

7112

SRH RADIO SALES LIMITED
REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2000

W



SCT SNN922S7 0466
COMPANIES HOUSE 30/07/01

SRH RADIO SALES LIMITED

Directors

Richard Findlay (Chairman)
David Goode
John Bowman

Secretary

Jane E A Tames (appointed 31 December 1999)
Sheila Dale (resigned 31 December 1999)

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 2000.

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 profit for the financial year amounted to £223,000 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 2000 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

23 February 2001

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. 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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc

Chartered Accountants
Registered Auditor
24 Blythwood Square
Glasgow
G2 4QS

26 February 2001

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 2000

		YEAR TO 30.09.00 £000	YEAR TO 30.09.99 £000
	Notes		
Turnover		1,760	1,788
Other operating income		<u>1,760</u>	<u>3</u> 1,791
Staff costs	3	(1,030)	(1,122)
Depreciation		(29)	(39)
Other operating charges		(437)	(600)
Operating expenses		<u>(1,496)</u>	<u>(1,761)</u>
Operating profit	2	264	30
Interest receivable		3	13
Profit on ordinary activities before taxation		<u>267</u>	<u>43</u>
Taxation	4	(44)	3
Retained profit for the financial year		<u>223</u>	<u>46</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 2000**

			AS AT 30.09.00 £000	AS AT 30.09.99 £000
	Notes	£000	£000	£000
Fixed Assets				
Tangible assets	5		51	72
Investments			-	-
			<u>51</u>	<u>72</u>
Current Assets				
Debtors	7	680	605	
Cash at bank and in hand		287	287	
		<u>967</u>	<u>892</u>	
Creditors				
Amounts falling due within one year	8	(361)	(530)	
Net Current Assets			606	362
Net Assets			<u>657</u>	<u>434</u>
Capital and Reserves				
Called up share capital	9		50	50
Share premium account			4	4
Profit and Loss Account			603	380
Shareholders' funds - equity	10		<u>657</u>	<u>434</u>

These financial statements were approved by the board of directors on 23 February 2001 and were signed on its behalf by:



John Bowman 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 30.09.00 £000	YEAR TO 30.09.99 £000
Operating profit is stated after inclusion /(deduction) of:		
Depreciation of tangible fixed assets	(29)	(39)
Property rental	143	163
Gain on disposal of tangible fixed assets	4	(2)
Auditors' remuneration	4	9
Operating lease rentals	<u>35</u>	<u>25</u>

3 Staff

Average number of employees by activity:

Broadcasting (including executive directors)	<u>26</u>	<u>28</u>
--	-----------	-----------

Employee costs:

Salaries (including executive directors)	843	939
Social security costs	78	94
Other pension costs (see Note 11)	109	89
	<u>1,030</u>	<u>1,122</u>

4 Taxation

	YEAR TO 30.09.00 £000	YEAR TO 30.09.99 £000
UK corporation tax at 30% (1999- 30.5%)	44	37
Over provided in earlier years	-	(40)
	<u>44</u>	<u>(3)</u>

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

	Office furniture & fittings	Leasehold improvements	Motor vehicles	Total
	£000	£000	£000	£000
COST				
At beginning of year	116	19	15	150
Additions	9	-	-	9
Disposals	-	-	(15)	(15)
At end of year	125	19	0	144
DEPRECIATION				
At beginning of year	63	2	13	78
Disposals	-	-	(14)	(14)
Charge for year	24	4	1	29
At end of year	87	6	0	93
NET BOOK VALUE				
At end of year	38	13	0	51
At beginning of year	53	17	2	72

6 Fixed asset investment

	AS AT 30.09.00 £000	AS AT 30.09.99 £000
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 30.09.00 £000	AS AT 30.09.99 £000
Trade debtors	372	89
Amounts owed by group undertakings	281	446
Other debtors	2	6
Prepayments and accrued income	25	64
	680	605

8 Creditors: Amounts falling due within one year

	£000	£000
Trade creditors	20	72
Amounts owing to other group companies	0	15
Corporation tax	79	37
Other taxation & social security	121	69
Other creditors	47	203
Accruals & deferred income	94	134
	361	530

NOTES (forming part of the financial statements)

9 Called up share capital

	AS AT 30.09.00 £	AS AT 30.09.99 £
Authorised		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Alloted, called up and fully paid		
Ordinary shares of £1 each	<u>50</u>	<u>50</u>

10 Reconciliation of movements in shareholders' funds

	£000	£000
Opening shareholders' funds	434	388
Profit/(loss) for the financial year	<u>223</u>	<u>46</u>
Closing shareholders' funds	<u>657</u>	<u>434</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	-
Expiring in two to five years	<u>8</u>	<u>-</u>
	<u>14</u>	<u>-</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 £60,000 (1999 - £52,000).

(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 scheme by its independent actuary was at 1 October 1998 and details of this valuation are contained in the financial statements of Scottish Radio Holdings plc. The net pension charge for the year was £49,000 (1999 - £37,000).

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.