

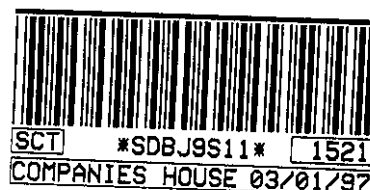
# **Scottish & Irish Radio Sales Limited**

## **Directors' report and financial statements**

**30 September 1996**

**Registered number 71102**

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# Scottish & Irish Radio Sales Limited

## Directors' report and financial statements

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# Scottish & Irish Radio Sales Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 1996.

### Principal activity

The company sells advertising airtime for independent radio stations in the United Kingdom and Southern Ireland.

### Business review

National revenue continued to show rapid growth in 1995/96 exceeding most station forecasts and that of SIRS. Demand from national advertisers was buoyant throughout the year as a whole and this, together with the significant price increases SIRS were able to charge, were the main reasons for the increase in revenue.

### Proposed dividend

The directors recommend that a final ordinary dividend of £75,000 [£1.50 per share] be paid.

### Directors and directors' interests

The directors who held office during the year and their interests in the shares of the company were as follows:

	Ordinary shares of £1 each	
	30 September 1996	30 September 1995
R Findlay	-	-
T Prag	-	-
D Sloan	-	-
DR Robson	1,250	1,250
DG Goode	1,250	1,250
DJ Foreman	1,250	1,250

In addition, J Gordon and J Campbell were directors until they resigned on 6 August 1996.

R Findlay also holds 262,500 shares (1995:262,500) and 30,000 options (1995:30,000) in the parent company, Scottish Radio Holdings plc.

# Scottish & Irish Radio Sales Limited

## Directors' report *(continued)*

### Auditors

The auditors, KPMG, have indicated that a limited liability company, KPMG Audit Plc, is to assume responsibility for certain aspects of their audit business. Accordingly, a resolution will be proposed at the forthcoming Annual General Meeting for the appointment of KPMG Audit Plc as auditors of the company.

By order of the board



**SM Dale**  
*Secretary*

Clydebank Business Park  
Clydebank  
G81 2RX

# Scottish & Irish Radio Sales Limited

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements 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 period. In preparing those financial statements, 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 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 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 financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Linacre House  
Southernhay East  
Exeter  
EX1 1UG

## Auditors' report to the members of Scottish & Irish Radio Sales Limited

We have audited the financial statements on pages 5 to 14.

### *Respective responsibilities of directors and auditors*

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 affairs of the company at 30 September 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants  
Registered Auditors

23 December 1996



# Scottish & Irish Radio Sales Limited

## Profit and loss account for the year ended 30 September 1996

	<i>Note</i>	<b>1996</b> £000	<b>1995</b> £000
<b>Turnover</b>	<b>2</b>	<b>1,174</b>	<b>993</b>
Other operating income		<b>4</b>	<b>13</b>
		<hr/>	<hr/>
		<b>1,178</b>	<b>1,006</b>
<b>Staff costs</b>			
Wages and salaries	<b>3</b>	<b>(514)</b>	<b>(476)</b>
Social security costs		<b>(54)</b>	<b>(51)</b>
Other pension costs		<b>(39)</b>	<b>(37)</b>
		<hr/>	<hr/>
		<b>(607)</b>	<b>(564)</b>
		<hr/>	<hr/>
Depreciation		<b>(36)</b>	<b>(31)</b>
Other operating charges	<b>6</b>	<b>(304)</b>	<b>(270)</b>
		<hr/>	<hr/>
		<b>(340)</b>	<b>(301)</b>
		<hr/>	<hr/>
<b>Operating profit</b>		<b>231</b>	<b>141</b>
Income from shares in group undertakings		<b>-</b>	<b>32</b>
Interest receivable and similar income	<b>7</b>	<b>46</b>	<b>9</b>
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>277</b>	<b>182</b>
Tax on profit on ordinary activities	<b>8</b>	<b>(108)</b>	<b>(65)</b>
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>		<b>169</b>	<b>117</b>
Dividends proposed	<b>9</b>	<b>(75)</b>	<b>(50)</b>
		<hr/>	<hr/>
Retained profit for the financial year		<b>94</b>	<b>67</b>
		<hr/>	<hr/>

A statement of movements on reserves is given in note 15.

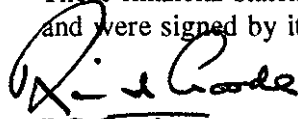
In accordance with Financial Reporting Standard No 3 there are no recognised gains or losses other than those detailed in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented.

# Scottish & Irish Radio Sales Limited

Balance sheet  
at 30 September 1996

	Note	1996 £000	1995 £000
<b>Fixed assets</b>			
Tangible assets	10	83	57
Investments	11	-	-
		<u>83</u>	<u>57</u>
<b>Current assets</b>			
Debtors	12	520	424
Cash at bank and in hand		161	90
		<u>681</u>	<u>514</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(377)</u>	<u>(278)</u>
<b>Net current assets</b>		<u>304</u>	<u>236</u>
<b>Total assets less current liabilities</b>		<u>387</u>	<u>293</u>
<b>Capital and reserves</b>			
Called up share capital	14	50	50
Share premium account		4	4
Profit and loss account	15	333	239
<b>Shareholders' Funds</b>	16	<u>387</u>	<u>293</u>

These financial statements were approved by the board of directors on 19 December 1996 and were signed by its behalf by:

  
DG Goode  
Director



# Scottish & Irish Radio Sales Limited

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. The company is exempt by virtue of s248 of the Companies Act 1985 from the requirement to prepare group accounts and accordingly the financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard No.1, the company is exempt from the requirement to produce a cashflow statement on the grounds of its size.

#### *Investments*

Investments in subsidiaries are stated at cost.

#### *Depreciation*

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Motor vehicles	-	25 %
Office furniture and fittings	-	25 %

#### *Pension costs*

The company operates a defined contribution pension scheme to which the majority of the employees belong. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

#### *Turnover*

Turnover, which excludes value added tax, represents commission due on radio advertisements broadcast during the year and the invoice value of other services performed.

# Scottish & Irish Radio Sales Limited

## Notes (continued)

### 2 Analysis of turnover and profit on ordinary activities before taxation

All turnover and profit arise from the company's principal activity, in the United Kingdom and Southern Ireland, as disclosed in the directors' report.

### 3 Wages and salaries

Wages and salaries for the year include directors' emoluments as shown below:

	1996 £000	1995 £000
Directors' emoluments for management	132	121
Pension costs	8	10
	<u>140</u>	<u>131</u>

### 4 Directors' emoluments

Particulars of emoluments of the directors (excluding pension contributions) are as follows:

	1996 £000	1995 £000
Emoluments of chairman	-	-
Emoluments of the highest paid director	73	68

The number of directors whose emoluments were within the following ranges:

	Number of directors	
	1996	1995
£0 - £ 5,000	6	6
£45,001 - £50,000	-	-
£50,001 - £55,000	-	1
£55,001 - £60,000	1	-
£65,001 - £70,000	-	1
£70,001 - £75,000	1	-

# Scottish & Irish Radio Sales Limited

## Notes (continued)

### 5 Employee information

The average number of employees, including 2 executive directors (1995:2), during the year was 14 (1995:11).

### 6 Other operating charges

Other operating charges for the year include:

	1996 £000	1995 £000
Auditors' remuneration		
Audit	5	4
Other - taxation and advice	1	2

### 7 Interest receivable and similar income

	1996 £000	1995 £000
Group companies	38	-
Other	8	9
	<hr/>	<hr/>
	46	9
	<hr/>	<hr/>

### 8 Taxation

The charge for taxation is made up as follows:

	1996 £000	1995 £000
UK corporation tax	108	63
Under provided in prior years	-	2
	<hr/>	<hr/>
	108	65
	<hr/>	<hr/>

# Scottish & Irish Radio Sales Limited

## Notes (continued)

### 9 Dividends

	1996 £000	1995 £000
<i>Ordinary shares</i>		
Final proposed	<u>75</u>	<u>50</u>

### 10 Tangible fixed assets

	Office furniture and fittings £000	Motor vehicles £000	Total £000
<i>Cost</i>			
At 1 October 1995	59	72	131
Additions	46	15	61
Disposals	<u>(2)</u>	<u>(11)</u>	<u>(13)</u>
At 30 September 1996	<u>103</u>	<u>76</u>	<u>179</u>
<i>Depreciation</i>			
At 1 October 1995	37	37	74
Charge for year	17	18	35
Eliminated on disposals	<u>(2)</u>	<u>(11)</u>	<u>(13)</u>
At 30 September 1996	<u>52</u>	<u>44</u>	<u>96</u>
<i>Net book value</i>			
At 30 September 1996	<u>51</u>	<u>32</u>	<u>83</u>
At 30 September 1995	<u>22</u>	<u>35</u>	<u>57</u>

# Scottish & Irish Radio Sales Limited

## Notes (continued)

### 11 Fixed asset investments

#### At cost

	1996 £	1995 £
Shares in subsidiary companies	<u>300</u>	<u>300</u>

The subsidiary companies are Airtime Sales and Promotions Limited, FM Radio Sales Limited and The Radio Initiative Limited, all of which are wholly-owned companies incorporated in Great Britain.

The principal activity of Airtime Sales and Promotions Limited consisted of selling and servicing radio advertising for Melody Radio. This activity ceased on 31 December 1994 and the company has not traded since that date. FM Radio Sales Limited and The Radio Initiative have remained dormant during the period.

### 12 Debtors: all falling due within one year

	1996 £000	1995 £000
Trade debtors	52	48
Amounts owed by group undertakings	427	334
Other debtors	5	6
Prepayments and accrued income	34	33
ACT recoverable	2	3
	<u>520</u>	<u>424</u>

# Scottish & Irish Radio Sales Limited

## Notes (continued)

### 13 Creditors: amounts falling due within one year

	1996 £000	1995 £000
Trade creditors	55	41
Amounts owed to group undertakings	-	2
Other creditors, including taxation and social security (see below)	163	107
Accruals and deferred income	84	78
Dividends proposed	75	50
	<u>377</u>	<u>278</u>

	1996 £000	1995 £000
Corporation tax	104	51
ACT payable	2	3
Social security	15	15
	<u>121</u>	<u>69</u>

### 14 Called up share capital

	1996 £000	1995 £000
<i>Authorised</i>		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>50</u>	<u>50</u>

# Scottish & Irish Radio Sales Limited

## Notes (continued)

### 15 Profit and loss account

	1996 £000	1995 £000
At 1 October 1995	239	172
Transferred from profit and loss account	94	67
	<hr/>	<hr/>
At 30 September 1996	333	239
	<hr/>	<hr/>

### 16 Reconciliation of movements in shareholders' funds

	1996 £000	1995 £000
Profit for the financial year	169	117
Dividends	(75)	(50)
	<hr/>	<hr/>
Net addition to shareholders' funds	94	67
Opening shareholders' funds	293	226
	<hr/>	<hr/>
Closing shareholders' funds	387	293
	<hr/>	<hr/>

### 17 Capital commitments

There were capital commitments that were contracted for but not provided outstanding at the year end of £8,000 (1995:£nil).

### 18 Pension scheme

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in independently administered funds. The pension charge for the year amounted to £32,985 (1995:£31,230).