

**Scottish & Irish Radio Sales Limited**

**Directors' report and  
financial statements**

Year ended 30 September 1997  
Registered number 71102



*IAN*

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

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## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 30 September 1997.

### **Principal activity**

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

### **Business review**

Following the dramatic growth in national revenue over the past three years, the 1996/97 financial year represented a period of consolidation.

The increase in revenue was satisfactory rather than spectacular but confirmed optimism for future growth from national sales.

### **Proposed dividend**

The directors do not recommend the payment of a dividend.

### **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 1997	30 September 1996
R Findlay	-	-
T Prag	-	-
D Sloan	-	-
DR Robson	1,250	1,250
DG Goode	1,250	1,250

In addition, DJ Foreman was a director until 4 August 1997.

R Findlay also holds 263,662 shares (1996: 262,500) and 30,000 options (1996: 30,000) in the parent company, Scottish Radio Holdings plc.

**Directors' report** *(continued)*

**Auditors**

A resolution will be proposed at the forthcoming Annual General Meeting for the re-appointment of KPMG Audit Plc as auditors of the company.

By order of the board

*S. Dale*

**SM Dale**  
*Secretary*

Clydebank Business Park  
Clydebank  
G81 2RX

3 December 1997

## **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.



**KPMG Audit Plc**

Richmond Park House  
15 Pembroke Road  
Clifton  
Bristol BS8 3BG

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

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

*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 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*

15 December 1997

## Profit and loss account

*for the year ended 30 September 1997*

	<i>Note</i>	<b>1997</b> <b>£000</b>	1996 £000
<b>Turnover</b>	2	<b>1,221</b>	1,174
Other operating income		<b>10</b>	4
		<hr/> <b>1,231</b>	<hr/> 1,178
<b>Staff costs</b>			
Wages and salaries	3	<b>(531)</b>	(514)
Social security costs		<b>(54)</b>	(54)
Other pension costs		<b>(51)</b>	(39)
		<hr/> <b>(636)</b>	<hr/> (607)
Depreciation		<b>(43)</b>	(36)
Other operating charges	5	<b>(532)</b>	(304)
		<hr/> <b>(575)</b>	<hr/> (340)
<b>Operating profit</b>		<b>20</b>	231
Interest receivable and similar income	6	<b>6</b>	46
		<hr/> <b>26</b>	<hr/> 277
<b>Profit on ordinary activities before taxation</b>			
Tax on profit on ordinary activities	7	<b>(15)</b>	(108)
		<hr/> <b>11</b>	<hr/> 169
<b>Profit on ordinary activities after taxation</b>			
Dividends proposed	8	<b>-</b>	(75)
		<hr/> <b>11</b>	<hr/> 94
Retained profit for the financial year		<hr/> <b>11</b>	<hr/> 94

A statement of movements on reserves is given in note 14.


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.

## Balance sheet

at 30 September 1997

	Note	1997 £000	1996 £000
<b>Fixed assets</b>			
Tangible assets	9	83	83
Investments	10	-	-
		<u>83</u>	<u>83</u>
<b>Current assets</b>			
Debtors	11	265	520
Cash at bank and in hand		217	161
		<u>482</u>	<u>681</u>
<b>Creditors: amounts falling due within one year</b>	12	(167)	(377)
		<u>315</u>	<u>304</u>
<b>Net current assets</b>			
		<u>398</u>	<u>387</u>
<b>Total assets less current liabilities</b>			
		<u>398</u>	<u>387</u>
<b>Capital and reserves</b>			
Called up share capital	13	50	50
Share premium account		4	4
Profit and loss account	14	344	333
		<u>398</u>	<u>387</u>
<b>Shareholders' funds</b>	15		
		<u>398</u>	<u>387</u>

These financial statements were approved by the board of directors on 3 December 1997 and were signed by its behalf by:

  
**DG Goode**  
 Director



## 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.

## 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 Remuneration of directors

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

	1997 £000	1996 £000
Directors' emoluments for management	125	132
Company contributions to money purchase pension schemes	10	8
Compensation for loss of office	27	-
	<hr/> 162	<hr/> 132
	<hr/> <hr/>	<hr/> <hr/>

Retirement benefits are accruing to 2 (1996: 2) directors under money purchase schemes.

### 4 Employee information

The average number of employees, including 2 executive directors (1996:2), during the year was 15 (1996:14).

### 5 Other operating charges

Other operating charges for the year include:

	1997 £000	1996 £000
Remuneration of the auditor and its associates		
Audit	5	5
Other - taxation and advice	2	1

**Notes** *(continued)*

**6 Interest receivable and similar income**

	1997 £000	1996 £000
Group companies	-	38
Other	6	8
	<u>6</u>	<u>46</u>

**7 Taxation**

The charge for taxation is made up as follows:

	1997 £000	1996 £000
UK corporation tax	32	108
Over provided in earlier years	(17)	-
	<u>15</u>	<u>108</u>

The tax charge reflects the high level of disallowable entertaining expenditure incurred by the company.

**8 Dividends**

	1997 £000	1996 £000
<i>Ordinary shares</i>		
Final proposed	-	75
	<u>-</u>	<u>75</u>

**Notes (continued)**

**9 Tangible fixed assets**

	Office furniture and fittings £000	Motor vehicles £000	Total £000
<i>Cost</i>			
At 1 October 1996	103	76	179
Additions	45	-	45
Disposals	(4)	(22)	(26)
	<hr/>	<hr/>	<hr/>
At 30 September 1997	144	54	198
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 October 1996	52	44	96
Charge for year	24	19	43
Eliminated on disposals	(4)	(20)	(24)
	<hr/>	<hr/>	<hr/>
At 30 September 1997	72	43	115
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 30 September 1997	72	11	83
	<hr/>	<hr/>	<hr/>
At 30 September 1996	51	32	83
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**10 Fixed asset investments**

<i>At cost</i>		
	1997	1996
	£	£
Shares in subsidiary companies	300	300
	<hr/> <hr/>	<hr/> <hr/>

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. All of these companies have remained dormant during the year.

**Notes (continued)**

**11 Debtors: all falling due within one year**

	1997 £000	1996 £000
Trade debtors	55	52
Amounts owed by group undertakings	180	427
Other debtors	3	5
Prepayments and accrued income	27	34
ACT recoverable	-	2
	<u>265</u>	<u>520</u>

**12 Creditors: amounts falling due within one year**

	1997 £000	1996 £000
Trade creditors	49	55
Other creditors, including taxation and social security (see below)	108	163
Accruals and deferred income	10	84
Dividends proposed	-	75
	<u>167</u>	<u>377</u>

	1997 £000	1996 £000
Corporation tax	30	104
ACT payable	-	2
Social security	42	15
	<u>72</u>	<u>121</u>

**13 Called up share capital**

	1997 £000	1996 £000
<i>Authorised</i>		
Ordinary shares of £1 each	100	100
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	50	50

## Notes (continued)

### 14 Profit and loss account

	1997 £000	1996 £000
At 1 October 1996	333	239
Transferred from profit and loss account	11	94
	<hr/>	<hr/>
At 30 September 1997	344	333
	<hr/>	<hr/>

### 15 Reconciliation of movements in shareholders' funds

	1997 £000	1996 £000
Profit for the financial year	11	169
Dividends	-	(75)
	<hr/>	<hr/>
Net addition to shareholders' funds	11	94
Opening shareholders' funds	387	293
	<hr/>	<hr/>
Closing shareholders' funds	398	387
	<hr/>	<hr/>

### 16 Capital commitments

There were no capital commitments that were contracted for but not provided outstanding at the year end (1996: £8,000).

### 17 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 £45,373 (1996: £32,985).

### 18 Related party disclosures

The company is controlled by Scottish Radio Holdings plc, which is also the ultimate holding company. The company has taken advantage of the exemption in FRS8 not to disclose transactions with other group undertakings.

Copies of the accounts of Scottish Radio Holdings plc may be obtained on application to the Secretary, Scottish Radio Holdings plc, Clydebank Business Park, Clydebank, G81 2RX.