

Metro Radio Limited
Annual Report
for the year ended 31 March 2001

Registered Number: 2644277



Metro Radio Limited

Directors' report and financial statements

for the year ended 31 March 2001

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Metro Radio Limited

Directors and advisers for the year ended 31 March 2001

Managing director

S Aitchison (appointed 19 January 2001)

Other directors

T R Schoonmaker
A Plumb

Secretary

D K Walmsley

Auditors

PricewaterhouseCoopers
101 Barbirolli Square
Lower Mosley Street
Manchester
M2 3PW

Bankers

Barclays Bank Plc
Peterborough Business Centre
P O 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 2001

The directors present their report and the accounts for the company for the year ended 31 March 2001.

Principal activity

The company is engaged in the operation of independent radio services in the "Tyne and 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 profit on ordinary activities before taxation was £4,324,000 (2000: £4,033,000). The directors are satisfied with the company's performance.

Results and Dividends

In the year to 31 March 2001 the company made profit after tax of £2,985,000(2000: £2,821,000).

The directors recommend the payment of an interim dividend of £6,452,000 (2000: £Nil).

Directors and their interests

The current directors are shown on page 1. Other directors who held office during the year are given below.

M Booth (resigned 11 January 2001)
C Ellington (resigned 19 January 2001)
B McCluskey (resigned 3 September 2001)

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 2000*	At 31 March 2001	At 1 April 2000*	At 31 March 2001
T R Schoonmaker	36,292	36,194	18,511	17,915
S Aitchison*	5,100	8,283	3,716	2,667
A Plumb	164	380	1,440	800
B McCluskey	-	-	-	3,001

* or at date of appointment

	Ordinary shares under option			
	At 1 April 2000*	Granted in year	Exercised/ Lapsed	At 31 March 2001
A Plumb	228	-	-	228
T R Schoonmaker	2,015	861	(1,016)	1,860
S Aitchison*	2,341	861	(1,883)	1,319
B McCluskey	-	2,502	-	2,502

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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 year. 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 2001 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.

By order of the Board



T R Schoonmaker
12 October 2001

Metro Radio Limited

Auditors' report to the members of Metro Radio Limited

We have audited the financial statements on pages 5 to 12.

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 2001 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

12 October 2001

Metro Radio Limited

Profit and loss account for the year ended 31 March 2001

	Note	2001 £'000	2000 £'000
Turnover	1	11,491	11,212
Cost of sales		(2,788)	(2,816)
Gross profit		8,703	8,396
Administration expenses		(4,531)	(4,450)
Other operating income	2	152	87
Profit on ordinary activities before taxation	3	4,324	4,033
Tax on profit on ordinary activities	6	(1,339)	(1,212)
Profit on ordinary activities after taxation		2,985	2,821
Dividends	7	(6,452)	-
Retained (loss) / profit for the year	13	(3,467)	2,821

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.

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Balance sheet as at 31 March 2001

	Notes	2001 £'000	2000 £'000
Fixed assets			
Tangible assets	8	854	975
Current assets			
Stock – consumables		-	1
Debtors	9	2,848	3,051
Cash at bank and in hand		16,444	11,930
		19,292	14,982
Creditors: amounts falling due within one year	10	(16,186)	(8,530)
Net current assets		3,106	6,452
Net assets		3,960	7,427
Capital and reserves			
Called up share capital	12	420	420
Profit and loss account	13	3,540	7,007
Equity shareholders' funds	13	3,960	7,427

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



T R Schoonmaker

Metro 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.

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

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.

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 4.

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Notes to the financial statements for the year ended 31 March 2001

1 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.

2 Other operating income

	2001 £'000	2000 £'000
IRN rebate	152	87

3 Operating profit

Operating profit is stated after charging:

	2001 £'000	2000 £'000
Depreciation of owned tangible fixed assets	201	192
Auditors' remuneration for audit work	5	5
Operating lease rentals:		
Plant and machinery	97	92
Other assets	57	28

4 Employee information

The average weekly number of persons (including executive directors) employed during the year was 58 (2000: 82).

	2001 £'000	2000 £'000
Staff costs for the above persons		
Wages and salaries	1,224	1,058
Social security costs	124	99
Other pension costs	35	23
	1,383	1,180

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5 Directors' emoluments

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

	2001 £'000	2000 £'000
Emoluments	167	217
Pension contributions	7	9
	174	226

All directors participate in the defined contribution scheme.

6 Taxation

	2001 £'000	2000 £'000
Based on profit for the year:		
Corporation tax at 30% (2000: 30%)	1,327	1,214
Deferred taxation (see Note 11)	12	(2)
	1,339	1,212

7 Dividend

	2001 £'000	2000 £'000
Proposed dividend £15.35 per share (2000:£Nil)	6,452	-

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8 Tangible fixed assets

	Freehold property £'000	Office equipment and vehicles £'000	Total £'000
Cost			
At 1 April 2000	784	2,736	3,520
Additions	-	80	80
At 31 March 2001	784	2,816	3,600
Depreciation			
At 1 April 2000	(158)	(2,387)	(2,545)
Depreciation	(20)	(181)	(201)
At 31 March 2001	(178)	(2,568)	(2,746)
Net book value			
At 31 March 2001	606	248	854
At 31 March 2000	626	349	975

9 Debtors

	2001 £'000	2000 £'000
Trade debtors	1,415	2,158
Amounts owed by group undertakings	1,231	601
Deferred taxation (see Note 11)	50	62
Other debtors	15	31
Prepayments and accrued income	137	199
	2,848	3,051

Amounts owed by group undertakings are repayable on demand.

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10 Creditors: amounts falling due within one year

	2001 £'000	2000 £'000
Trade creditors	33	203
Amounts owed to group undertakings	14,669	6,703
Corporation tax	788	875
Other taxes and social security payable	404	380
Other creditors	230	304
Accruals and deferred income	62	65
	16,186	8,530

Amounts owed to group undertakings are repayable on demand.

11 Deferred taxation

Deferred taxation recognised in the financial statements is as follows:

	2001 £'000	2000 £'000
Accelerated capital allowances	(50)	(43)
Other timing differences	-	(19)
At 31 March 2001	(50)	(62)

There is no unprovided deferred tax. The movement on the deferred tax assets is as follows:

	£'000
At 1 April 2000	(62)
Charged to the profit and loss account	12
At 31 March 2001	(50)

12 Share capital

	2001 £'000	2000 £'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

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13 Reconciliation of equity shareholders' funds and movements in reserves

	Share capital	Profit and loss account	Total
	£'000	£'000	£'000
Profit for the financial year	-	2,985	2,985
Dividends	-	(6,452)	(6,452)
Movement in equity shareholders' funds	-	(3,467)	(3,467)
Equity shareholders' funds at 1 April 2000	420	7,007	7,427
Equity shareholders' funds at 31 March 2001	420	3,540	3,960

14 Operating lease commitments

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

	2001		2000	
	Land and buildings £'000	Other assets £'000	Land and buildings £'000	Other assets £'000
Expiring within one year	-	11	28	7
Expiring between one and five years	-	86	-	84
Expiring after five years	57	-	-	-
	57	97	28	91

15 Ultimate parent undertaking

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