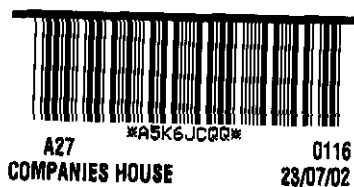


**CARLISLE RADIO LIMITED**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2001**



**Company No. 2670814 (England and Wales)**

# CARLISLE RADIO LIMITED

## COMPANY INFORMATION

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### Directors

Mr A.H. Sanderson (resigned  
4.9.01)  
Mr J.L. Graham (resigned 27.7.01)  
Mrs W.S. Steele (resigned 4.9.01)  
Mr D. Goode  
Ms C Kirk (appointed 11.10.00)  
Mr P F Cooney (appointed 4.9.01)  
Mr R Wilson (Resigned 4.9.01)

### Secretary

Mr N. Cusick (resigned 4.9.01)  
Mr D McKinley (appointed 4.9.01)

### Company number

2670814

### Registered office

P.O.Box 964  
Carlisle  
Cumbria  
CA1 3NG

### Auditors

Saint & Co  
Sterling House  
Wavell Drive  
Rosehill  
Carlisle  
CA1 2SA

### Solicitors

Baines Wilson  
2 Carlyles Court  
St Mary's Gate  
Carlisle  
CA3 8RY

### Bankers

National Westminster Bank Plc  
English Street  
Carlisle  
Cumbria

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# **CARLISLE RADIO LIMITED**

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# CARLISLE RADIO LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER 2001

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The directors present their report and the audited accounts for the company for the year ended 30th September 2001.

### Principal activities and review of business

The company's principal activity during the year was the provision of broadcasting services in accordance with the licence granted by the Radio Authority.

### Results and dividends

The results for the year are set out in the profit and loss account on page 5.

The directors consider the state of the company's affairs to be satisfactory.

The directors do not recommend a dividend and the retained profit of £17,078 will be added to reserves.

### Fixed assets

Details of movements in fixed assets are set out in the notes to the accounts

### Directors and their interests

The directors who held office during the year and their beneficial interests in the company's issued share capital are given below:

Name of director	Ordinary shares	
	At 30th September 2001	At 1st October 2000
Mr A.H. Sanderson (resigned 4.9.01)	-	-
Mr J.L. Graham (resigned 27.7.01)	-	-
Mrs W.S. Steele (resigned 4.9.01)	-	-
Mr D. Goode	-	-
Ms C Kirk (appointed 11.10.00)	-	-
Mr P F Cooney (appointed 4.9.01)	-	-
Mr R Wilson (Resigned 4.9.01)	-	-

# CARLISLE RADIO LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER 2001

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### Statement of directors' responsibilities

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 for that year. In preparing those accounts the directors are required to:

Select suitable accounting policies and then apply them consistently;

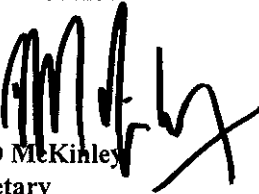
Make judgements and estimates that are reasonable and prudent;

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 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.

By order of the Board



Mr D McKinley  
Secretary

# AUDITORS' REPORT TO THE SHAREHOLDERS OF CARLISLE RADIO LIMITED

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We have audited the accounts on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

## **Respective responsibilities of directors and auditors**

As described on page 2 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 report our opinion to you.

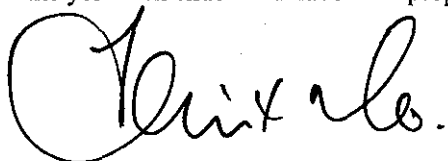
## **Basis of opinion**

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 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 the information in the accounts.

## **Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30th September 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Saint & Co  
Chartered Accountants and Registered Auditors  
Sterling House  
Wavell Drive  
Rosehill  
Carlisle  
CA1 2SA

Date: 27th November 2001

**AUDITORS' REPORT TO THE DIRECTORS OF**  
**CARLISLE RADIO LIMITED PURSUANT TO SECTION 248(3)**  
**OF THE COMPANIES ACT 1985**

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We have examined the accounts of the company and each of its subsidiaries for the year ended 30th September 2001.

**Basis of opinion**

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemption from preparing group accounts.

**Opinion**

In our opinion the company is entitled to the exemption from preparing group accounts conferred by Section 248 of the Companies Act 1985.



**Saint & Co**  
**Chartered Accountants and Registered Auditors**  
Sterling House  
Wavell Drive  
Rosehill  
Carlisle  
CA1 2SA  
27th November 2001

**CARLISLE RADIO LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30TH SEPTEMBER 2001**

	Notes	2001 £	2000 £
<b>Turnover</b>	2	1,024,997	1,004,124
Agency Commissions		(50,779)	(45,437)
Cost of Sales		(406,547)	(336,374)
<b>Gross profit</b>		567,671	622,313
Sales, Marketing and Promotions		(287,516)	(288,432)
Administration Expenses		(206,759)	(257,297)
Accommodation Costs		(33,853)	(33,757)
Radio Authority and Transmission charges		(25,176)	(20,385)
<b>Operating Profit</b>	3	14,367	22,442
Exceptional item	5	-	(50,716)
		14,367	(28,274)
Interest receivable	6	17,032	17,498
<b>Profit/(Loss) on Ordinary Activities before Taxation</b>		31,399	(10,776)
Tax on Profit/(Loss) on Ordinary Activities	7	(14,321)	(9,395)
<b>Profit/(Loss) for the Financial Year</b>		17,078	(20,171)
<b>Retained Profit Brought Forward</b>		40,764	60,935
<b>Retained Profit Carried Forward</b>		57,842	40,764

All amounts relate to continuing activities.

There were no recognised gains or losses for 2001 or 2000 other than those included in the profit and loss account.



# CARLISLE RADIO LIMITED

## BALANCE SHEET

AS AT 30TH SEPTEMBER 2001

	Notes	£	2001 £	£	2000 £
<b>Fixed assets</b>					
Tangible assets	8		64,843		153,132
<b>Current assets</b>					
Debtors	9	468,957		166,508	
Cash at bank and in hand		167,534		396,788	
		636,491		563,296	
<b>Creditors: amounts falling due within one year</b>	10	(143,492)		(164,043)	
<b>Net Current Assets</b>			492,999		399,253
<b>Total assets less current liabilities</b>			557,842		552,385
<b>Provisions for liabilities and charges</b>					
Deferred taxation	12		-		(11,621)
			557,842		540,764
<b>Capital and reserves</b>					
Share capital	15		500,000		500,000
Profit and loss account			57,842		40,764
<b>Shareholders' funds</b>	17		557,842		540,764

These accounts were approved by the board on 27th November 2001 and signed on its behalf by:



Ms C Kirk  
Director

# CARLISLE RADIO LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2001

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### 1 Accounting policies

#### Basis of accounting

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

#### Consolidation

The accounts contain information about Carlisle Radio Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 248 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as the group it heads qualifies as a small group.

#### Turnover

Turnover is that in respect of continuing activities in the field of broadcasting and entertainment and is stated exclusive of value added tax.

#### Tangible fixed assets and depreciation

Tangible fixed assets are depreciated on a straight line basis over their estimated useful economic lives at the following rates :-

Leasehold properties improvements	12.5% - 33%
Transmitters	10%
Motor vehicles	25%
Furniture, fittings and equipment	25%
Technical equipment	25%

#### Government grants/assistance

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the Profit and Loss Account by equal annual instalments over the expected useful lives of the relevant assets.

#### Deferred taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise.

#### Contribution to pension funds

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### Hire purchase and leased assets

Rental costs under operating leases are charged to the profit and loss account evenly over the periods of the leases.

# CARLISLE RADIO LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2001

### 2 Turnover

The turnover and operating profit for the year were derived from the company's principal activity which was carried out wholly in the UK.

### 3 Operating profit

*The operating profit is arrived at after charging or (crediting) :*

	2001 £	2000 £
Depreciation of tangible fixed assets:		
-owned assets	109,371	47,629
Release of grant	(3,850)	(700)
Operating lease rentals : equipment	13,420	12,162
Operating lease rentals : property	14,095	13,020
Auditors' remuneration : Audit services	4,000	3,900

Depreciation includes an accelerated charge to move the company's accounting policy into line with group's accounting policy.

### 4 Directors and employees

Staff costs, including directors' remuneration, were as follows:

	2001 £	2000 £
Wages and salaries	208,602	220,883
Social security costs	29,304	28,989
Pension costs	9,798	9,796
	<u>247,704</u>	<u>259,668</u>

The average weekly number of employees, including directors, during the year was as follows:

	2001 Number	2000 Number
Broadcasting,entertainment,sales and Marketing	14	14
Administration	4	4
	<u>18</u>	<u>18</u>

Directors' emoluments

	2001 £	2000 £
Aggregate emoluments	68,813	91,933
Directors' pension contributions under defined contribution schemes	2,567	2,695
	<u>71,380</u>	<u>94,628</u>

FOR THE YEAR ENDED 30TH SEPTEMBER 2001

Page: 9

# CARLISLE RADIO LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2001

9	Debtors	2001 £	2000 £
	Trade debtors	128,075	129,716
	Amounts owed by parent undertaking	300,000	-
	Other debtors	11,027	1,536
	Prepayments and accrued income	29,855	35,256
		<u>468,957</u>	<u>166,508</u>

Included in other debtors is a deferred tax asset of £5,536

10	Creditors: amounts falling due within one year	2001 £	2000 £
	Bank overdraft	-	190
	Trade creditors	30,551	43,301
	Corporation tax	33,241	9,680
	Other taxes and social security	35,330	29,633
	Other creditors	-	749
	Accruals and deferred income	44,370	80,490
		<u>143,492</u>	<u>164,043</u>

Accruals and deferred income includes £3,150 (2000: £7000 ) relating to a grant from the West Cumbria Development Fund. This grant is being amortised through the profit and loss account over the useful life of the asset.

11	Loans and borrowings	2001 £	2000 £
	Analysis of loans		
	Bank overdraft	-	190
		<u>-</u>	<u>190</u>
	Maturity of debt		
	In one year or less, or on demand	-	190
		<u>-</u>	<u>190</u>

# CARLISLE RADIO LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2001

### 12 Deferred taxation

The movements in deferred taxation during the current and previous years are as follows:

	2001	2000
	£	£
At 1st October 2000	11,621	14,581
Movement in the year	(17,157)	(2,960)
At 30th September 2001	<u>(5,536)</u>	<u>11,621</u>

	Amount provided	
	2001	2000
	£	£
Accelerated capital allowances	(5,357)	11,653
Other timing differences	(179)	(32)
	<u>(5,536)</u>	<u>11,621</u>

There are no unprovided amounts in respect of deferred taxation.  
The above deferred tax asset is included in other debtors in note 9

### 13 Pension scheme

The company operates a defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the year amounted to £9,798 (2000 £9,796).

### 14 Operating lease commitments

At 30 September 2001 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings		Other	
	2001	2000	2001	2000
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	2,388	10,608
Between two and five years	-	-	19,300	1,840
After five years	15,000	12,000	-	-
	<u>15,000</u>	<u>12,000</u>	<u>21,688</u>	<u>12,448</u>

# CARLISLE RADIO LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2001

15	Share capital	2001 £	2000 £
	<b>Authorised Equity shares</b>		
	600,000 Ordinary shares of £1 each	<u>600,000</u>	<u>600,000</u>
	<b>Allotted Equity shares</b>		
	Allotted ,called up and fully paid ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>

### 16 Related parties

In the director's opinion the Company is under the control of Scottish Radio Holdings Plc who owns 100% of the ordinary share capital of Carlisle Radio Limited. Scottish Radio Holdings Plc acquired the remaining 60% of the ordinary share capital from Border television Plc (20%), 3i Group Plc (25%) and CN Radio Ltd (15%) during the year.

Scottish Radio Holdings plc provides management services to the Company and Border Television plc provided secretarial and engineering services during the year. Amounts charged in respect of these services during the year were £15,601 and £22,180 respectively. In addition normal trading arrangements involved charges in respect of sales commission of £30,199 from SRH Radio Sales Ltd, a subsidiary of Scottish Radio Holdings plc.

A management fee of £4,115 was charged by 3i Group plc.

Border Television plc also received £13,500 in respect of rent.

Amounts owed to related parties as at 30th September, 2001 were:-  
Scottish Radio Holdings plc. £482

17	Reconciliation of movement in shareholders' funds	2001 £	2000 £
	Profit/(Loss) for the financial year	17,078	(20,171)
	Increase/(Decrease) in the shareholders' funds	17,078	(20,171)
	Opening shareholders' funds	540,764	560,935
	Closing shareholders' funds	<u>557,842</u>	<u>540,764</u>

# CARLISLE RADIO LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2001

### 18 Shares in group undertakings

Name of company and registered office	Country of incorporation	Details of investments	Proportion held by company	Proportion held by subsidiary	Nature of business
Cool Radio Limited Broadcasting Centre Durranshill Estate Carlisle CA1 3NG	England	Shares	100%	Nil	Dormant
Lakes FM Limited Broadcasting Centre Durranshill Estate Carlisle CA1 3NG	England	Shares	Nil	100%	Dormant

The investment in Lakes FM Limited is held by Cool Radio Limited.

The capital and reserves and results of these subsidiaries for their financial years ending co-terminously with, or last before, the financial year of the holding company were as follows :

	Profit/(loss) for the year £	Capital and reserves £
Cool Radio Limited	(1,524)	nil
Lakes FM Limited	Nil	2