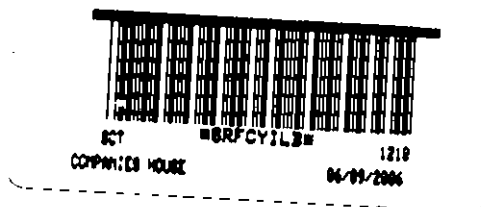


RADIO CLYDE LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2005

COMPANY REGISTERED NUMBER SC131754



RADIO CLYDE LIMITED

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RADIO CLYDE LIMITED

Directors and Officials

Directors

David Goode (resigned 23 December 2005)
Paul Cooney
Alan Wilson (resigned 31 October 2005)
Grae Allan
Tracey McNellan
Ross Macfadyen (resigned 28 October 2005)
Dee Ford (appointed 1 October 2005)
Richard Elliot (appointed 21 July 2006)

Secretary

Jane E A Tames (resigned 31 May 2006)
Kate Elsdon (appointed 31 May 2006)

Auditors

PricewaterhouseCoopers LLP
209 West George Street
Glasgow
G2 2LW

Registered Office

Clydebank Business Park
Clydebank
Glasgow
G81 2RX

Company Registered Number

SC131754

RADIO CLYDE LIMITED

Directors' Report for the year ended 30 September 2005

The directors have pleasure in submitting their report and the Company's financial statements for the year ended 30 September 2005.

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial period 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:

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 and to prevent and detect fraud and other irregularities.

Activities

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 Ofcom. The Company traded satisfactorily during the year. No change in the Company's operations is envisaged in the immediate future.

Financial

The profit for the financial year after taxation amounted to £2,522,000 (2004 - £3,600,000). The directors do not recommend the payment of a final dividend (2004 - £3,000,000).

Directors

The directors of the Company as at 30 September 2005 were as noted on Page 1.

None of these directors held any shares in the Company or the ultimate parent company, Emap plc, during the year.

On 9 August 2005 the remaining 72.9% shareholding in Scottish Radio Holdings plc not already owned by Emap plc was acquired by Emap plc for a cash consideration of £280 million and loan notes of £17 million.

RADIO CLYDE LIMITED

Directors' Report

for the year ended 30 September 2005

Auditors

During the year, KPMG resigned as auditors and the directors appointed PricewaterhouseCoopers LLP in their place. 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.



On behalf of the Board

Kate Elsdon

Company Secretary

8 August 2006

Clydebank Business Park

Glasgow

G81 2RX

RADIO CLYDE LIMITED

Independent Auditors' Report for the year ended 30 September 2005

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective Responsibilities of Directors and Auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 United Kingdom 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 is not disclosed.

We read the other information contained in the financial statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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.

RADIO CLYDE LIMITED

Independent Auditors' Report for the year ended 30 September 2005

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 the Company's affairs as at 30 September 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Glasgow

8 August 2006

RADIO CLYDE LIMITED

Profit and Loss Account for the year ended 30 September 2005

	Notes	2005 £000	2004 £000
Turnover	2	<u>13,065</u>	<u>14,150</u>
Staff Costs	4	(2,032)	(1,948)
Depreciation	9	(245)	(191)
Other operating charges		(7,187)	(6,943)
Operating expenses		<u>(9,464)</u>	<u>(9,082)</u>
Operating profit	3	<u>3,601</u>	<u>5,068</u>
Interest	6	19	17
Profit on ordinary activities before taxation		<u>3,620</u>	<u>5,085</u>
Taxation	8	(1,098)	(1,485)
Profit for the year		<u>2,522</u>	<u>3,600</u>
Dividends	7	-	(3,000)
Retained profit for the year	14	<u><u>2,522</u></u>	<u><u>600</u></u>

The above results relate to continuing operations.

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

The notes on pages 8 to 13 form part of these accounts.

RADIO CLYDE LIMITED

Balance Sheet as at 30 September 2005

		2005		2004	
	Notes	£000	£000	£000	£000
Fixed Assets					
Tangible assets	9		837		733
Current Assets					
Debtors (including £238,000 (2004 - £238,000) due after one year)	10	2,541		2,669	
Cash at bank and in hand		<u>1,334</u>		<u>1,682</u>	
		3,875		4,351	
Creditors					
Amounts falling due within one year	11	<u>(1,403)</u>		<u>(4,297)</u>	
Net Current Assets			2,472		54
Net Assets			<u><u>3,309</u></u>		<u><u>787</u></u>
Capital and Reserves					
Called up share capital	13		-		-
Profit and Loss Account			3,309		787
Shareholders' funds - equity	14		<u><u>3,309</u></u>		<u><u>787</u></u>

The notes on pages 8 to 13 form part of these accounts.

These financial statements were approved by the board of directors on the 8th of August 2006
and were signed on its behalf by:



Paul Cooney
Director
8 August 2006

RADIO CLYDE LIMITED

Notes to the Accounts

for the year ended 30 September 2005

1 Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act and all applicable UK accounting standards.

Cash flow statement

Under FRS 1 (revised) the Company is exempt from the requirements 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

Depreciation

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

Transmitters	10%
Fixtures & Fittings	25%
Technical equipment	25%
Motor vehicles	25%

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between certain items for taxation and accounting purposes. Tax deferred or accelerated by the effect of timing differences is accounted for to the extent that a transaction or event that has occurred at the balance sheet date gives rise to an obligation to pay more tax or a right to pay less tax in the future. Deferred tax assets are only recognised to the extent that, based on available evidence, it is more likely than not suitable taxable profits will arise from which the reversal of the asset can be deducted. The Company does not discount deferred tax assets or liabilities.

Pension costs

Until December 2004 the Company was a member of a pension scheme operated by Scottish Radio Holdings plc which provided benefits based on the final pensionable pay. Contributions to the scheme were charged to the profit and loss account so as to spread the cost of the pensions evenly over employees' working lives with the Company. The contributions were determined by a qualified actuary on the basis of triennial valuations using the projected funding method (see note 16).

The Company also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme.

Operating leases

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

RADIO CLYDE LIMITED

Notes to the accounts

for the year ended 30 September 2005

2 Turnover

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

3 Operating profit	2005 £000	2004 £000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets	245	191
Property rental	104	99
Audit fees	-	10
Operating lease rentals - other	55	55

In 2005 auditors' remuneration is borne by the ultimate parent company.

4 Staff	2005 Number	2004 Number
Average number of employees by activity:		
Management	8	9
Administration	12	13
Broadcasting	40	42
	60	64

Costs including directors' emoluments	2005 £000	2004 £000
Wages and salaries	1,710	1,643
Social security costs	213	189
Pension costs (note 16)	109	116
	2,032	1,948

5 Directors' Remuneration	2005 £000	2004 £000
Directors' emoluments	315	256
Pension contributions	31	25
	346	281

The directors' remuneration disclosed above include the following amounts paid to the highest paid director:	2005 £000	2004 £000
Aggregate emoluments	147	142
Pension contributions	13	13
	160	155

Pension benefits accrue to one director (2004: 1) under the defined benefit scheme.

The emoluments of D Goode, A Wilson and G Allan are borne by other group companies. None of their remuneration is in respect of their duties as directors of this company.

RADIO CLYDE LIMITED

Notes to the accounts for the year ended 30 September 2005

6 Interest	2005	2004
	£000	£000
Interest receivable		
Bank interest	21	17
interest on tax repayment	8	-
	<u>29</u>	<u>17</u>
Interest payable		
intercompany interest payable	(10)	-
	<u>19</u>	<u>17</u>
7 Dividends	2005	2004
	£000	£000
Final dividend on ordinary shares	-	3,000
8 Taxation	2005	2004
	£000	£000
<u>Corporation tax</u>		
Current tax on income for the year (at 30%) (2004 - 30%)	1,055	1,486
Adjustment in respect of prior years	24	(36)
Total current tax	<u>1,079</u>	<u>1,450</u>
<u>Deferred tax</u>		
Current year	17	48
Adjustment in respect of prior year	2	(13)
	<u>19</u>	<u>35</u>
Tax charge on profit on ordinary activities	<u>1,098</u>	<u>1,485</u>

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2004: lower) than the standard rate of corporation tax in the UK (30%, 2004: 30%).

The differences are explained below:

	2005	2004
	£000	£000
Current tax reconciliation		
Profit on ordinary activities before tax	<u>3,620</u>	<u>5,085</u>
Current tax at 30%	1,086	1,526
Effects of:		
Expenses not deductible for tax purposes	15	29
Accelerated capital allowances	(34)	-
Short term timing differences	17	(48)
Adjustment in respect of prior year	24	(36)
Other non-taxable income	<u>(29)</u>	<u>(21)</u>
Total current tax charge	<u>1,079</u>	<u>1,450</u>

RADIO CLYDE LIMITED

Notes to the accounts

for the year ended 30 September 2005

9 Tangible fixed assets

	Trans mitters £000	Fixtures and fittings £000	Technical equipment £000	Assets under construction £000	Motor vehicles £000	Total £000
COST						
At beginning of period	233	494	2,866	341	56	3,990
Additions	-	1	270	-	78	349
Transfers	-	-	341	(341)	-	-
At end of period	233	495	3,477	-	134	4,339
DEPRECIATION						
At beginning of period	200	474	2,527	-	56	3,257
Charge for period	9	9	218	-	9	245
At end of period	209	483	2,745	-	65	3,502
NET BOOK VALUE						
At end of period	24	12	732	-	69	837
At beginning of period	33	20	339	341	-	733

10 Debtors: Amounts falling due within one year	2005 £000	2004 £000
Trade debtors	1,717	2,191
Other debtors	401	335
Prepayments and accrued income	82	94
Corporation tax	311	-
Deferred tax asset (note 12)	30	49
	<u>2,541</u>	<u>2,669</u>

Included in other debtors is £238,000 which is an amount falling due after more than one year (2004 - £238,000).

RADIO CLYDE LIMITED

Notes to the Accounts

for the year ended 30 September 2005

11 Creditors: Amounts falling due within one year	2005	2004
	£000	£000
Trade creditors	228	252
Corporation tax	-	707
Other tax and social security	338	296
Other creditors	162	229
Accruals	198	167
Amount owed to immediate parent	477	2,646
	<u>1,403</u>	<u>4,297</u>

Amounts due to group undertakings are unsecured, bearing interest at the LIBOR rate (2004 - interest free) and are repayable on demand.

12 Deferred Taxation	2005	2004
	£000	£000
At the beginning of the year	49	84
Charge for the year	(19)	(35)
At the end of the year	<u>30</u>	<u>49</u>
made up of:		
accelerated capital allowances	8	43
other timing differences	22	6
	<u>30</u>	<u>49</u>

There is no unprovided deferred taxation.

13 Share capital: Ordinary shares of £1 each	2005	2004
	number	number
Authorised, allotted, called up and fully paid: 2 ordinary £1 shares	<u>2</u>	<u>2</u>

14 Reconciliation of movements in shareholders' funds	2005	2004
	£000	£000
At beginning of year	787	187
Retained profit for year	2,522	600
At end of year	<u>3,309</u>	<u>787</u>

RADIO CLYDE LIMITED

Notes to the Accounts

for the year ended 30 September 2005

15 Financial Commitments - Operating leases

At 30 September the Company had the following operating lease commitments, analysed by expiry date

	2005	2004
	£000	£000
Other - motor vehicles		
within one year	8	5
between two and five years	31	33
after five years	-	
	<u>39</u>	<u>38</u>

16 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 £81,000 (2004 - £29,000). There were no outstanding or prepaid contributions at the year end (2004 - none).

(b) Defined benefit scheme

The Company was 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 2003 and details of this valuation together with the transitional disclosures as at 30 September 2005 required by FRS 17 Retirement Benefits, are contained in the financial statements of Scottish Radio Holdings Limited for the year ended 30 September 2004. 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 £28,000 (2004 - £87,000). There were no outstanding or prepaid contributions at the year end (2004 - none).

17 Related party disclosures

As the Company is a wholly owned subsidiary of Emap plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balance with entities which form part of the group.

18 Ultimate parent undertaking

The Company's immediate parent is Scottish Radio Holdings Limited (formerly Scottish Radio Holdings plc). The ultimate parent company of the group of undertakings for which group accounts are drawn up and of which the Company is a member is Emap plc, registered in England and Wales. Emap plc is the Company's controlling party. Copies of the accounts of Emap plc can be obtained from the Registered Office.