

EMAP Digital Radio Limited
Annual report
for the year ended 31 March 2002

Registered Number 1875591



EMAP Digital Radio Limited
Annual report
for the year ended 31 March 2002

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EMAP Digital Radio Limited

Directors and Advisors for the year ended 31 March 2002

Directors

T R Schoonmaker

S Gregory

T J Cockram

P A Roberts (Resigned 18 December 2002)

S B Palmer (Resigned 18 December 2002)

M Story (Appointed 18 December 2002)

M Cox (Appointed 18 December 2002)

D J Embley (Appointed 18 December 2002)

Secretary

M R Henson

Auditors

PricewaterhouseCoopers LLP

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

Registered Number

1875591

EMAP Digital 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 activities

The company is engaged in the operation of local digital radio multiplexes under licence from the Radio Authority in Humberside, South Yorkshire, Tyne and Wear, Liverpool, Leeds, Teeside and Central Lancashire.

Results and dividends

The loss after tax for the year amounted to £279,000 (2001: £412,000). The directors do not recommend the payment of a dividend (2001: £nil).

Directors and their interests

The current directors are given on page 1. No other directors held office during the year.

No director had any interest in the share capital of the company. The directors' interests in the ordinary shares of EMAP Plc at 31 March 2002 and 31 March 2001 were as follows:

	Ordinary shares in issue		Ordinary shares under option			
	At 1 April 2001	At 31 March 2002	At 1 April 2001	Granted in year	(Lapsed/ exercised) in year	At 31 March 2002
T Schoonmaker	36,194	29,338	1,860	955	(861)	1,954
T Cockram	392	493	878	555	-	1,433
P A Roberts	681	237	1,609	1,051	(593)	2,067
S Palmer	-	-	-	-	-	-
Executive share plan under trust			Executive shares under option			
	At 1 April 2001	At 31 March 2002	At 31 March 2001	Granted in year	Lapsed/e xercised in year	At 31 March 2002
T Schoonmaker	17,915	10,848	-	219,079	-	219,079
T Cockram	-	-	-	-	-	-
P A Roberts	1,731	700	-	-	-	-
S Palmer	1,000	-	-	11,242	-	11,242

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. 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.

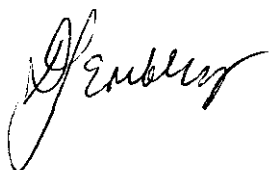
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

EMAP Digital Radio Limited

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 24 February 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors of the company will be proposed at the annual general meeting.

For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'D J Embley', written in a cursive style.

D J Embley
Director
31 March 2003

EMAP Digital Radio Limited

Independent auditors' report to the members of EMAP Digital 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.

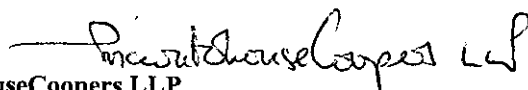
Basis of audit opinion

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 loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

31 March 2003

EMAP Digital Radio Limited

Profit and loss account for the year ended 31 March 2002

	Notes	2002 £'000	2001 £'000
Turnover	2	2,525	298
Administrative expenses		(2,799)	(1,006)
Loss on ordinary activities before taxation	4	(274)	(708)
Tax on loss on ordinary activities	5	(5)	296
Loss after taxation		(279)	(412)
Dividends	6	-	(82)
Retained loss	13	(279)	(494)

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

All of the above activities relate to continuing operations.

EMAP Digital Radio Limited

Balance sheet as at 31 March 2002

	Notes	2002 £'000	2001 £'000
Fixed assets			
Tangible assets	7	12	21
		12	21
Current assets			
Debtors	8	2,840	1,437
Creditors: amounts falling due within one year	9	(2,587)	(1,669)
Net current assets/(liabilities)		253	(232)
Creditors: amounts falling after more than one year	10	(756)	-
Provisions for liabilities and charges	11	-	(1)
Net liabilities		(491)	(212)
Capital and reserves			
Called up share capital	12	200	200
Profit and loss account	13	(691)	(412)
Equity shareholders funds	13	(491)	(212)

The financial statements on pages 5 to 11 were approved by the board of directors on 31 March 2003 and were signed on their behalf by:



D J Embley
Director

EMAP Digital Radio Limited

Accounting policies

Accounting standards

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

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.

Depreciation

Depreciation is provided on a straight line basis on the cost 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:

Short leasehold land and buildings	5 years
Equipment and motor vehicles	4 years

Operating leases

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

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.

Cash flow statement and related party transactions

No cash flow statement has been presented in accordance with the exemption permitted under Financial Reporting Standard 1 (Revised) 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. 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.

EMAP Digital Radio Limited

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

1 Going concern

The parent company has agreed to provide continuing financial support to enable the company to meet its liabilities as they fall due.

2 Turnover

Turnover represents the invoiced value of sales, net of value added tax and is attributable solely to the provision of services within the United Kingdom.

3 Employees and directors

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

	2002 Number	2001 Number
Administration	9	9

The aggregate payroll costs of these persons were as follows :

	£'000	£'000
Wages and salaries	196	26
Social security costs	13	2
Pension costs	5	1
	211	29

The emoluments in respect of directors were as follows:

	£'000	£'000
Fees	-	-
Other emoluments	199	-
Pension contributions	8	-
	207	-

4 Operating loss

Operating loss is stated after charging the following:

	2002 £'000	2001 £'000
Auditors' remuneration - audit	4	4
Depreciation on owned tangible assets	9	2

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5 Taxation

	2002 £'000	2001 £'000
Amount receivable from fellow subsidiaries in respect of group relief	79	297
Prior Year Adjustment	(84)	-
Deferred tax	-	(1)
	(5)	296

6 Dividend

	2002 £'000	2001 £'000
Dividends	-	82

7 Tangible fixed assets

	Equipment and motor vehicles £'000	Total £'000
Cost		
At 1 April 2001	23	23
Additions	-	-
At 31 March 2002	23	23
Depreciation		
At 1 April 2001	2	2
Charge for the year	9	9
At 31 March 2002	11	11
Net book value		
At 31 March 2002	12	12
At 31 March 2001	21	21

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8 Debtors

	2001 £'000	2000 £'000
Trade debtors	543	207
Amounts owed by group undertakings	1,742	771
Prepayments and accrued income	555	459
	2,840	1,437

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 with current assets.

9 Creditors: amounts falling due within one year

	2002 £'000	2001 £'000
Amounts owed to group undertakings	1,319	1,573
Corporation tax	5	-
Accruals and deferred income	1,263	96
	2,587	1,669

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.

10 Creditors: amounts falling after more than one year

	2002 £'000	2001 £'000
Deposits received from multiplex users	756	-
	756	-

11 Deferred tax

Deferred tax recognised in the financial statements is as follows:

	2002 £'000	2001 £'000
Excess of capital allowances over depreciation	-	1
Other timing differences	-	-
	-	1

The movement on deferred tax is:

At 1 April 2001	1
Charged to the profit and loss account (see Note 4)	(1)
At 31 March 2002	0

EMAP Digital Radio Limited

12 Share capital

	2002		2001	
	Number	£'000	Number	£'000
Authorised				
Ordinary shares of £1 each	200,100	200	200,100	200
Allotted, called up and fully paid				
Ordinary shares of £1 each	200,100	200	200,100	200

13 Reconciliation of movements in shareholders' funds and movements on reserves

	Share Capital £'000	Profit and loss account £'000	Total £'000
Loss for the year	-	(279)	(279)
Dividends	-	-	-
Shareholders' funds at 1 April 2001	200	(412)	(212)
Shareholders' funds at 31 March 2002	200	(691)	(491)

14 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 last actuarial assessment of the main defined benefit scheme was at 5th April 2000, further details of which can be found in the annual report and accounts of the parent undertaking EMAP plc.

15 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. Copies of EMAP plc's financial statements can be obtained from 1 Lincoln Court, Lincoln Road, Peterborough, PE1 2RF.