

CARLISLE RADIO LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2005
COMPANY REGISTERED NUMBER 2670814



CARLISLE RADIO LIMITED

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CARLISLE RADIO LIMITED

Directors and Officials

Directors

D Goode (resigned 23 December 2005)
C Kirk
P Cooney
D Bain (appointed 25 August 2005)
D Ford (appointed 1 October 2005)
R Elliot (appointed 14 July 2006)

Company Secretary

D Pape (resigned 1 April 2005)
P Allen (appointed 1 April 2005)
P Allen (resigned 14 September 2005)
M Dixon (appointed 14 September 2005)
M Dixon (resigned 14 July 2006)
K Elsdon (appointed 14 July 2006)

Auditors

PricewaterhouseCoopers LLP
209 West George Street
Glasgow G2 2LW

Registered Office

PO Box 964
Carlisle
Cumbria CA1 3NG

Company Registered Number 2670814

CARLISLE RADIO LIMITED

Directors' Report for the year ended 30 September 2005

The directors have pleasure in submitting their annual 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 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 fraud and other irregularities.

Activities

The principal activity of the company is the provision of a sound broadcasting service in accordance with a licence 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 £280,391 (2004 - £283,833). The directors do not propose to pay a final dividend (2004 - £nil). The retained profit for the period of £280,391 (2004 - £283,833) has been transferred to reserves.

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.

CARLISLE RADIO 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 reappoint auditors annually. Therefore the auditors, PricewaterhouseCoopers LLP, are deemed to be re-appointed for the next financial year.



**By order of the Board
Kate Elsdon
Company Secretary
8 August 2006**

PO Box 964
Carlisle CA1 3NG

CARLISLE RADIO 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.

CARLISLE RADIO 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 period 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

CARLISLE RADIO LIMITED

Profit and Loss Account

For the year ended 30 September 2005

	<i>Note</i>	2005 £	2004 £
Turnover	<i>2</i>	<u>1,432,986</u>	<u>1,457,557</u>
Staff costs	<i>5</i>	338,674	373,338
Depreciation	<i>8</i>	26,683	35,256
Other operating charges		<u>735,304</u>	<u>643,262</u>
		<u>1,100,661</u>	<u>1,051,856</u>
Operating profit	<i>3</i>	332,325	405,701
Interest receivable	<i>4</i>	<u>60,188</u>	<u>6,327</u>
Profit on ordinary activities before taxation		392,513	412,028
Taxation	<i>7</i>	<u>(112,122)</u>	<u>(128,195)</u>
Profit for the financial year	<i>13</i>	280,391	283,833
Profits brought forward		<u>680,302</u>	<u>396,469</u>
Profits carried forward		<u><u>960,693</u></u>	<u><u>680,302</u></u>

The above results relate to continuing operations.

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

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

CARLISLE RADIO LIMITED

Balance Sheet As at 30 September 2005

	<u>Note</u>	2005 £	2004 £
Fixed Assets			
Tangible assets	8	<u>31,761</u>	<u>47,344</u>
Current Assets			
Debtors	9	1,189,370	1,257,506
Cash at bank and in hand		<u>402,226</u>	<u>190,719</u>
		1,591,596	1,448,225
Creditors			
Amounts falling due within one year	11	<u>(162,664)</u>	<u>(315,267)</u>
Net Current Assets		<u>1,428,932</u>	<u>1,132,958</u>
Net Assets		<u>1,460,693</u>	<u>1,180,302</u>
Capital and Reserves			
Called up share capital	12	500,000	500,000
Profit and Loss Account	13	<u>960,693</u>	<u>680,302</u>
Shareholders' Funds - equity	13	<u>1,460,693</u>	<u>1,180,302</u>

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

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



C Kirk
Director
8 August 2006

CARLISLE RADIO LIMITED

Notes to the Accounts

For the year ended 30 September 2005

1 Accounting Policies

Basis of Preparation

The financial statements have been prepared in accordance with all applicable UK Accounting Standards, the Companies Act 1985 and under the historical cost convention.

Cash flow statement

Under FRS 1 (revised) 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.

Consolidation

Cool Radio Limited is not consolidated on the basis that its inclusion is not material for the purpose of giving a true and fair view.

Depreciation

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

Furniture & fittings	25%
Transmitters	10%
Technical equipment	25%
Motor vehicles	25%

Leasehold improvements are written off over the duration of the lease.

Operating Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension Costs

The company 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.

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.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

CARLISLE RADIO LIMITED

Notes to the Accounts

For the year ended 30 September 2005

2 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.

3 Operating profit

		2005 £	2004 £
Operating profit is stated after :			
charging -	Depreciation	26,683	35,256
	Operating lease rentals - plant and machinery	2,278	42,383
	Operating lease rentals - other	43,684	-
	Auditors' remuneration - audit fees	-	3,948
crediting -	Government grant	1,050	1,050

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

4 Interest Receivable

	2005 £	2004 £
Interest receivable on bank deposits	7,188	6,327
Inter-company interest receivable	53,000	-
	60,188	6,327

5 Staff

Average number of employees by activity:

	2005 number	2004 number
Broadcasting (including executive director)	19	20

Costs including directors' emoluments

	2005 £	2004 £
Wages and salaries	294,928	328,776
Social security costs	34,815	34,917
Other pension costs (see Note 15)	8,931	9,645
	338,674	373,338

6 Directors' Emoluments

	2005 £	2004 £
Aggregate emoluments	86,122	71,388
Pension Contributions	4,972	3,640
	91,094	75,028

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

	2005 £	2004 £
Aggregate remuneration	55,037	71,388
Pension Contributions	3,760	3,640
	58,797	75,028

The emoluments of D Goode and P Cooney are borne by other group companies. None of their remuneration is in respect of their duties as directors of this company.

CARLISLE RADIO LIMITED

Notes to the Accounts

For the year ended 30 September 2005

7 Taxation

	2005 £	2004 £
Corporation tax payable at 30% (2004 - 30%)	117,687	130,989
Prior year adjustment	(3,949)	-
	<u>113,738</u>	<u>130,989</u>
Movement in provision for deferred taxation (see note10)	(1,001)	(2,606)
Adjustment in respect of previous years	(615)	(188)
Total Deferred Tax	<u>(1,616)</u>	<u>(2,794)</u>
Tax on profit on ordinary activities	<u>112,122</u>	<u>128,195</u>

Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2004 - higher) than the standard rate of corporation tax in the UK. The differences are explained below:

Current tax reconciliation

	2005 £	2004 £
Profit on ordinary activities before tax	392,513	412,028
Current tax at 30%	117,754	123,608
Effects of:		
Expenses not deductible for tax purposes	(1,068)	1,021
Accelerated capital allowances and other timing differences	1,001	2,606
Prior year adjustment	(3,949)	3,754
Total corporation tax charge	<u>113,738</u>	<u>130,989</u>

8 Tangible Fixed Assets

	Leasehold Improv. £	Trans- mitters £	Technical Equipment £	Furniture & fittings £	Motor Vehicles £	Total £
COST						
At beginning of year	26,430	183,654	211,905	420	5,075	427,484
Additions	-	-	10,321	279	500	11,100
At end of year	<u>26,430</u>	<u>183,654</u>	<u>222,226</u>	<u>699</u>	<u>5,575</u>	<u>438,584</u>
DEPRECIATION						
At beginning of year	19,213	178,854	179,329	206	2,538	380,140
Charge for year	1,467	2,341	21,416	117	1,342	26,683
At end of year	<u>20,680</u>	<u>181,195</u>	<u>200,745</u>	<u>323</u>	<u>3,880</u>	<u>406,823</u>
NET BOOK VALUE						
At end of year	<u>5,750</u>	<u>2,459</u>	<u>21,481</u>	<u>376</u>	<u>1,695</u>	<u>31,761</u>
At beginning of year	<u>7,217</u>	<u>4,800</u>	<u>32,576</u>	<u>214</u>	<u>2,537</u>	<u>47,344</u>

CARLISLE RADIO LIMITED

Notes to the Accounts

For the year ended 30 September 2005

9 Debtors: Amounts falling due within one year

	2005	2004
	£	£
Trade debtors	252,739	198,827
Amounts owed by parent undertaking	886,516	1,013,660
Amounts due from group undertakings	2,383	4,026
Deferred tax asset (note 10)	12,799	11,183
Prepayments & accrued income	34,933	29,810
	<u>1,189,370</u>	<u>1,257,506</u>

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

10 Deferred taxation

	2005	2004
	£	£
The movements in deferred taxation arising in relation to depreciation in excess of capital allowances during the current and previous years are as follows:		
At beginning of year	11,183	8,389
Movement in provision for year	<u>1,616</u>	<u>2,794</u>
At end of year	<u>12,799</u>	<u>11,183</u>

The above deferred tax asset is included in other debtors in note 9. Deferred tax is fully provided.

11 Creditors: Amounts falling due within one year

	2005	2004
	£	£
Trade creditors	10,351	15,763
Amounts owed to group undertakings	24,745	844
Other tax & social security	42,705	56,294
Accruals	84,863	111,377
Corporation Tax	-	130,989
	<u>162,664</u>	<u>315,267</u>

Other creditors and accruals includes nil (2004 - £1,050) relating to a grant from the West Cumbria Development Fund. This grant has been amortised through the profit and loss account over the useful life of the asset.

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

12 Share Capital: Ordinary shares of £1 each

	2005	2004
	£	£
Authorised:		
600,000 ordinary shares of £1 each	<u>600,000</u>	<u>600,000</u>
Allotted, called-up and fully paid:		
500,000 ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>

CARLISLE RADIO LIMITED

Notes to the Accounts

For the year ended 30 September 2005

13 Reconciliation of Movements in Shareholders' Funds

	2005 £	2004 £
At beginning of year	1,180,302	896,469
Profit for the financial year	280,391	283,833
At end of year	1,460,693	1,180,302

14 Financial Commitments

	2005 £	2004 £
At 30 September the company had the following annual operating lease commitments, analysed by expiry date:		
(a) Operating leases in respect of property		
Between two and five years	15,000	15,000
(b) Other operating leases		
Within one year	2,916	975
Between two and five years	28,046	26,408
	30,962	27,383

15 Pension Commitments

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 £8,931 (2004 - £9,645). There were no outstanding or prepaid contributions at the year end (2004 - £nil).

16 Shares in group undertakings

The company had the following investment at the end of the year:

Name of company and registered office	Country of incorp.	Details of investment	Proportion held by company	Proportion held by subsidiary	Nature of business
Cool Radio Limited Broadcasting Centre Durranshill Estate Carlisle CA1 3NG	England	Shares	100%	Nil	Dormant

CARLISLE RADIO LIMITED

Notes to the Accounts

For the year ended 30 September 2005

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 balances 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.