

# **SRH Radio Sales Limited**

## **Report and Accounts**



**For the year ended 31 March 2007**

**Company Registration No. SC071102**

**SRH Radio Sales Limited**  
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**For the year ended 31 March 2007**

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**SRH Radio Sales Limited**  
**Directors and Officials**

<b>Directors</b>	D Ford G White	
<b>Company secretary</b>	K Elsdon J Tames	(appointed 31 May 2006) (resigned 31 May 2006)
<b>Auditors</b>	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH	
<b>Registered office</b>	Clydebank Business Park Clydebank Glasgow G81 2RX	
<b>Company number</b>	SC071102	

# **SRH Radio Sales Limited**

## **Directors' Report**

**For the year ended 31 March 2007**

The directors submit their report and the accounts for the year ended 31 March 2007

### **Business review and principal activities**

The Company ceased trading during the six months ended 31 March 2006 and all staff either left the Company or transferred to another Group company. Prior to that, the principal activity of the Company was the sales of advertising airtime for independent radio stations in the United Kingdom and Ireland.

The results of the Company show a pre tax loss of £59,000 for the year (six months ended 31 March 2006 profit £755,000) and sales of £nil (six months ended 31 March 2006 £1,042,000). The directors do not recommend the payment of a final dividend (2006 £nil).

The results of the Company are included in the Radio division of Emap plc, and are discussed on page 39 of the Emap plc annual report which does not form part of this report.

### **Principal risks and uncertainties**

The directors of the Company manage the Emap plc and its subsidiaries' ("the Group") risk at a Group level, rather than at an individual business unit level. For this reason, the Company's directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of the Emap Group which include those of the Company, are discussed on page 23 of the Emap plc annual report which does not form part of this report.

### **Key performance indicators ("KPIs")**

The directors of Emap plc manage the Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of SRH Radio Sales Limited. The development, performance and position of the Radio division of Emap plc, which includes the Company, is discussed on page 39 of the Emap plc annual report, which does not form part of this report.

### **Directors**

The current directors are shown on page 1. The directors who held office during the year are given below:

D Ford

R Elliot (appointed 21 July 2006, resigned 10 January 2007)

G White (appointed 10 January 2007)

### **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 of the Company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2007 and that applicable accounting standards have been followed.

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 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. Each of the persons who is a director at the date of approval of this report confirms that (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and (2) the director has taken all the steps s/he ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985 (as amended).

# **SRH Radio Sales Limited**

## **Directors' Report**

**For the year ended 31 March 2007**


### **Auditors**

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office

The Company has elected under section 386 of the Companies Act 1985 not to re appoint auditors annually

Therefore the auditors, PricewaterhouseCoopers LLP, are deemed to be re appointed for the next financial year

Approved by the board of directors on 31 August 2007

A handwritten signature in black ink, appearing to read 'K. Elsdon', written in a cursive style.

**Kate Elsdon**  
**Secretary**

**SRH Radio Sales Limited**  
**Independent Auditors' Report**  
**For the year ended 31 March 2007**

**Independent auditors' report to the members of SRH Radio Sales Limited**

We have audited the financial statements of SRH Radio Sales Limited for the year ended 31 March 2007 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 whether, in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

*PricewaterhouseCoopers LLP*

**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
London

**31 August 2007.**

**SRH Radio Sales Limited**  
**Profit and Loss Account**  
**For the year ended 31 March 2007**

	Notes	12 months ended 31 March 2007 £'000	6 months ended 31 March 2006 £'000
<b>Turnover</b>	2		1,042
Cost of sales			
<b>Gross profit</b>			1,042
Administrative expenses		(77)	(314)
<b>Operating (loss)/profit</b>	3	(77)	728
Interest receivable	5	26	27
Interest payable	5	(8)	
<b>(Loss)/profit on ordinary activities before taxation</b>		(59)	755
Tax on (loss)/profit on ordinary activities	6	15	(229)
<b>(Loss)/retained profit for the financial period</b>	14	(44)	526

The above results relate to discontinued operations

The Company has no recognised gains and losses other than those included above and therefore no separate statement of total recognised gains and losses has been presented

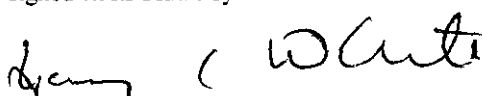
There is no difference between the reported profit and historical cost profits on ordinary activities before taxation for both periods being reported

*The notes on pages 7 to 12 form part of these accounts*

**SRH Radio Sales Limited**  
**Balance Sheet**  
**At 31 March 2007**

	Notes	2007 £'000	2006 £'000
<b>Fixed assets</b>			
Tangible fixed assets	7		
<b>Current assets</b>			
Debtors	8	1,880	2,026
		1,880	2,026
Creditors, amounts falling due within one year	9	(234)	(417)
<b>Net current assets</b>		1,646	1,609
<b>Provisions</b>	11	(242)	(161)
<b>Net assets</b>		1,404	1,448
<b>Capital and reserves</b>			
Called up share capital	12	50	50
Share premium	13	4	4
Profit and loss account	13	1,350	1,394
<b>Total shareholders' funds</b>	14	1,404	1,448

The financial statements on pages 5 to 12 were approved by the board of directors on 31 August 2007 and were signed on its behalf by



**G White**  
**Director**



# SRH Radio Sales Limited

## Notes to the financial statements

For the year ended 31 March 2007

### 1 Accounting policies

#### Basis of accounting

These accounts have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The directors, in accordance with the Financial Reporting Standard 18, "Accounting Policies" ("FRS 18"), confirm that the accounting policies used by the Company are the most appropriate, consistently applied and adequately disclosed.

A summary of the more important accounting policies is set out below.

#### Depreciation

The cost of tangible fixed assets less estimated residual value on disposal is written down evenly over their expected useful lives as follows:

Office furniture & Fittings	25 %
Leasehold Improvements	20 %

#### 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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

#### Leasing

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of lease.

#### Pension costs

The ultimate parent company, Emap plc, operates a defined contribution pension plan, Flexiplan, for eligible staff across the Group. The cost of providing pensions under the defined contribution scheme is charged to the profit and loss account as it becomes payable.

#### Cashflow statement and related party disclosures

The Company is a wholly owned subsidiary of Emap plc and is included in the consolidated financial statements of Emap plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 "Cash Flow Statements" (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 "Related Party Transactions" from disclosing related party transactions with entities that are part of the Emap plc Group or investees of the Emap plc Group.

#### Dividends

Dividend distributions to the Company's shareholders are recognised as a liability either in the period in which the dividends are approved by the Company's shareholders or, in the case of interim dividends, when the dividends are paid.

### 2 Turnover

Revenue is recognised when the significant risks and rewards of ownership have been transferred to a third party, or for services provided, at the point when it is probable that the economic benefits will flow to the Company and when the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration and represents amounts receivable for services and goods provided in the normal course of business, net of discounts, custom duties and sales taxes. Revenue is only recognised for barter transactions which are considered dissimilar to each other in nature, and a corresponding amount is included in operating costs.

All turnover is derived from within the United Kingdom.

# SRH Radio Sales Limited

## Notes to the financial statements

For the year ended 31 March 2007

### 3 Operating (loss)/profit

(a) This is stated after charging:

12 months ended 31 March 2007 £'000	6 months ended 31 March 2006 £'000
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Depreciation of tangible fixed assets		15
Operating leases land and buildings	6	38
Operating leases plant and machinery		8
Fees for the audit of the Company	2	1

Fees paid to the Company's auditor, PricewaterhouseCoopers LLP, for services other than the statutory audit of the Company are not disclosed in SRH Radio Sales Limited's accounts since the consolidated accounts of SRH Radio Sales Limited's parent, Emap plc, are required to disclose non audit fees on a consolidated basis

(b) Directors' emoluments

None of the directors received any payment for their services as directors of the Company (six months ended 31 March 2006 none)

### 4 Staff

Year ended 31 March 2007 £'000	6 months ended 31 March 2006 £'000
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(a) Costs including directors' emoluments

Wages and Salaries	103
Social security costs	10
Pension costs	8
	121

(b) Pension costs defined contribution plan (Flexiplan)

The pension charge for Flexiplan represents contributions due from the employer. During the year it amounted to £nil (2006 £8,000). The pension schemes are administered by Emap plc and as such all outstanding liabilities are held by Emap plc.

(c) Employees

The average monthly number of persons (including executive directors) employed by the Company in the UK during the year was nil (2006 8).

(d) Staff share bonus

Through the Emap Share Plan, Emap plc has this year offered free shares to the value of £840 (2006 £820) to qualifying staff. Sharemap is part of Lifemap, Emap's flexible benefits plan and allows staff to save up to £1,500 a year to buy Emap plc shares. Emap plc will then match the cumulative investment in shares on a one to one basis. The shares are held in trust for staff for three years, after which time they can be sold. After five years, the shares are free of income tax on release from the trust. The Emap SAYE scheme has now run in the UK for 22 consecutive years.

### 5 Interest

12 months ended 31 March 2007 £'000	6 months ended 31 March 2006 £'000
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Intercompany loan interest receivable	26	27
Interest payable	(8)	
	18	27

# SRH Radio Sales Limited

## Notes to the financial statements

For the year ended 31 March 2007

### 6 Tax on (loss)/profit on ordinary activities

	12 months ended 31 March 2007 £'000	6 months ended 31 March 2006 £'000
Corporation tax at 30% (2006 30%)		231
Corporation tax prior years adjustment	(1)	
Group relief payments received for losses at 30% (2006 30%)	(20)	
<b>Total current tax</b>	<b>(21)</b>	<b>231</b>
Deferred tax current year	2	(2)
Deferred tax prior year	4	
<b>Tax on (loss)/profit on ordinary activities</b>	<b>(15)</b>	<b>229</b>

The tax credit assessed for the year is higher (2006 charge was higher) than the standard rate of corporation tax in the UK. The difference between tax as per the financial statements and tax at the UK nominal rate is explained below

	12 months ended 31 March 2007 £'000	6 months ended 31 March 2006 £'000
(Loss)/profit before tax	(59)	755
Tax (credit)/charge at 30 % (2006 30%)	(18)	227
Adjustments in respect of prior years (Corporation tax)	(1)	
Expenses not eligible for tax deduction		2
Deferred tax current period accelerated capital allowances	(2)	2
<b>Total tax (credit)/charge for the current year</b>	<b>(21)</b>	<b>231</b>

The anticipated future effective rate of tax for the Company will be around 28%-29% (6 months ended 31 March 2006 30.31%). This represents a current year tax charge plus ordinary permanently disallowed items of income and expense

The UK budget announcement of 21 March 2007 included a number of changes to the UK tax rules to be phased in over the financial years 2008/09 - 2010/11 (inclusive). The announcements that will have the most immediate impact to UK companies are the reduction in the rate of UK corporation tax from 30% to 28% and the reduction in tax allowances on plant and machinery from 25% to 20% (plant) and 25% to 10% (building fixtures) for the 2008/09 financial year. As at the balance sheet date these changes have not been substantially enacted and hence the deferred tax has not been restated to reflect the reduced tax rates that have been proposed. If the deferred tax had been restated for the changes outlined above it would not change the result.

# SRH Radio Sales Limited

## Notes to the financial statements

For the year ended 31 March 2007

### 7 Tangible fixed assets

	Leasehold Improvements £'000	Office Furniture & Fittings £'000	Total £'000
<b>Cost</b>			
At 1 April 2006	19	147	166
Disposals	(19)	(147)	(166)
<b>At 31 March 2007</b>			
<b>Depreciation</b>			
At 1 April 2006	19	147	166
Disposals	(19)	(147)	(166)
<b>At 31 March 2007</b>			
<b>Net book value at 31 March 2007</b>			
Net book value at 1 April 2006			

### 8 Debtors. Amounts falling due within one year

	2007 £'000	2006 £'000
Trade debtors		105
Amounts owed by Group undertakings	1,875	1,840
Prepayments and accrued income		75
Deferred tax (see Note 10)		6
Other debtors	5	
	<b>1,880</b>	<b>2,026</b>

Amounts owed by Group undertakings are unsecured, bearing interest at the LIBOR rate (2006 LIBOR rate) and have no fixed date of repayment

### 9 Creditors. Amounts falling due within one year

	2007 £'000	2006 £'000
Amounts owed to Group undertakings	215	23
Other taxation and social security		71
Accruals and deferred income		20
Other creditors	19	32
Corporation tax		231
Loans and overdraft		40
	<b>234</b>	<b>417</b>

All amounts due to Group undertakings are unsecured, bearing the interest at the LIBOR rate (2006 LIBOR rate) and are repayable on demand

# SRH Radio Sales Limited

## Notes to the financial statements

For the year ended 31 March 2007

### 10 Deferred taxation

Deferred tax  
£'000

At 1 April 2006	6
Transferred from profit and loss account	(6)

At 31 March 2007

	2007 £'000	2006 £'000
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The deferred taxation has been recognised in the amounts as follows

Depreciation in advance of capital allowances	6
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There is no unprovided deferred taxation (2006 £nil)

The directors consider that it is more likely than not that there will be sufficient taxable profits in fellow group companies in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements

### 11 Provisions

Property Provision  
£'000

At 1 April 2006	161
Provision made during the period	150
Utilised during the period	(69)

At 31 March 2007 242

Property provisions relate to ongoing commitments on vacant properties

### 12 Called up share capital

2007  
£'000

2006  
£'000

Authorised 100,000 ordinary £1 shares	100	100
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Allotted, called up and fully paid 50,000 ordinary £1 shares	50	50
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### 13 Reserves

Share premium  
account  
£'000

Profit and loss  
account  
£'000

At 1 April 2006	4	1,394
Loss for the year		(44)

At 31 March 2007 4 1,350

# SRH Radio Sales Limited

## Notes to the financial statements

For the year ended 31 March 2007

### 14 Reconciliation of movements in shareholders' funds

	2007 £'000	2006 £'000
At 1 April 2006	1,448	922
(Loss)/retained profit for year	(44)	526
At 31 March 2007	1,404	1,448

### 15 Lease commitments

At 31 March 2007 the Company had annual commitments under non cancellable operating leases expiring as follows

	2007 Land and buildings £'000	2007 Other £'000	2006 Land and buildings £'000	2006 Other £'000
Within one year				8
Within two to five years				8
After five years			9	
			9	16

### 16 Ultimate parent company

The immediate parent undertaking is Scottish Radio Holdings Limited

The ultimate parent company is Emap plc, which is a parent undertaking of the smallest and largest Group to consolidate these financial statements. Copies of Emap plc's consolidated financial statements can be obtained from the Registered Office at 40 Bernard Street, London WC1N 1LW