

# **Kiss FM Radio Limited**

## **Report and Accounts**

31 March 1995



# Kiss FM Radio Limited

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Registered No. 2378790

## **DIRECTORS**

M Boase (Chairman)

M A Cox

F L Driver

G Drummond

J Fashanu

G A McNamee

T R Schoonmaker

## **SECRETARY**

D K Walmsley

## **AUDITORS**

Ernst & Young

Compass House

80 Newmarket Road

Cambridge

CB5 8DZ

## **BANKERS**

Barclays Bank plc

1 Church Street

Peterborough

PE1 1XE

## **SOLICITORS**

Field Fisher Waterhouse

41 Vine Street

London

EC3N 2AA

## **REGISTERED OFFICE**

Kiss House

80 Holloway Road

London

N7 8JG

# Kiss FM Radio Limited

## DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 31 March 1995.

### RESULTS AND DIVIDENDS

In the year to 31 March 1995, the company made a profit after tax of £600,000. This is set against the deficit brought forward of £1,538,000, leaving £938,000 to carry forward.

The directors do not recommend the payment of a dividend.

### PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company is that of a radio station, broadcasting on 100FM to 10 million people in and around London. The directors aim to consolidate their position in the London market and look for new opportunities as they might arise.

### FIXED ASSETS

Significant changes to fixed assets are set out in Note 8 to the accounts.

### DIRECTORS AND THEIR INTERESTS

The directors during the financial year and their interests in the share capital of the company were as follows:

	<i>At 31 March 1995</i>	<i>At 31 March 1994</i>
Martin Boase	-	-
Malcolm Cox	-	-
Fiona Driver	-	-
Gordon Drummond	-	-
John Fashanu	-	-
Gordon McNamee	30,000	30,000
Tim Schoonmaker	-	-
Terry Smith (Resigned 22 August 1994)	-	-

Martin Boase is also a director of EMAP plc, the ultimate parent company, and his interests are disclosed in that company's accounts.

The interests of the directors, inclusive of their spouses and infant children, in the share capital of the ultimate holding company at the beginning of the year, or subsequent date of appointment, and at the end of the year were as follows:

	<i>Ordinary shares at 31 March 1995</i>		<i>Ordinary shares at 31 March 1994</i>	
	<i>Options</i>	<i>Issued</i>	<i>Options</i>	<i>Issued</i>
M A Cox	6,841	84	6,742	-
G A McNamee	18,230	189	13,039	86
T R Schoonmaker	49,320	27,855	38,753	24,678
F L Driver	2,441	171	2,406	86
G A Drummond	-	86	-	86

DIRECTORS' REPORT

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In respect of the interest in options of the ultimate parent company, it operates a Savings Related and executive Share Option Scheme.

Since 1985, options have been granted annually in the Savings Related Scheme at prices between 81.5p and 316.3p. The normal exercise dates for these options extend to 2002.

Since 1986, options have been granted annually, with the exception of 1990, in the Executive Option Scheme at prices between 109.8p and 394.7p. The normal exercise dates for these options extend to 2004.

During the year the following transactions took place relating to directors' interests in options to subscribe for ordinary shares in the holding company:

	<i>Options granted</i>	<i>Rights adjustment</i>
M A Cox	-	99
T R Schoonmaker	10,000	567
G A McNamee	5,000	191
F L Driver	-	35

AUDITORS

An elective resolution pursuant to s.386 of the Companies Act 1985 has been passed whereby the company is not obliged to re-appoint auditors annually. Ernst & Young will resign as auditors and Price Waterhouse will be appointed at a forthcoming Extraordinary General Meeting.

By order of the Board



D K Walmsley  
Secretary

22 January 1996

DIRECTORS' RESPONSIBILITIES FOR THE PREPARATION OF THE  
ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts;
- prepare the accounts 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 accounts 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.

**REPORT OF THE AUDITORS**  
**to the members of Kiss FM Radio Limited**

We have audited the accounts on pages 6 to 15, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 9.

**Respective responsibilities of directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

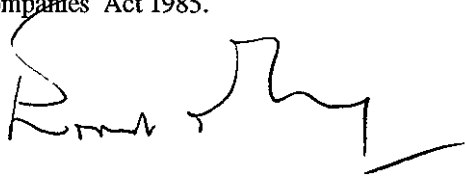
**Basis of opinion**

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Chartered Accountants  
Registered Auditor  
Cambridge

22nd Jan 1996

# Kiss FM Radio Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1995

	<i>Notes</i>	<i>1995</i> <i>£'000</i>	<i>1994</i> <i>£'000</i>
<b>TURNOVER</b>	<b>2</b>	<b>5,083</b>	<b>4,045</b>
Cost of sales		(1,821)	(1,203)
<b>GROSS PROFIT</b>		<b>3,262</b>	<b>2,842</b>
Administration expenses		2,630	2,665
<b>OPERATING PROFIT</b>	<b>3</b>	<b>632</b>	<b>177</b>
Interest payable and similar charges	<b>6</b>	(8)	(33)
Interest receivable		45	5
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>669</b>	<b>149</b>
Taxation	<b>7</b>	(69)	242
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	<b>16</b>	<b>600</b>	<b>391</b>

A statement of total recognised gains and losses has not been presented as the company has no recognised gains or losses other than the result in either period.

# Kiss FM Radio Limited

## BALANCE SHEET

at 31 March 1995

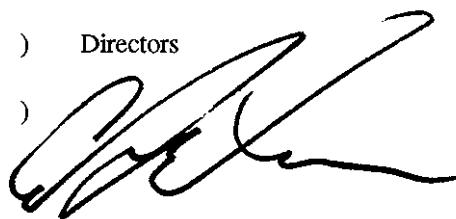
	Notes	1995 £'000	1994 £'000
<b>FIXED ASSETS</b>			
Tangible assets	8	292	391
<b>CURRENT ASSETS</b>			
Stocks	9	10	24
Debtors	10	868	828
Cash at bank and in hand	11	1,289	186
		2,167	1,038
<b>CREDITORS: amounts falling due within one year</b>	12	1,524	1,094
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		643	(56)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		935	335
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	740	740
Share premium account	16	1,133	1,133
Profit and loss account	16	(938)	(1,538)
<b>EQUITY SHAREHOLDERS FUNDS</b>		935	335

Fiona Driver

) 

) Directors

Gordon McNamee

) 

22 January 1996



# Kiss FM Radio Limited

## STATEMENT OF CASH FLOWS

for the year ended 31 March 1995

	<i>Notes</i>	<i>1995</i> <i>£'000</i>	<i>1994</i> <i>£'000</i>
NET CASH INFLOW FROM OPERATING ACTIVITIES	3b	1,202	203
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		45	5
Interest paid		(5)	(24)
Interest element of finance lease rental payments		(3)	(9)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		37	(28)
TAXATION			
Corporation tax payment/repayment		(26)	64
TAX (PAID)/RECEIVED		(26)	64
INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets		(109)	(57)
Receipts from sales of tangible fixed assets		17	10
NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES		(92)	(47)
NET CASH INFLOW BEFORE FINANCING		1,121	192
Repayments of capital element of finance lease rentals		12	61
NET CASH INFLOW FROM FINANCING		12	61
INCREASE IN CASH AND CASH EQUIVALENTS	11	1,109	131
		1,121	192

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NOTES TO THE ACCOUNTS

at 31 March 1995

1. ACCOUNTING POLICIES

*Accounting convention*

The accounts are drawn up in accordance with the historical cost convention and applicable accounting standards.

*Turnover*

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

*Depreciation*

Depreciation is provided on the following fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

Leasehold premises	-	10% per annum on cost, or over the period of the lease.
Plant and machinery	-	10 - 20% per annum on cost.

*Stocks*

Stocks are stated at the lower of purchase cost, on a first-in, first-out-basis, incurred in bringing each product to its present location and condition, and net realisable value.

*Deferred taxation*

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

*Leasing and hire purchase commitments*

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease on a straight line basis.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

*Pensions*

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2. TURNOVER

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

# Kiss FM Radio Limited

## NOTES TO THE ACCOUNTS

at 31 March 1995

### 3. OPERATING PROFIT

(a) This is stated after charging:

	<i>1995</i>	<i>1994</i>
	<i>£'000</i>	<i>£'000</i>
Auditors' remuneration	12	12
Depreciation of owned fixed assets	181	142
Depreciation of assets held under finance leases and hire purchase contracts	13	12
Operating lease rentals - land and buildings	140	140
- other	17	2
	<u>          </u>	<u>          </u>

(b) Reconciliation of operating profit to net cash inflow from operating activities

	<i>1995</i>	<i>1994</i>
	<i>£'000</i>	<i>£'000</i>
Operating profit	632	177
Depreciation	181	154
Loss/(profit) on disposal of fixed assets	10	(4)
Decrease/(increase) in stocks	14	(24)
Decrease/(increase) in debtors	19	(125)
Increase in creditors	346	25
	<u>          </u>	<u>          </u>
Net cash inflow from continuing operating activities	<u>1,202</u>	<u>203</u>

### 4. DIRECTORS' REMUNERATION

	<i>1995</i>	<i>1994</i>
	<i>£'000</i>	<i>£'000</i>
Fees	14	16
Other emoluments (including pension contributions)	269	226
	<u>          </u>	<u>          </u>
	<u>283</u>	<u>242</u>

NOTES TO THE ACCOUNTS

at 31 March 1995

4. DIRECTORS' REMUNERATION (continued)

Directors' emoluments, excluding pension contributions, fell within the following ranges:

	1995 No.	1994 No.
£nil - £5,000	2	3
£10,001 - £15,000	1	1
£30,001 - £35,000	-	1
£40,001 - £45,000	2	1
£55,001 - £60,000	-	1
£65,001 - £70,000	1	-
£70,001 - £75,000	-	1
£95,001 - £100,000	1	-

The emoluments of the chairman were £10,200 (1994 - £12,500), and those of the highest paid director excluding pension contributions were £96,382 (1994 - £73,732).

5. STAFF COSTS

	1995 £'000	1994 £'000
Wages and salaries	1,143	1,214
Social security costs	115	122
Other pension costs	43	34
	<u>1,301</u>	<u>1,370</u>

The average number of weekly employees during the period was as follows:

	1995 No.	1994 No.
Administration and production	<u>50</u>	<u>54</u>

# Kiss FM Radio Limited

## NOTES TO THE ACCOUNTS

at 31 March 1995

### 6. INTEREST PAYABLE

	1995 £'000	1994 £'000
Bank loans, overdrafts and other loans wholly repayable within 5 years	5	24
Finance charges payable under finance leases and hire purchase contracts	3	9
	<u>8</u>	<u>33</u>

### 7. TAXATION

	1995 £'000	1994 £'000
Based on profit for the year:		
Corporation tax at 33% (1994: 33%)	102	(178)
(Over) provided in previous years	<u>(33)</u>	<u>(64)</u>
	<u>69</u>	<u>(242)</u>

### 8. TANGIBLE FIXED ASSETS

	Short leasehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost:			
At 1 April 1994	130	753	883
Additions	14	95	109
Disposals	<u>-</u>	<u>(101)</u>	<u>(101)</u>
At 31 March 1995	<u>144</u>	<u>747</u>	<u>891</u>
Depreciation:			
At 1 April 1994	40	452	492
Provided during the year	13	168	181
Disposals	<u>-</u>	<u>(74)</u>	<u>(74)</u>
At 31 March 1995	<u>53</u>	<u>546</u>	<u>599</u>
Net Book Value:			
At 31 March 1995	<u>91</u>	<u>201</u>	<u>292</u>
At 1 April 1994	<u>90</u>	<u>301</u>	<u>391</u>

The net book value of plant and machinery above includes an amount of £Nil (1994 - £19,977) in respect of assets held under finance leases and hire purchase contracts.

# Kiss FM Radio Limited

## NOTES TO THE ACCOUNTS

at 31 March 1995

### 9. STOCKS

	1995 £'000	1994 £'000
Goods for resale	<u>10</u>	<u>24</u>

### 10. DEBTORS

	1995 £'000	1994 £'000
Trade debtors	642	603
Other debtors	63	91
Corporation tax recoverable	59	-
Prepayments and accrued income	104	134
	<u>868</u>	<u>828</u>

### 11 CASH AND CASH EQUIVALENTS

Analysis of balances as shown in the balance sheet and changes during the current and previous period:

	1995 £'000	1994 £'000	1993 £'000	1994/95 Change £'000	1994/93 Change £'000
Cash at bank and in hand	1,289	186	49	1,103	137
Bank overdraft	-	(6)	-	6	(6)
	<u>1,289</u>	<u>180</u>	<u>49</u>	<u>1,109</u>	<u>131</u>

### 12. CREDITORS: amounts falling due within one year

	1995 £'000	1994 £'000
Bank overdraft	-	6
Obligations under finance leases and hire purchase contracts	-	12
Trade creditors	168	237
Amounts owed to parent undertaking or fellow subsidiary undertakings	458	428
Other taxes and social security costs	241	71
Other creditors	7	11
Accruals and deferred income	548	329
Corporation tax	102	-
	<u>1,524</u>	<u>1,094</u>

# Kiss FM Radio Limited

## NOTES TO THE ACCOUNTS

at 31 March 1995

### 13. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The maturity of these amounts is as follows:

	1995 £'000	1994 £'000
Amounts payable:		
Within one year	-	15
Within two to five years	-	-
	-	15
Less: finance charges allocated to future periods	-	3
	-	12

Finance leases and hire purchase contracts are analysed as follows:

	1995 £'000	1994 £'000
Current obligations	-	12
Non-current obligations	-	-
	-	12

### 14. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation provided in the accounts and the amounts not provided are as follows:

	<i>Provided</i>		<i>Not provided</i>	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Capital allowances in advance of depreciation	-	24	(4)	-
Other timing differences	-	(24)	(11)	(3)
	-	-	(15)	(3)

### 15. SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	1995 <i>No.</i>	1994 <i>No.</i>	1995 £'000	1994 £'000
Ordinary shares of 50p each	1,600,000	1,600,000	740	740
	1,600,000	1,600,000	740	740

NOTES TO THE ACCOUNTS

at 31 March 1995

16. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVE

	<i>Share capital account £'000</i>	<i>Share premium account £'000</i>	<i>Profit and loss account £'000</i>	<i>Total £'000</i>
At 1 April 1993	740	1,133	(1,929)	(56)
Retained profit for the period	-	-	391	391
At 1 April 1994	740	1,133	(1,538)	335
Retained profit for the period	-	-	600	600
At 31 March 1995	740	1,133	(938)	935

17. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for one of its directors. The assets of the scheme are held separately from those of the company in an independently administered fund. In addition, all other employees are entitled to join the defined contribution pension scheme operated by the ultimate parent undertaking. Details of this scheme are contained in EMAP plc accounts.

18. OTHER FINANCIAL COMMITMENTS

At 31 March 1995 the company had annual commitments under operating leases as set out below:

	<i>Land and buildings</i>		<i>Other</i>	
	<i>1995</i>	<i>1994</i>	<i>1995</i>	<i>1994</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Operating leases which expire:				
Within one year	-	-	-	2
Within two to five years	-	-	39	7
In over five years	90	140	-	-
	90	140	39	9

The company had capital commitments of £Nil at the year end (1994 - £Nil).

19. ULTIMATE PARENT UNDERTAKING

The parent undertaking of the group of undertakings for which 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 accounts can be obtained from 1 Lincoln Court, Lincoln Road, Peterborough, PE1 2RF.