

Metro Radio Limited
Annual report
for the year ended 31 March 2000

Registered Number: 2644277



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for the year ended 31 March 2000

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Metro Radio Limited

Directors and Advisors

Managing director

M Booth

Directors

C Ellington

T R Schoonmaker

B McCluskey (appointed 4 January 2000)

A McKenzie

Secretary

D K Walmsley

Auditors

PricewaterhouseCoopers

101 Barbirolli Square

Lower Mosley Street

Manchester

M2 3PW

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

Metro Radio Limited

Directors' report for the year ended 31 March 2000

The directors present their report and the audited financial statements of the company for the year ended 31 March 2000.

Principal activity

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

Review of business and results

The operating profit for the year was £4,033,000 (1999: £3,615,000). The profit on ordinary activities after taxation for the year was £2,821,000 (1999: £2,531,000). The directors are satisfied with the company's performance.

Dividends and transfers to reserves

The directors do not recommend the payment of a dividend (1999: £8,000,000).

Directors and their interests

The current directors are shown on page 1, all of which served throughout the year except A McKenzie (appointed 8 September 1999) and B McCluskey (appointed 4 January 2000).

Other directors who served during the year were:

S Marley (Resigned 7 September 1999)
P A Roberts (Resigned 3 September 1999)
P J Seddon (Resigned 30 November 1999)

The directors had 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		Executive share plan under trust	
	At 1 April 1999*	At 31 March 2000	At 1 April 1999	At 31 March 2000
A McKenzie	537	164	1,440	1,440
C M Ellington	5,572	3,797	3,120	3,000
T R Schoonmaker	37,605	36,292	-	-
M Booth	668	868	2,676	2676
B McCluskey	-	-	-	-

	Ordinary shares under option			At 31 March 2000
	At 1 April 1999*	Granted In year	Exercised	
A Plumb	228	-	-	228
C M Ellington	688	688	-	688
T R Schoonmaker	1,798	217	-	2,015
M Booth	1,076	434	200	1,310
B McCluskey	-	-	-	-

* or at date of appointment

Metro Radio Limited

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 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 2000 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 reappointed for the next financial year.

Approved by the board of directors and signed on its behalf by:



[]
B McCluskey
29 January 2001

Metro Radio Limited

Auditors' report to the members of Metro Radio Limited

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The Directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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.

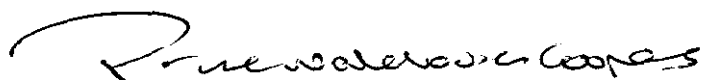
Basis of audit opinion

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 2000 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

Manchester

29 January 2001

Metro Radio Limited

Profit and loss account for the year ended 31 March 2000

	Notes	2000 £'000	1999 £'000
Turnover		11,212	10,134
Cost of sales		(2,816)	(2,388)
Gross profit		8,396	7,746
Administrative expenses		(4,450)	(4,131)
Other operating income	1	87	-
Operating profit/profit on ordinary activities before taxation	2	4,033	3,615
		4,033	3,615
Tax on profit on ordinary activities	5	(1,212)	(1,084)
Profit on ordinary activities after taxation	12	2,821	2,531
Dividends	6	-	(8,000)
Retained profit/(loss) for the financial year		2,821	(5,649)

All of the company's activities are continuing.

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.

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

Metro Radio Limited

Balance sheet as at 31 March 2000

	Notes	2000 £'000	1999 £'000
Fixed assets			
Tangible assets	7	975	1,058
Current assets			
Stock – consumables		1	2
Debtors	8	3,051	2,264
Cash at bank and in hand		11,930	7,949
		14,982	10,215
Creditors: amounts falling due within one year	9	(8,530)	(6,667)
Net current assets		6,452	3,548
Net assets		7,427	4,606
Capital and reserves			
Called up share capital	11	420	420
Profit and loss account	12	7,007	4,186
Equity shareholders' funds	12	7,427	4,606

The financial statements on pages 5 to 12 were approved by the board of directors on 29 January 2001 and were signed on its behalf by:



B McCluskey
Director

Metro Radio Limited

Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Cash flow 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 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.

Turnover

Turnover is the total amount invoiced by the company in the ordinary course of business for all services provided to UK customers after deducting commissions payable to advertising agencies and excluding VAT.

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated so as to write down the cost of all tangible fixed assets less their estimated residual values by equal annual instalments over their expected useful economic lives which are.

Freehold land and buildings	40 years
Office equipment and vehicles	3 – 4 years

Operating leases

Payments made under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Contributions to pension funds

The Company participates in a defined contribution scheme operated by EMAP plc. The assets of the Scheme are held in separately administered funds. The total pension charge for the year is disclosed in note 3.

Metro Radio Limited

Notes to the financial statements for the year ended 31 March 2000

1 Other operating income

	2000 £'000	1999 £'000
IRN rebate	87	-

2 Operating profit

Operating profit is stated after charging:

	2000 £'000	1999 £'000
Depreciation of owned tangible fixed assets	192	166
Auditors' remuneration for audit work	5	5
Operating lease rentals: land and buildings	28	-
other assets	92	153

3 Employee information

The average weekly number of persons (including executive directors) employed during the year was 82 (1999: 56).

	2000 £'000	1999 £'000
Staff costs for the above persons:		
Wages and salaries	1,058	1,651
Social security costs	99	148
Other pension costs	23	35
	1,180	1,834

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4 Directors emoluments

The remuneration paid to the directors of Metro Radio Limited was:

	2000 £'000	1999 £'000
Emoluments	217	165
Termination payments	-	54
Pension contributions	9	5
	226	224

Total pension contributions for directors were £9,000 (1999: £6,000). All directors participate in the defined contribution scheme.

The highest paid director received emoluments, excluding pension contributions, of £75,000 (1999: £61,000) with pension contributions of £3,000 (1999: £1,000).

5 Tax on profit on ordinary activities

	2000 £'000	1999 £'000
United Kingdom corporation tax at 30% (1999: 31%)	1,214	1,144
Deferred taxation (note 10)	(2)	(60)
	1,212	1,084

6 Dividends

	2000 £'000	1999 £'000
No ordinary dividends on equity shares (1999: 19 pence per share)	-	8,000

• **Metro Radio Limited**

• **7 Tangible fixed assets**

	Freehold property	Office equipment and vehicles	Total
	£'000	£'000	£'000
Cost			
At 1 April 1999	784	2,627	3,411
Additions	-	109	109
At 31 March 2000	784	2,736	3,520
Depreciation			
At 1 April 1999	(138)	(2,215)	(2,353)
Depreciation	(20)	(172)	(192)
At 31 March 2000	(158)	(2,387)	(2,545)
Net book amount			
At 31 March 2000	626	349	975
At 31 March 1999	647	411	1,058

8 Debtors

	2000 £'000	1999 £'000
Trade debtors	2,158	2,061
Amounts owed by group undertakings	601	14
Deferred taxation (Note 10)	62	60
Other debtors	31	7
Prepayments and accrued income	199	122
	3,051	2,264

Amounts owed to group undertakings are repayable on demand.

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9 Creditors: amounts falling due within one year

	2000 £'000	1999 £'000
Trade creditors	203	105
Amounts owed to group undertakings	6,703	4,811
Corporation tax	875	1,034
Other taxes and social security payable	380	294
Other creditors	304	313
Accruals and deferred income	65	110
	8,530	6,667

Amounts owed to group undertakings are repayable on demand.

10 Deferred taxation

Deferred taxation provided in the financial statements is as follows:

	2000 £'000	1999 £'000
Accelerated capital allowances	(43)	(41)
Other timing differences	(19)	(19)
At 31 March 2000 (Note 8)	(62)	(60)

There is no unprovided deferred tax.

	Note	2000 £'000	1999 £'000
At 1 April 1999			(60)
Credited to the profit and loss account	5		(2)
At 31 March 2000			(62)

11 Called up share capital

	2000 £'000	1999 £'000
Authorised		
3,000,000 ordinary shares of £1 each	3,000	3,000
Allotted, called up and fully paid		
420,234 ordinary shares of £1 each	420	420

Metro Radio Limited

12 Reconciliation of movements in equity shareholders' funds

	Share capital £'000	Profit and loss account £'000	Total £'000
Retained profit for the year		2,821	2,821
Shareholders' funds at 1 April 1999	420	4,186	4,606
Shareholders' funds at 31 March 2000	420	7,007	7,427

13 Financial commitments

The company had annual commitments under non-cancellable operating leases as follows:

	2000		1999	
	Land and buildings £'000	Other Assets £'000	Land and buildings £'000	Other assets £'000
Expiring within one year	28	7	-	7
Expiring between one and five years inclusive	-	84	-	76
	28	91	-	83

14 Ultimate holding company

The ultimate holding company is EMAP plc, a company registered in England and Wales. This company is also the only company preparing group financial statements which include the results and assets of Metro Radio Limited. Copies of the latest published financial statements of EMAP plc may be obtained from the registered office, 1 Lincoln Court, Lincoln Road, Peterborough PE1 2RF.