

131754

**RADIO CLYDE LIMITED**  
**REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2003**



**RADIO CLYDE LIMITED**

**Directors**

Richard Findlay (Chairman)  
Paul Cooney (Managing Director)  
Grae Allan  
Alan Wilson  
Patricia Hay  
Tracey McNellan  
David Goode  
Ross Macfadyen (appointed 17 June 2004)

**Secretary**

Jane E A Tames

**Registered Office**

Clydebank Business Park  
Clydebank  
Glasgow G81 2RX

**Company Registered Number**

SC131754

**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 2003.

**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.

**Principal Activity**

The principal activity of the company is the provision of sound broadcasting services in Glasgow and West Central Scotland in accordance with licences granted by the Radio Authority. The company traded satisfactorily during the year.

**Financial**

The profit for the financial year amounted to £3,325,000. After providing for a dividend of £3,150,000, the retained profit for the period of £175,000 has been transferred to reserves.

**Directors**

The directors of the company as at 30 September 2003 were as noted on Page 2. None of these directors held any shares in the company during the year. The interests of Mr Findlay, Mr Wilson and Mr Goode in the share capital of the ultimate parent company, Scottish Radio Holdings plc, are disclosed in the financial statements of that company. The other directors' interests in the share capital of Scottish Radio Holdings plc were as shown below:

**Number of Ordinary Shares of 10p each**

	At 30 September 2003			At 30 September 2002		
	Personal Holding	Profit Sharing Plans	Share Options	Personal Holding	Profit Sharing Plans	Share Options
Paul Cooney	-	179	35,000	-	179	15,000
Græe Allan	17,737	150	8,000	17,563	334	8,000
Tracey McNellan	1,968	163	-	1,758	373	-
Patricia Hay	1,200	-	-	1,200	-	-

On behalf of the Board  
Jane E A Tames  
Company Secretary



Clydebank Business Park  
Clydebank  
Glasgow G81 2RX

26 July 2004

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RADIO CLYDE LIMITED**

We have audited the financial statements on pages 5 to 11.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**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 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 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 2003 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 Blythswood Square  
Glasgow  
G2 4QS



**ACCOUNTING POLICIES**

**Basis of Preparation**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

**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 of a company which publishes a consolidated cash flow statement.

**Turnover**

Turnover represents amounts invoiced in respect of all goods and services provided by the company (after deduction of agency commission) and excludes value added tax.

**Depreciation**

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

Transmitters	10%
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 14).

**Deferred taxation**

Deferred taxation is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

**Operating leases**

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

**RADIO CLYDE LIMITED****PROFIT & LOSS ACCOUNT****For the year ended 30 September 2003**

	Notes	2003 £000	2002 £000
Turnover	1	<u>13,622</u>	<u>13,500</u>
Staff costs	3	(1,895)	(1,887)
Depreciation	8	(210)	(186)
Other operating charges		(6,613)	(6,527)
Operating expenses		<u>(8,718)</u>	<u>(8,600)</u>
Operating profit	2	4,904	4,900
Interest receivable		19	21
Interest payable	5	(17)	-
Profit on ordinary activities before taxation		<u>4,906</u>	<u>4,921</u>
Taxation	7	(1,581)	(1,477)
Profit for the financial year		<u>3,325</u>	<u>3,444</u>
Dividends	6	(3,150)	(4,200)
Retained profit/ (loss) for the financial year	12	<u>175</u>	<u>(756)</u>

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

The company's turnover and expenses all relate to continuing operations.

**RADIO CLYDE LIMITED****BALANCE SHEET as at 30 September 2003**

	Notes	£000	2003 £000	£000	2002 £000
<b>Fixed Assets</b>					
Tangible assets	8		408		302
<b>Current Assets</b>					
Debtors	9	3,072		2,846	
Cash at bank and in hand		1,333		848	
		<u>4,405</u>		<u>3,694</u>	
<b>Creditors</b>					
Amounts falling due within one year	10	<u>(4,626)</u>		<u>(3,984)</u>	
<b>Net Current Liabilities</b>			(221)		(290)
<b>Net Assets</b>			<u>187</u>		<u>12</u>
<b>Capital and Reserves</b>					
Called up share capital	11		-		-
Profit and Loss Account			187		12
<b>Shareholders' funds - equity</b>	12		<u>187</u>		<u>12</u>

These financial statements were approved by the board of directors on 26 July 2004 and were signed on its behalf by:



Alan Wilson

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**

	2003 £000	2002 £000
Operating profit is stated after deduction of:		
Depreciation of tangible fixed assets	210	186
Property rental	102	96
Auditors' remuneration	9	8
Operating lease rentals	<u>65</u>	<u>85</u>

**3 Staff**

Average number of employees by activity:

	Number	Number
Management	8	8
Administration	13	13
Broadcasting	<u>42</u>	<u>41</u>
	<u>63</u>	<u>62</u>

Employee costs:

	£000	£000
Salaries (including executive directors)	1,594	1,589
Social security costs	167	161
Other pension costs (see Note 14)	<u>134</u>	<u>137</u>
	<u>1,895</u>	<u>1,887</u>

**4 Directors' remuneration**

	£000	£000
Directors' emoluments	227	215
Pension contributions	<u>23</u>	<u>29</u>
	<u>250</u>	<u>244</u>

The remuneration of directors disclosed above include the following amounts paid to the highest paid director:

	£000	£000
Emoluments	125	100
Pension contributions	<u>12</u>	<u>15</u>
	<u>137</u>	<u>115</u>

During the period the following number of directors:

	Number	Number
Accrued benefits under defined benefit pension schemes	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>



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

<b>5 Interest payable and similar charges</b>	<b>2003</b>	<b>2002</b>
	<b>£000</b>	<b>£000</b>
Other Interest	<u>17</u>	<u>-</u>
<b>6 Dividends</b>	<b>£000</b>	<b>£000</b>
Proposed final dividend	<u>3,150</u>	<u>4,200</u>
<b>7 Corporation tax</b>	<b>£000</b>	<b>£000</b>
UK Corporation Tax		
Current tax on income for the year (at 30%, 2002:30%)	1,521	1,500
Adjustment in respect of prior years	<u>70</u>	<u>-</u>
Total current tax	<u>1,591</u>	<u>1,500</u>
Deferred tax		
Reversal of timing differences	(8)	(9)
Adjustment in respect of prior years	<u>(2)</u>	<u>(14)</u>
	<u>(10)</u>	<u>(23)</u>
Tax on profit on ordinary activities	<u>1,581</u>	<u>1,477</u>

**Factors affecting the tax charge for the current year**

The current tax charge for the year is higher (2002:higher) than the standard rate of corporation tax in the UK (30%, 2002:30%). The differences are explained below.

	<b>2003</b>	<b>2002</b>
	<b>£000</b>	<b>£000</b>
Current tax reconciliation		
Profit on ordinary activities before tax	<u>4,906</u>	<u>4,921</u>
Current tax at 30%	1,472	1,477
Effects of:		
Expenses not deductible for tax purposes	41	14
Deferred tax charge current year	8	9
Adjustment in respect of prior years	<u>70</u>	<u>-</u>
Total current tax charge	<u>1,591</u>	<u>1,500</u>

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

**8 Tangible fixed assets**

	Trans- mitters	Fixtures and fittings	Technical equipment	Motor vehicles	Total
	£000	£000	£000	£000	£000
<b>COST</b>					
At beginning of year	213	471	2,418	56	3,158
Additions	-	2	314	-	316
At end of year	213	473	2,732	56	3,474
<b>DEPRECIATION</b>					
At beginning of year	182	434	2,187	53	2,856
Charge for year	8	22	177	3	210
At end of year	190	456	2,364	56	3,066
<b>NET BOOK VALUE</b>					
At end of year	23	17	368	-	408
At beginning of year	31	37	231	3	302

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

	2003 £000	2002 £000
Trade debtors	2,038	2,341
Other debtors	293	347
Prepayments and accrued income	542	84
Due from group companies	115	-
Deferred tax asset	84	74
	<u>3,072</u>	<u>2,846</u>

Deferred tax balances can be analysed as follows:

	£000	£000
Accelerated capital allowances	73	74
Other timing differences	11	-
	<u>84</u>	<u>74</u>

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

	£000	£000
Trade creditors	261	377
Corporation tax	82	843
Other tax and social security	240	290
Other creditors and accruals	395	327
Due to group companies	6	358
Due to parent company	3,642	1,789
	<u>4,626</u>	<u>3,984</u>

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

<b>11 Share capital: Ordinary shares of £1 each</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Authorised, allotted, called up and fully paid:		
Two ordinary shares of £1 each	<u>2</u>	<u>2</u>

<b>12 Reconciliation of movements in shareholders' funds</b>	<b>£000</b>	<b>£000</b>
At beginning of year	12	768
Retained profit / (loss) for the financial year	<u>175</u>	<u>(756)</u>
At end of year	<u>187</u>	<u>12</u>

**13 Operating leases**

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

	<b>2003</b>	<b>2002</b>
	<b>£000</b>	<b>£000</b>
Expiring within one year	9	14
Expiring in two to five years	<u>29</u>	<u>33</u>
	<u>38</u>	<u>47</u>

**14 Pension commitments**

**(a) Defined contribution scheme**

The company operated a defined contribution pension scheme 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 the money purchase scheme was £43,000 (2002 - £22,000).

**(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 2001 and details of this valuation together with the transitional disclosures as at 30 September 2003 required by FRS 17: Retirement Benefits are contained in the financial statements of Scottish Radio Holdings plc for the year ended 30 September 2003. The value of the assets and liabilities applicable to each participating employer is not separately identified and as such, the company accounts for its pension costs on a defined contribution basis as permitted by FRS 17. The net pension charge for the year was £91,000 (2002 - £115,000).

**15 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.

**16 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.