

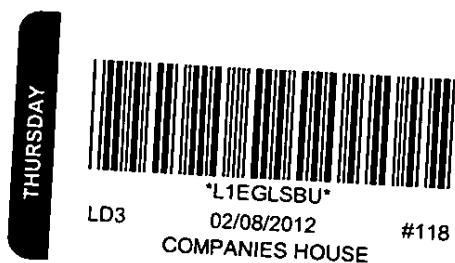
Registered number 3300698

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**SOUTH HAMS RADIO LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2012**



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**SOUTH HAMS RADIO LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	MD Connole SG Miron RFJ Park
<b>COMPANY SECRETARY</b>	CR Potterell
<b>COMPANY NUMBER</b>	3300698
<b>REGISTERED OFFICE</b>	30 Leicester Square London WC2H 7LA
<b>AUDITOR</b>	KPMG LLP Statutory auditor & Chartered accountants 15 Canada Square London E14 5GL

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**SOUTH HAMS RADIO LIMITED**

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## **SOUTH HAMS RADIO LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012**

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The Directors present their report and the financial statements for the year ended 31 March 2012

#### **PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS**

The principal activity of the Company, a subsidiary of Global Radio UK Limited (the Group), is unchanged from last year and is the operation in the Devon area of the independent radio licence for South Hams Radio, which operates as Heart 100-102

Turnover for the year ended 31 March 2012 amounted to £262,000 (2011 £321,000) and the Company made a loss for the year before tax of £78,000 (2011 loss £87,000)

#### **RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £78,000 (2011 - loss £87,000)

There were no dividends paid or proposed during the year (2011 £nil)

#### **DIRECTORS**

The Directors who served during the year were

MD Connole  
SG Miron  
RFJ Park

#### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

The Company made no political or charitable donations or incurred any political expenditure during the year (2011 £nil)

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

##### **Market conditions**

The key risk to the business is that an advertising slowdown may put pressure on traditional revenues

The risks are monitored and managed through parent and local management

#### **QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

The Directors benefit from qualifying third party indemnity provisions in place

#### **PROVISION OF INFORMATION TO AUDITOR**

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information

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**SOUTH HAMS RADIO LIMITED**

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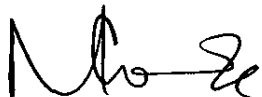
**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2012**

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**AUDITOR**

Under section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board on 30 July 2012 and signed on its behalf



**MD Connoles  
Director**

30 Leicester Square  
London  
WC2H 7LA

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## **SOUTH HAMS RADIO LIMITED**

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### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2012**

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The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH HAMS RADIO LIMITED

We have audited the financial statements of South Hams Radio Limited for the year ended 31 March 2012, set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

  
JC Bennett (Senior statutory auditor)

for and on behalf of

**KPMG LLP**

Statutory auditor

Chartered accountants

15 Canada Square

London

E14 5GL

Date

31 July 2012.

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**SOUTH HAMS RADIO LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2012**

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	Note	2012 £000	2011 £000
<b>TURNOVER</b>	1,2	<b>262</b>	<b>321</b>
Operating charges		<u>(309)</u>	<u>(379)</u>
<b>OPERATING LOSS</b>	4	<b>(47)</b>	<b>(58)</b>
Interest payable and similar charges	7	<u>(31)</u>	<u>(29)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(78)</b>	<b>(87)</b>
Tax on loss on ordinary activities	8	<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	11	<b><u>(78)</u></b>	<b><u>(87)</u></b>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 7 to 10 form part of these financial statements



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**SOUTH HAMS RADIO LIMITED**  
**REGISTERED NUMBER 3300698**

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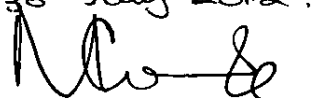
**BALANCE SHEET**  
**AS AT 31 MARCH 2012**

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	Note	2012 £000	2011 £000
<b>CREDITORS</b> amounts falling due within one year	9	(621)	(543)
<b>NET LIABILITIES</b>		<u>(621)</u>	<u>(543)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	100	100
Profit and loss account	11	<u>(721)</u>	<u>(643)</u>
<b>SHAREHOLDERS' DEFICIT</b>	12	<u>(621)</u>	<u>(543)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

30 July 2012.



**MD Connoles**  
Director

The notes on pages 7 to 10 form part of these financial statements

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## **SOUTH HAMS RADIO LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012**

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#### **1 ACCOUNTING POLICIES**

##### **1.1 Basis of preparation of financial statements**

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

##### **1.2 Going concern**

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Directors' Report on page 1. The Company participates in the group centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The Global Radio group has prepared detailed forecasts of expected future cash flows for the three years ending 31 March 2015 ("the forecast"). The Board considers the forecast has been prepared on a prudent basis taking into account current consensus forecasts of the radio advertising market. However, the group has also prepared a worse than expected downside scenario. Even under this sensitised scenario, the forecasts indicate that the Company can continue to trade for the foreseeable future and operate within its new facility and the associated financial covenants.

At 31 March 2012 the Company had net liabilities of £621,000 (2011 £543,000). The directors have received suitable representations from Global Radio UK Limited that it will continue to provide sufficient financial support to enable the Company to continue to trade for the foreseeable future and to not seek repayment of intercompany loans for a period of not less than 12 months from the date of approval of these financial statements.

##### **1.3 Cash flow**

The Company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small Company.

##### **1.4 Turnover**

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Radio airtime revenue is recognised on the date of broadcast and this is considered to be the only material class of business for the Company in the United Kingdom.

#### **2 TURNOVER**

The whole of the turnover is attributable to the operation in the Devon area of the independent radio licence for South Hams Radio, which operates as Heart 100-102.

All turnover arose within the United Kingdom.

#### **3. AGENCY AGREEMENT**

Global Radio Services Limited provided personnel and other services to the Company. The amounts included in 'operating charges' contain a charge for these services of £35,000 (2011 £35,000).

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## **SOUTH HAMS RADIO LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012**

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#### **4. OPERATING LOSS**

The operating loss is stated after charging

	<b>2012 £000</b>	<b>2011 £000</b>
Depreciation of tangible fixed assets		
- owned by the Company	-	1
Research and development expenditure written off	<u>4</u>	<u>-</u>

Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed, as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, Global Radio UK Limited

The audit fee in respect of the Company was £1,000 (2011 £1,000)

#### **5. STAFF COSTS**

The Company does not directly employ any staff (2011 nil)

#### **6 DIRECTORS' REMUNERATION**

During the year ended 31 March 2012 MD Connole, RFJ Park and SG Miron received remuneration from Global Radio Services Limited and the majority of their time was spent on services to Global Radio UK Limited, the ultimate parent company Details of their remuneration as directors of Global Radio UK Limited are disclosed in that company's accounts

None of the Directors received remuneration in respect of qualifying services to this Company (2011 £nil)

#### **7 INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2012 £000</b>	<b>2011 £000</b>
On loans from group undertakings	<u>31</u>	<u>29</u>

#### **8 TAXATION**

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**SOUTH HAMS RADIO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2012**

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**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2011 - *higher than*) the standard rate of corporation tax in the UK of 26% (2011 - 28%) The differences are explained below

	2012 £000	2011 £000
Loss on ordinary activities before tax	(78)	(87)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	(20)	(24)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	1	-
Capital allowances for year in excess of depreciation	(1)	-
Unrelieved tax losses carried forward	20	24
<b>Current tax charge for the year</b>	-	-

**Factors that may affect future tax charges**

On 21 March 2012 the Chancellor announced the reduction in the main rate of UK corporation tax to 24 per cent with effect from 1 April 2012. This change became substantively enacted on 26 March 2012 and therefore the effect of the rate reduction creates a reduction in any deferred tax asset or liability. The Chancellor also proposed changes to further reduce the main rate of corporation tax by one per cent per annum to 23 per cent by 1 April 2014, but these changes have not yet been substantively enacted and therefore are not included in the figures above. The impact of the future rate reductions will be accounted for to the extent that they are enacted at the balance sheet date, however it is estimated that this will not have a material effect on the Company.

**9 CREDITORS**

**Amounts falling due within one year**

	2012 £000	2011 £000
Amounts owed to group undertakings	621	543

**10 SHARE CAPITAL**

	2012 £000	2011 £000
<b>Allotted, called up and fully paid</b>		
100,000 Ordinary shares shares of £1 each	100	100

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## SOUTH HAMS RADIO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

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#### 11 RESERVES

	Profit and loss account £000
At 1 April 2011	(643)
Loss for the year	(78)
	<hr/>
At 31 March 2012	(721)
	<hr/>

#### 12 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2012 £000	2011 £000
Opening shareholders' deficit	(543)	(456)
Loss for the year	(78)	(87)
	<hr/>	<hr/>
Closing shareholders' deficit	(621)	(543)
	<hr/>	<hr/>

#### 13. RELATED PARTY TRANSACTIONS

During the year the Company acquired £308,984 (2011 £357,809) of goods and services from its fellow subsidiaries and incurred management charges of £35,000 (2011 £35,000) from its intermediate parent company, Global Radio Services Limited. At 31 March 2012, £621,000 (2011 £543,000) was owed to Global Radio Services Limited. There were no other related party transactions during the year.

#### 14 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Plymouth Sound Limited, a wholly owned subsidiary of Global Radio UK Limited owns 63.5% of this company. The other shareholders are as follows:

UKRD Group Ltd (23.25%), Linda Jane Anayi (5%), Provincial Radio Ltd (3%), Guy Walker (1%), Nigel Way (1%), Henrietta Burnell-Nugent (1%), Peter Betteridge (0.25%), Jeff Beer (0.25%), Anthony Johnson (0.25%), Gail Soper (0.25%), Jack Soper (0.25%), Peter Vosper (0.25%), Ian Calvert (0.25%), Alan Cooper (0.1%), Dennis Cornish (0.1%), Rob Holmes (0.1%), Adam Taylor (0.1%), Tony Soper (0.1%).

The Directors regard Global Radio UK Limited, a company incorporated in Great Britain and registered in England and Wales, as the Company's ultimate parent undertaking.

The Directors consider that Global Radio Group Limited, a company incorporated in Jersey, is the ultimate controlling party of the Company.

The largest and smallest group in which the results of the Company are consolidated is that headed by Global Radio UK Limited, the ultimate parent company which is incorporated in Great Britain. The consolidated financial statements of this company are available to the public and may be obtained from 30 Leicester Square, London WC2H 7LA.