

SC71102

**SRH RADIO SALES LIMITED**  
**REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2001**



**SRH RADIO SALES LIMITED**

**Directors**

Richard Findlay (Chairman)  
David Goode  
John Bowman (Resigned 10/09/01)

**Secretary**

Jane E A Tames

**Registered Office**

Clydebank Business Park  
Clydebank  
Glasgow G81 2RX

**Company Registered Number**

71102

**REPORT OF THE DIRECTORS**

The directors have pleasure in submitting their annual report and the company's financial statements for the year ended 30 September 2001.

**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.

**Activities**

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

**Financial**

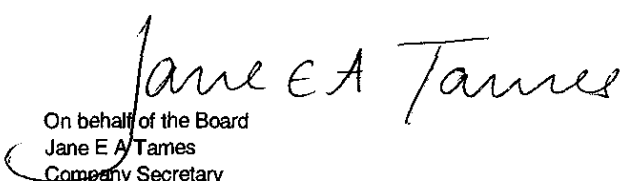
The loss for the financial year amounted to £13,000 and this has been transferred to reserves. The directors do not recommend the payment of a dividend.

**Directors**

The directors of the company as at 30 September 2001 were as noted on Page 2.

None of these directors held any shares in the company during the year.

The interests of the directors in the share capital of the ultimate parent company Scottish Radio Holdings plc, are disclosed in the financial statements of that company.

  
On behalf of the Board  
Jane E A Tames  
Company Secretary

Clydebank Business Park  
Clydebank  
Glasgow G81 2RX

17 April 2002

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SRH RADIO SALES LIMITED**

We have audited the financial statements on pages 5 to 10.

**Respective Responsibilities of Directors and Auditors**

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with the applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 Companies Act 1985. 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 with the company is not disclosed.

**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 mis-statement, 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 as at 30 September 2001 and of its loss 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  
24 Blythswood Square  
Glasgow  
G2 4QS

15 April 2002

**ACCOUNTING POLICIES**

**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 nature of s248 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

**Cash flow statement**

Under Financial Reporting Standard Number 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

**Turnover**

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

**Depreciation**

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

Furniture & Fittings	25%
Technical equipment	25%
Motor vehicles	25%

**Pension costs**

The company is a member of a pension scheme operated by Scottish Radio Holdings plc which provides benefits based on final pensionable pay. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions evenly over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit funding method (see Note 12).

**Taxation**

Provision is made for deferred taxation on all material timing differences unless the liability is unlikely to become payable in the foreseeable future.

**Operating leases**

Rentals under car operating leases are charged on a straight line basis over the lease term.

**Investments**

Investments in subsidiaries are stated at cost.

**SRH RADIO SALES LIMITED****PROFIT & LOSS ACCOUNT**

For the year ended 30 September 2001


	Notes	YEAR TO 30.09.01 £000	YEAR TO 30.09.00 £000
<b>Turnover</b>		<b>1,824</b>	<b>1,760</b>
Staff costs	3	(920)	(1,030)
Depreciation		(21)	(29)
Other operating charges		(808)	(437)
Operating expenses		<u>(1,749)</u>	<u>(1,496)</u>
<b>Operating profit</b>	2	<b>75</b>	<b>264</b>
Interest receivable		8	3
<b>Profit on ordinary activities before taxation</b>		<u><b>83</b></u>	<u><b>267</b></u>
Taxation	4	(96)	(44)
<b>Retained (loss)/profit for the financial year</b>		<u><b>(13)</b></u>	<u><b>223</b></u>

Other than the profit for the financial year, there have been no recognised gains or losses.

**SRH RADIO SALES LIMITED****BALANCE SHEET as at 30 September 2001**

			AS AT 30.09.01 £000	AS AT 30.09.00 £000
	Notes		£000	£000
<b>Fixed Assets</b>				
Tangible assets	5		39	51
Investments			-	-
			<u>39</u>	<u>51</u>
<b>Current Assets</b>				
Debtors	7	1,021	680	
Cash at bank and in hand		173	287	
		<u>1,194</u>	<u>967</u>	
<b>Creditors</b>				
Amounts falling due within one year	8	<u>(589)</u>	<u>(361)</u>	
<b>Net Current Assets</b>			605	606
<b>Net Assets</b>			<u>644</u>	<u>657</u>
<b>Capital and Reserves</b>				
Called up share capital	9	50	50	
Share premium account		4	4	
Profit and Loss Account		590	603	
<b>Shareholders' funds - equity</b>	10	<u>644</u>	<u>657</u>	

These financial statements were approved by the board of directors on 17 April 2002 and were signed on its behalf by:

  
David Goode Director

**NOTES (forming part of the financial statements)**

**1 Analysis of turnover and operating profit**

Both turnover and operating profit relate entirely to broadcasting. All of the company's turnover was generated in the United Kingdom.

**2 Operating profit**

	YEAR TO 30.09.01 £000	YEAR TO 30.09.00 £000
Operating profit is stated after inclusion /(deduction) of:		
Depreciation of tangible fixed assets	(21)	(29)
Property rental	(132)	(143)
Gain on disposal of tangible fixed assets	0	4
Auditors' remuneration	4	4
Operating lease rentals	<u>(47)</u>	<u>35</u>

**3 Staff**

	YEAR TO 30.09.01 £000	YEAR TO 30.09.00 £000
Average number of employees by activity:		
Broadcasting (including executive directors)	<u>24</u>	<u>26</u>

Employee costs:

Salaries (including executive directors)	754	843
Social security costs	76	78
Other pension costs (see Note 12)	90	109
	<u>920</u>	<u>1,030</u>

**4 Taxation**

	YEAR TO 30.09.01 £000	YEAR TO 30.09.00 £000
UK corporation tax at 30% ( 2000- 30%)	<u>96</u>	<u>44</u>
	<u>96</u>	<u>44</u>



**NOTES (forming part of the financial statements)**
**5 Tangible fixed assets**

	Office furniture & fittings	Leasehold improvements	Motor vehicles	Total
	£000	£000	£000	£000
<b>COST</b>				
At beginning of year	125	19	0	144
Additions	9	-	-	9
At end of year	134	19	0	153
<b>DEPRECIATION</b>				
At beginning of year	87	6	0	93
Charge for year	17	4	0	21
At end of year	104	10	0	114
<b>NET BOOK VALUE</b>				
At end of year	30	9	0	39
At beginning of year	38	13	0	51

**6 Fixed asset investment**

	AS AT 30.09.01 £	AS AT 30.09.00 £
Shares in subsidiary companies	300	300

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.

**7 Debtors: Amounts falling due within one year**

	AS AT 30.09.01 £000	AS AT 30.09.00 £000
Trade debtors	342	372
Amounts owed by group undertakings	531	281
Other debtors	2	2
Prepayments and accrued income	146	25
	<u>1,021</u>	<u>680</u>

**8 Creditors: Amounts falling due within one year**

	AS AT 30.09.01 £000	AS AT 30.09.00 £000
Trade creditors	59	20
Amounts owing to other group companies	200	0
Corporation tax	173	79
Other taxation & social security	67	121
Other creditors	5	47
Accruals & deferred income	85	94
	<u>589</u>	<u>361</u>

**NOTES (forming part of the financial statements)**

**9 Called up share capital**

	AS AT 30.09.01 £	AS AT 30.09.00 £
<b>Authorised</b>		
100,000 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, called up and fully paid</b>		
50,000 Ordinary shares of £1 each	<u>50</u>	<u>50</u>

**10 Reconciliation of movements in shareholders' funds**

	£000	£000
Opening shareholders' funds	657	434
Profit/(loss) for the financial year	<u>(13)</u>	<u>223</u>
Closing shareholders' funds	<u>644</u>	<u>657</u>

**11 Operating leases**

The payments in respect of motor vehicle operating leases which are committed to be made during the next year are as follows:

	£000	£000
Expiring within one year	6	6
Expiring in two to five years	<u>41</u>	<u>8</u>
	<u>47</u>	<u>14</u>

**12 Pension commitments**

**(a) Defined contribution scheme**

The company operated defined contribution pension schemes during the year, the assets of which were held separately from the company in independently managed funds. The pension charge for the year in respect of such money purchase schemes was £54,000 (2000 - £60,000).

**(b) Defined benefit scheme**

The Company is a member of a pension scheme operated by Scottish Radio Holdings plc which provides benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company, being invested through a managed fund.

The most recent valuation of the group scheme by its independent actuary was 1 October 1998 and details of this valuation including the transitional disclosures required by FRS 17 : Retirement benefits are contained in the financial statements of Scottish Radio Holdings plc. The value of assets and liabilities applicable to each participating employer will not be separately identified and as such, the company intends to account for its pension costs on a defined contribution basis as permitted by FRS 17. The net pension charge for the year was £36,000 (2000 - £49,000).

**13 Related party disclosures**

As the company is a wholly owned subsidiary of Scottish Radio Holdings plc, the company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with entities which form part of the group.

**14 Ultimate parent undertaking**

The company's ultimate parent undertaking is Scottish Radio Holdings plc, a company incorporated in the United Kingdom and registered in Scotland.

The financial statements of Scottish Radio Holdings plc are available to the public at that company's registered office at Clydebank Business Park, Clydebank, Glasgow G81 2RX.