
for the year ended 31 March 1996

	<i>Notes</i>	12 months ended 31/3/96 £000	15 months ended 31/3/95 £000
TURNOVER	2	1,650	1,324
Staff costs	3	(783)	(788)
Depreciation		(35)	(47)
Other operating charges		(978)	(950)
		(1,796)	(1,785)
OPERATING LOSS	4	(146)	(461)
Dividend income received from investments		40	1069
Loss on disposal of fixed asset investments		(8)	-
Interest receivable	5	163	278
Interest payable and similar charges	6	(22)	(83)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		27	803
Taxation on profit on ordinary activities	7	1	97
RETAINED PROFIT FOR THE YEAR		28	900
Retained profit brought forward		2,198	1,298
RETAINED PROFIT CARRIED FORWARD		2,226	2,198

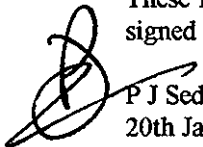
There were no recognised gains or losses in the current or preceding period other than dealt with above.

The notes on pages 9 to 18 form part of these financial statements.

EMAP Radio Limited**BALANCE SHEET**
at 31 March 1996

	<i>Notes</i>	1996 £000	1995 £000
FIXED ASSETS			
Tangible assets	8	74	65
Investments	9	19,034	17,663
		<hr/>	<hr/>
		19,108	17,728
		<hr/>	<hr/>
CURRENT ASSETS			
Debtors	10	3,790	1,350
Investments	9	-	104
Cash at bank and in hand		569	3,632
		<hr/>	<hr/>
		4,359	5,086
		<hr/>	<hr/>
CREDITORS : amounts falling due within one year	11	6,535	5,709
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(2,176)	(623)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		16,932	17,105
		<hr/>	<hr/>
CREDITORS : amounts falling due after one year	12	-	(194)
		<hr/>	<hr/>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred tax	13	-	(7)
		<hr/>	<hr/>
		16,932	16,904
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	14	3,926	3,926
Share premium account	15	10,780	10,780
Profit and loss account	15	2,226	2,198
		<hr/>	<hr/>
EQUITY SHAREHOLDERS FUNDS		16,932	16,904
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 20th January 1997 and were signed on their behalf by : -

 P J Seddon - Director
20th January 1997

The notes on pages 9 to 18 form part of these financial statements.

EMAP Radio Limited

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 31 March 1996**

1. ACCOUNTING POLICIES

a. ACCOUNTING STANDARDS

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

b. CONSOLIDATION

The company has not prepared consolidated accounts under the exemptions conferred by Section 228 (1) of the Companies Act 1985. EMAP plc a company registered in England and Wales, is the only member of the group which prepares group accounts which include the results of EMAP Radio Limited.

c. DEFERRED TAXATION

Provision is made using the liability method in respect of the taxation effect of all material timing differences to the extent that it is probable that the liability will crystallise in the foreseeable future. The provision is made at the rate at which it is estimated the tax will be paid.

d. DEPRECIATION

Depreciation is provided on a straight line basis on the cost or valuation of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The estimated useful lives are as follows :

Equipment and motor vehicles	25% straight line
------------------------------	-------------------

e. OPERATING LEASES

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

f. FINANCE LEASE AND HIRE PURCHASE

Assets acquired under finance lease or hire purchase contracts are capitalised at the equivalent cash value. Where not invoiced separately, interest is charged to the profit and loss account on a straight line basis over the life of the contract.

EMAP Radio Limited

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1996

1. ACCOUNTING POLICIES (CONTINUED)

g. PENSIONS

Pensions are funded by way of annual contributions to defined pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charged represents contributions payable by the company to the fund and is disclosed in note 3.

h. CASH FLOW STATEMENT

No cash flow statement has been presented as the Company is a wholly-owned subsidiary of EMAP plc whose consolidated financial statements include a consolidated cash flow statement dealing with the cash flows of the group.

2. TURNOVER (FROM CONTINUING OPERATIONS)

Turnover represents the invoiced value of management charges and other income from related services, all stated net of value added tax. All turnover is within the United Kingdom.

3. EMPLOYEES AND DIRECTORS

The average number of employees, including non-executive directors, during the period was as follows :

	12 Months ended 31 March 1996 Number	15 Months ended 31 March 1995 Number
Administration	<u>23</u>	<u>15</u>

The aggregate payroll costs of these persons were as follows :

	£000	£000
Wages and salaries	694	557
Social security costs	62	44
Pension costs	27	27
Termination payments	-	160
	<u>783</u>	<u>788</u>

EMAP Radio Limited**NOTES TO THE FINANCIAL STATEMENTS**
for the year ended 31 March 1996**3. EMPLOYEES AND DIRECTORS (CONTINUED)**

	12 Months ended 31 March 1996 £000	15 Months ended 31 March 1995 £000
Directors emoluments including pension contributions and benefits	265	239
Compensation for loss of office	-	160
Directors emoluments, excluding pension contributions includes amounts paid to :		
Chairman	36	5
Highest paid director	129	59

The emoluments of the directors excluding pension contributions fell within the following bands :

	Number of Directors	
	1996	1995
£Nil - £ 5,000	15	5
£5,0001 - £ 10,000	-	3
£15,001 - £ 20,000	-	1
£35,001 - £ 40,000	1	-
£40,001 - £ 45,000	-	1
£55,001 - £ 60,000	-	1
£85,001 - £ 90,000	1	-
£125,001 - £ 130,000	1	-
£240,000 - £ 245,000	-	1

4. OPERATING LOSS

Operating loss is stated after charging the following :

	12 Months ended 31 March 1996 £000	15 Months ended 31 March 1995 £000
Compensation for loss of office	-	160
Defence costs	-	545
Loss on disposal of current asset investment	8	-
Operating lease rentals - plant and machinery	10	3
Auditors remuneration - audit	1	2
- non-audit	-	2

EMAP Radio Limited

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1996

5. INTEREST RECEIVABLE

	12 Months ended 31 March 1996 £000	15 Months ended 31 March 1995 £000
Bank interest	-	277
On group treasury accounts	163	-
Other	-	1
	<hr/> 163	<hr/> 278

6. INTEREST PAYABLE AND SIMILAR CHARGES

	12 Months ended 31 March 1996 £000	15 Months ended 31 March 1995 £000
On group treasury accounts	22	82
Other	-	1
	<hr/> 22	<hr/> 83

7. CORPORATION TAX

The corporation tax credit comprises :

	12 Months ended 31 March 1996 £000	15 Months ended 31 March 1995 £000
Corporation tax on the taxable profit for the period at the rate of 33% (1995 : 33%)	79	85
Adjustments relating to previous years	-	(189)
Deferred tax	(80)	7
	<hr/> (1)	<hr/> (97)

EMAP Radio Limited

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1996

8. TANGIBLE ASSETS

	Equipment & Motor Vehicles £000
Cost :	
At 1 April 1995	135
Additions	51
Disposals	<u>(14)</u>
At 31 March 1996	<u>172</u>
Depreciation :	
At 1 April 1995	70
Charge for the year	35
Disposals	<u>(7)</u>
At 31 March 1996	<u>98</u>
Net book value :	
At 31 March 1996	<u>74</u>
At 31 March 1995	<u>65</u>

9. INVESTMENTS

a) Fixed asset investments

The company holds Investments in the ordinary share capital of wholly owned subsidiary companies registered in England and Wales. All of the subsidiary companies are involved in Radio Broadcasting, except for Radio Radio Limited, Rusmund Limited, EMAP Radio Sponsorship and Promotions, Transworld Communications Limited, PPM Radiowaves Limited which are dormant companies.

EMAP Radio Limited

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 31 March 1996**

9. INVESTMENTS (CONTINUED)

	31 March 1996	31 March 1995
	£000	£000
Red Rose Radio PLC	559	559
Piccadilly Radio Limited	15,150	15,150
West Yorkshire Broadcasting PLC	1,015	1,015
Cardiff Broadcasting Company Limited	1,088	219
Radio Radio Limited	8	8
Rusmund Limited	212	212
Kiss FM Radio Limited	3	-
	<hr/>	<hr/>
	18,035	17,163
Investment in shares in unlisted companies	999	500
	<hr/>	<hr/>
	19,034	17,663
	<hr/>	<hr/>

During the period the company acquired the outstanding minority interest in Cardiff Broadcasting Company plc for a total cost of £869,000.

The investment in unlisted shares relates to an investment of £500,000 in Radiopapers Limited, a company registered in England and Wales and an investment of £499,000 in Radio Partnerships Limited, a company registered in England and Wales.

The investment in Radiopapers Limited comprises 5,000,000 5% redeemable cumulative preference shares of 10 pence each, representing the whole of that class of share in issue. The company has the benefit of a put option granted by Mr O J Oyston exercisable no later than 30th June 1996 at par plus any unpaid dividends. The company has exercised its option to redeem the shares subsequent to the year end.

During the period the company acquired 20% of the 'B' shares in Radio Partnerships Limited, a company registered in England and Wales for £499,000. Radio Partnerships Limited is engaged in radio broadcasting.

b) Current asset investments

During the year the company disposed of its entire investment in BMS Limited at a loss of £8,000.

EMAP Radio Limited

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1996

10. DEBTORS

	31 March 1996 £000	31 March 1995 £000
Trade debtors	972	-
Amounts owed by group undertakings	2,303	1,205
Deferred tax (note 13)	73	-
Other debtors	382	143
Prepayments	60	2
	<hr/>	<hr/>
	3,790	1,350
	<hr/>	<hr/>

Amounts owed by parent and subsidiary undertakings are receivable on demand. There is no interest chargeable and there are no repayment terms therefore the amounts have been included within current assets

The deferred tax asset has been recognised as the relevant timing differences will reverse in the short term.

11. CREDITORS (Amounts falling due within one year)

	31 March 1996 £000	31 March 1995 £000
Trade creditors	283	162
Amounts owed to group undertakings	3,826	4,690
Accruals and deferred income	1,646	530
Corporation tax	160	42
Other taxes and social security	21	35
Other creditors	599	250
	<hr/>	<hr/>
	6,535	5,709
	<hr/>	<hr/>

Amounts owed to group undertakings are repayable on demand. There is no interest chargeable and there are no repayment terms therefore these amounts have been classified as current liabilities.

EMAP Radio Limited

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1996

12. CREDITORS (Amounts falling due after more than one year)

	31 March 1996	31 March 1995
	£000	£000
Provision for vacant building	-	194

13 DEFERRED TAX

Deferred tax recognised/(provided) in the financial statements is as follows : -

	31 March 1996	31 March 1995
	£000	£000
Differences in recognising revenue and expense items in other periods for taxation purposes	73	(7)

The balance at 31 March 1996 is included as a current asset.

14. SHARE CAPITAL

	31 March 1996		31 March 1995	
	No.	£000	No.	£000
Authorised :				
Ordinary shares of 10p each	52,500,000	5,250	52,500,000	5,250
Allotted called up and fully paid :				
Ordinary shares of 10p each	39,259,597	3,926	39,259,597	3,926

EMAP Radio Limited

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1996

**15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS AND
MOVEMENTS ON RESERVES**

	Share Capital £000	Share Premium Account £000	Profit & Loss Account £000	Total £000
At 31 March 1995	3,926	10,780	2,198	16,904
Profit for the year	-	-	28	28
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1996	3,926	10,780	2,226	16,932
	<hr/>	<hr/>	<hr/>	<hr/>

Shareholders funds are attributable to equity share interests.

16. FINANCIAL COMMITMENTS

(a) Capital commitments

The Company had no capital commitments either authorised or contracted at 31 March 1996 or 31 March 1995.

(b) Revenue

Annual commitments in respect of non-cancellable operating lease payments are as follows :

	31 March 1996 £000	31 March 1995 £000
Property leases which expire : after five years	52	52
	<hr/>	<hr/>
Other operating leases expiring :		
within one year	4	1
between two and five years	13	-
	<hr/>	<hr/>

EMAP Radio Limited

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1996

17. PENSIONS

The company participates in pension schemes operated by the EMAP 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 administered funds.

The total pension charge for the year amounted to £27,000 (1995 : £27,000).

The latest actuarial assessment of the main defined benefit scheme was at 5th April 1994, further details of which can be found in the annual report and accounts of the parent undertaking EMAP plc.

18. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking of the Group of undertakings for which the Group accounts are drawn up and of which the company is a member is EMAP plc, registered in England and Wales. Copies of EMAP plc's financial statements can be obtained from 1 Lincoln Court, Lincoln Road, Peterborough, PE1 2RF.