

RADIO CLYDE LIMITED

REPORT AND ACCOUNTS

FOR THE 6 MONTHS ENDED 31 MARCH 2006

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)
Graeme 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 6 months ended 31 March 2006

The directors have pleasure in submitting their report and the Company's financial statements for the period ended 31 March 2006

Change of accounting reference date

On 6 April 2006 the accounting reference date was changed to 31 March 2006

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.

Business review and principal activities

Radio Clyde Ltd ("the Company") continues to provide sound broadcasting services in Glasgow and West Central Scotland.

The results for the Company show a pre-tax profit of £1.8 million (6 month period) (year to 30 September 2005 £3.6 million) and sales of £6.5 million (year to 30 September 2005 £13 million).

The Company has net assets of £4 million (30 September 2005 £3.3 million).

Future outlook

The external commercial environment is expected to remain competitive in 2007 as national retailers continue to invest in their local store franchises. However, we remain confident that we will maintain our current level of performance in the future.

Principal risks and uncertainties

The directors of Radio Clyde Ltd manage the group's 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 Radio Clyde Ltd's business. The principal risks and uncertainties of the Emap Group, which include those of the Company, are included in the Emap plc annual report.

RADIO CLYDE LIMITED

Directors' Report for the 6 months ended 31 March 2006

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 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 Radio Clyde Ltd. The development, performance and position of the radio division of Emap plc, which includes the Company, is included in the Emap plc annual report.

Financial

The profit for the financial period after taxation amounted to £707,000 (2005 £2,522,000). The directors do not recommend the payment of a final dividend (2005 £nil).

The profit and loss account in the 2005 financial statements was presented using format 2. The directors have revised the presentation of the profit and loss account in the 2006 financial statements to format 1. This change has been made to bring the presentation into line with the Emap plc group. As a result, certain comparative figures have been restated.

Directors

The directors of the company as at 31 March 2006 were as noted on Page 1. During the period one director was appointed and 3 directors resigned, D Ford (appointed 1 October 2005), A Wilson (resigned 31 October 2005), R Macfadyen (resigned 28 October 2005) and D Goode (resigned 23 December 2005). None of the directors held any shares in the company. The directors' interests in the share capital of the ultimate holding company, Emap plc, at the beginning of the period, or subsequent date of appointment, and at the end of the period were as follows:

	Ordinary shares			
	at 1 October 2005		at 31 Mar 2006	
Dee Ford	<u>2,410</u>		<u>2,410</u>	
	SAYE options			
	at 1 October 2005	Granted in period	Exercised/ lapsed	at 31 Mar 2006
Dee Ford	<u>2,775</u>			<u>2,775</u>
	Ordinary shares under option			
	at 1 October 2005	Granted in period	Exercised/ lapsed	at 31 Mar 2006
Dee Ford	<u>106,297</u>			<u>106,297</u>

RADIO CLYDE LIMITED

**Directors' Report
for the 6 months ended 31 March 2006**


Auditors

Each of the persons who is a director at the date of approval of this report confirms that

so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware
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 Acts

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**

30 January 2007

**Clydebank Business Park
Glasgow
G81 2RX**

RADIO CLYDE LIMITED

Independent Auditors' Report to the members of Radio Clyde Limited for the 6 months ended ended 31 March 2006

We have audited the financial statements of River Records Limited for the 6 month period ended 31 March 2006 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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 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 judgments 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 to the members of Radio Clyde Limited for the 6 months ended 31 March 2006

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 affairs of the company as at 31 March 2006 and of its profit for the period then ended,
- 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
Glasgow

30 January 2007

RADIO CLYDE LIMITED

Profit and Loss Account for the 6 months ended 31 March 2006

		6 months to 31 Mar 2006 £000	Restated Year ended 30 Sept 2005 £000
	Notes		
Turnover	2	6,454	13,065
Cost of sales		<u>(1,552)</u>	<u>(3,249)</u>
Gross profit		4,902	9,816
Administrative expenses		<u>(3,101)</u>	<u>(6,215)</u>
Operating Profit	3	1,801	3,601
Net interest	6	<u>49</u>	<u>19</u>
Profit on ordinary activities before taxation		1,850	3,620
Tax on profit on ordinary activities	7	<u>(1,143)</u>	<u>(1,098)</u>
Retained profit for the period	13	<u><u>707</u></u>	<u><u>2,522</u></u>

The above results relate to continuing operations

There are no recognised gains or losses other than those stated above

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

The notes on pages 9 to 14 form part of these accounts

RADIO CLYDE LIMITED

Balance Sheet as at 31 March 2006

		as at 31 March 2006		as at 30 September 2005	
	Notes	£000	£000	£000	£000
Fixed Assets					
Tangible assets	8		790		837
Current Assets					
Debtors	9	4,990		2,541	
Cash at bank and in hand		<u>259</u>		<u>1,334</u>	
		5,249		3,875	
Creditors					
Amounts falling due within one year	10	<u>(2,023)</u>		<u>(1,403)</u>	
Net Current Assets			3,226		2,472
Net Assets			<u>4,016</u>		<u>3,309</u>
Capital and Reserves					
Called up share capital	12				
Profit and Loss Account			4,016		3,309
Shareholders' funds equity	13		<u>4,016</u>		<u>3,309</u>

The notes on pages 9 to 14 form part of these accounts

These financial statements were approved by the board of directors on 30 January 2007
and were signed on its behalf by



**Richard Elliot
Director**

RADIO CLYDE LIMITED

Notes to the Accounts

for the 6 months ended 31 March 2006

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

Taxation

The charge for taxation is based on the profit for the period 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.

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 6 months ended 31 March 2006

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

	6 months to 31 Mar 2006 £000	year ended 30 Sept 2005 £000
Operating profit is stated after charging		
Depreciation of tangible fixed assets	123	245
Property rental	54	104
Audit fees	15	
Operating lease rentals other	34	55

4 Staff

	6 months to 31 Mar 2006 Number	year ended 30 Sept 2005 Number
Average number of employees by activity		
Management	8	8
Administration	12	12
Broadcasting	39	40
	<u>59</u>	<u>60</u>

	6 months to 31 Mar 2006 £000	year ended 30 Sept 2005 £000
Costs including directors' emoluments		
Wages and salaries	870	1,710
Social security costs	104	213
Pension costs (note 15)	63	109
	<u>1,037</u>	<u>2,032</u>

5 Directors' Remuneration

	6 months to 31 Mar 2006 £000	year ended 30 Sept 2005 £000
Directors' emoluments	119	315
Pension contributions	15	31
	<u>134</u>	<u>346</u>

Pension benefits accrue to one director (2005 1) under the defined contribution scheme

RADIO CLYDE LIMITED

Notes to the accounts for the 6 months ended 31 March 2006

6 Interest	6 months to 31 Mar 2006 £000	year ended 30 Sept 2005 £000
Bank interest received	12	21
Interest received on tax repayment	14	8
Intercompany interest receivable	23	
	<u>49</u>	<u>29</u>
Interest payable		(10)
	<u>49</u>	<u>19</u>
7 Corporation tax	6 months to 31 Mar 2006 £000	year ended 30 Sept 2005 £000
Current tax on income for the period (at 30%) (2005 30%)	578	1,055
Adjustment in respect of prior years	(14)	24
Group relief payments for losses	588	
Total current tax	<u>1,152</u>	<u>1,079</u>
Deferred tax		
Current		
accelerated capital allowances	(5)	34
short term timing differences	7	(17)
	<u>2</u>	<u>17</u>
Prior year		
Adjustment in respect of prior year	(11)	2
	<u>(9)</u>	<u>19</u>
Tax charge on profit on ordinary activities	<u>1,143</u>	<u>1,098</u>

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2005 lower) than the standard rate of corporation tax in the UK (30%, 2005 30%)

The differences are explained below

	6 months to 31 Mar 2006 £000	year ended 30 Sept 2005 £000
Current tax reconciliation		
Profit on ordinary activities before tax	<u>1,850</u>	<u>3,620</u>
Current tax at 30%	555	1,086
Effects of		
Expenses not deductible for tax purposes	25	15
Other		(29)
Corporation tax adjustments for prior years	(14)	24
Deferred tax current period accelerated capital allowances	5	(34)
Deferred tax current period short term timing differences	(7)	17
Group relief payments	588	
Total current tax charge	<u>1,152</u>	<u>1,079</u>

RADIO CLYDE LIMITED

Notes to the accounts

for the 6 months ended 31 March 2006

8 Tangible fixed assets

	Fixtures Trans and Technical mitters fittings equipment £000 £000 £000				Motor vehicles £000	Total £000
COST						
At beginning of period	233	495	3,477	134		4,339
Additions			59	17		76
At end of period	233	495	3,536	151		4,415
DEPRECIATION						
At beginning of period	209	483	2,745	65		3,502
Charge for period	5	3	104	11		123
At end of period	214	486	2,849	76		3,625
NET BOOK VALUE						
At end of period	19	9	687	75		790
At beginning of period	24	12	732	69		837

9 Debtors. Amounts falling due within one year	at 31 March	at 30 Sept
	2006	2005
	£000	£000
Trade debtors	2,609	1,717
Other debtors	398	401
Prepayments and accrued income	120	82
Corporation tax		311
Amount due by immediate parent	1,824	
Deferred tax asset (note 11)	39	30
	4,990	2,541

Included in other debtors is £238,000 which is an amount falling due after more than one year (2005 £238,000)

RADIO CLYDE LIMITED

Notes to the Accounts

for the 6 months ended 31 March 2006

10 Creditors. Amounts falling due within one year

	at 31 March	at 30 Sept
	2006	2005
	£000	£000
Trade creditors	169	228
Corporation tax	23	
Other tax and social security	263	338
Other creditors	20	162
Accruals	421	198
Amount owed to immediate parent	1,127	477
	<u>2,023</u>	<u>1,403</u>

Amounts due to group undertakings are unsecured, bearing interest at the LIBOR rate and are repayable on demand

11 Deferred Taxation

	at 31 March	at 30 Sept
	2006	2005
	£000	£000
At the beginning of the period	30	49
Credit/(charge) for the period	9	(19)
At the end of the period	<u>39</u>	<u>30</u>
made up of		
accelerated capital allowances	23	8
other timing differences	16	22
	<u>39</u>	<u>30</u>

There is no unprovided deferred taxation

12 Share capital. Ordinary shares of £1 each

	at 31 March	at 30 Sept
	2006	2005
	£	£
Authorised, allotted, called up and fully paid		
2 ordinary £1 shares	<u>2</u>	<u>2</u>

13 Reconciliation of movements in shareholders' funds

	at 31 March	at 30 Sept
	2006	2005
	£000	£000
At beginning of period	3,309	787
Retained profit for period	707	2,522
At end of period	<u>4,016</u>	<u>3,309</u>

RADIO CLYDE LIMITED

Notes to the Accounts

for the 6 months ended 31 March 2006

14 Financial Commitments Operating leases

For the stated periods the Company had the following operating lease commitments, analysed by expiry date

	at 31 March	at 30 Sept
	2006	2005
	£000	£000
Other		
within one year	9	8
between two and five years	35	31
	<u>44</u>	<u>39</u>

15 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 period in respect of the money purchase scheme was £63,000 (2005 £81,000). There were no outstanding or prepaid contributions at the period end (2005 £nil).

(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 scheme stopped accepting contributions during 2005, therefore, the pension charge for the period was £nil (2005 £28,000). There were no outstanding or prepaid contributions at the period end (2005 £nil).

16 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.

17 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.