

**CARLISLE RADIO LIMITED**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 1998**



# CARLISLE RADIO LIMITED

## COMPANY INFORMATION

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### Directors

Mr R. Wilson  
Mr A.H. Sanderson  
Mr J.L. Graham  
Mrs W.S. Steele  
Mr D. Thomas  
Mr A.R. Wilson

### Secretary

Mr P. Brownlow

### Company Number

2670814

### Registered Office

P.O.Box 964  
Carlisle  
Cumbria  
CA1 3NG

### Auditors

Saint & Co.  
Sterling House  
Wavell Drive  
Rosehill  
Carlisle, Cumbria  
CA1 2SA

### Bankers

National Westminster Bank Plc  
English Street  
Carlisle  
Cumbria

# **CARLISLE RADIO LIMITED**

## **CONTENTS**

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	<b>Page</b>
<b>Chairman's Statement</b>	<b>1</b>
<b>Directors' Report</b>	<b>1 to 2</b>
<b>Auditors' Report</b>	<b>3</b>
<b>Profit and Loss Account</b>	<b>4</b>
<b>Balance Sheet</b>	<b>5</b>
<b>Notes to the Accounts</b>	<b>6 to 12</b>

## **Carlisle Radio Limited**

### **Chairman's Statement for the year ended 30th September 1998**

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The Company's trading results for the year covered by these accounts were outstanding with all measures of success significantly exceeding last year's achievements which were themselves at record levels.

Revenue at £1,135,850 showed an increase of 20% over the previous year, which contrasted with an increase of 9% in total expenditure, produced a profit (before taxation and interest) of £187,347 (almost 150%) over that of 1996-97. Importantly, the cumulative financial position of the company enables payment of a dividend to shareholders.

C-FM continues, as evidenced by its fifth participation in the annual official audience research, to maintain its position as the most listened-to station in its transmission areas of Carlisle and West Cumbria. This is consistent with its overall financial performance. Both of these results reflect the dedication of all its staff and my fellow Directors. This dedication along with ongoing cost monitoring and continued revenue performance means that we can look forward to a satisfactory future.

.....  
Mr R Wilson  
Chairman

# CARLISLE RADIO LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER 1998

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The directors present their report together with the audited accounts for the year ended 30th September 1998.

### Principal Activities and Review of Business

The principal activities of the Company are the provision of sound broadcasting services in accordance with the licence granted by the Radio Authority. A review of the year and commentary on future developments and prospects is given in the Chairman's statement on page 1.

### Dividends

The directors recommend dividends amounting to £60,000 (1997 £-) and the retained profit of £107,284 will be added to reserves.

### Year 2000 compliance

The computer systems and equipment in use throughout the company have been reviewed to ensure Year 2000 compliance.

### Fixed Assets

Details of movements in fixed assets are set out in note 8 to the accounts.

### Directors

The directors who served during the year and their interests in the share capital of the company were:-

	Ordinary Shares	
	30th	1st
	September	October
	1998	1997
Mr R. Wilson	-	-
Mr A.H. Sanderson	-	-
Mr J.L. Graham	-	-
Mrs W.S. Steele	-	-
Mr D. Thomas	-	-
Mr A.R. Wilson	-	-
(Appointed 24.9.97)	-	-
	-	-
	-	-
	-	-

# CARLISLE RADIO LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER 1998

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### Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. In preparing these accounts the directors are required to:

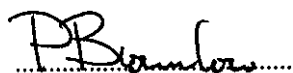
Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

Prepare the accounts 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 enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the board on 9th December 1998, and signed on its behalf.



Mr P. Brownlow, Secretary

# AUDITORS' REPORT TO THE SHAREHOLDERS OF CARLISLE RADIO LIMITED

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We have audited the accounts on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

## Respective Responsibilities of Directors and Auditors

As described on page 1 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and report our opinion to you.

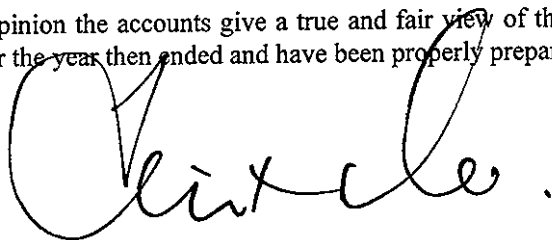
## Basis of Opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 the information in the accounts.

## Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30th September 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Saint & Co.  
Chartered Accountants and Registered Auditors  
Sterling House  
Wavell Drive  
Rosehill  
Carlisle, Cumbria  
CA1 2SA  
Date: 9th December 1998

# CARLISLE RADIO LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH SEPTEMBER 1998

	Notes	1998 £	1997 £
<b>Turnover</b>	2	1,135,850	945,934
Agency commissions		(52,066)	(34,761)
Cost of sales		(343,980)	(342,826)
<b>Gross Profit</b>		739,804	568,347
Sales, Marketing and Promotions		(278,606)	(263,008)
Administrative Expenses		(215,341)	(175,652)
Accommodation costs		(34,613)	(30,366)
Radio authority and transmission charges		(23,897)	(23,298)
<b>Operating Profit</b>	3	187,347	76,023
Interest Receivable		12,834	1,649
Interest Payable and Similar Charges	4	-	(244)
<b>Profit on Ordinary Activities before Taxation</b>		200,181	77,428
Tax on Profit on Ordinary Activities	5	(32,897)	(371)
<b>Profit for the Financial Year</b>		167,284	77,057
Dividends	7	60,000	-
<b>Retained Profit for the Year</b>	17	107,284	77,057
<b>Retained (Loss) Brought Forward</b>		(68,049)	(144,355)
<b>Retained Profit/(Loss) Carried Forward</b>		39,235	(67,298)

All amounts relate to continuing activities.

There were no recognised gains or losses for 1998 or 1997 other than those included in the profit and loss account.



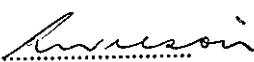
# CARLISLE RADIO LIMITED

## BALANCE SHEET

AS AT 30TH SEPTEMBER 1998

	Notes	1998 £	1997 £
<b>Fixed Assets</b>			
Tangible assets	10	217,676	226,719
<b>Current Assets</b>			
Debtors	11	203,116	183,684
Cash at bank and in hand		383,821	141,723
		<u>586,937</u>	<u>325,407</u>
<b>Creditors: Amounts Falling Due Within One Year</b>	12	<u>264,301</u>	<u>120,175</u>
<b>Net Current Assets</b>		<u>322,636</u>	<u>205,232</u>
<b>Total Assets Less Current Liabilities</b>		<u>540,312</u>	<u>431,951</u>
<b>Provision for Liabilities and Charges</b>			
Deferred taxation	6	1,077	-
		<u>539,235</u>	<u>431,951</u>
<b>Capital and Reserves</b>			
Share capital	16	500,000	500,000
Profit and loss account	17	39,235	(68,049)
<b>Shareholders' Funds</b>	18	<u>539,235</u>	<u>431,951</u>

These accounts were approved by the board on 9th December 1998 and signed on its behalf.

.....  
 Mr R. Wilson  
 Director

# CARLISLE RADIO LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1998

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### 1 Accounting Policies

#### Basis of Accounting

The Accounts have been prepared under the historical cost convention.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

#### Turnover

Turnover is all in respect of continuing activities in the field of broadcasting and entertainment and is stated exclusive of value added tax.

#### Depreciation

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

Leasehold properties improvements	8 years
Transmitters	15 years
Motor vehicles	4 years
Furniture, fittings and equipment	5 years
Technical equipment	5 years

#### Government Grants/Assistance

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the Profit and Loss Account by equal annual instalments over the expected useful lives of the relevant assets.

Government grants/assistance of a revenue nature are/is credited to the profit and loss account in the same period as the related expenditure.

#### Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise.

#### Contribution to Pension Funds

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

#### Leased Assets

Rental costs under operating leases are charged to the profit and loss account evenly over the periods of the leases.

### 2 Turnover

The turnover and operating profit for the year were derived from the company's principal activity which was carried out wholly in the UK.

# CARLISLE RADIO LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1998

### 3 Operating Profit

*The operating profit is arrived at after charging or (crediting) :*

	1998	1997
	£	£
Depreciation of owned assets	53,495	62,555
Amortisation of intangible fixed assets	(700)	(700)
Operating lease rentals : equipment	10,640	13,406
Operating lease rentals : property	15,245	12,542
Auditors' remuneration : Audit services	3,500	3,000

### 4 Interest Payable and Similar Charges

	1998	1997
	£	£
Bank overdraft	-	244
	-	244

### 5 Taxation

	1998	1997
	£	£
UK corporation tax at 21%	16,820	371
Deferred tax charge at 21%	16,077	-
	32,897	371

# CARLISLE RADIO LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1998

### 6 Deferred Taxation

The movements in deferred taxation during the current and previous years are as follows:

	1998 £	1997 £
At 1st October 1997	-	-
Movement in the year	1,077	-
At 30th September 1998	1,077	-

	Amount Provided	
	1998 £	1997 £
Accelerated capital allowances	16,077	14,488
Less:	-	14,488
Trading losses	15,000	-
Recoverable advance corporation tax	1,077	-

There are no unprovided amounts in respect of deferred taxation.

### 7 Dividends

Ordinary dividends - proposed

	1998 £	1997 £
Ordinary dividends - proposed	60,000	-
	60,000	-

# CARLISLE RADIO LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1998

### 8 Directors and staff information:

Staff costs, including directors' remuneration, were as follows:

	1998	1997
	£	£
Wages and salaries	196,523	224,070
Social security costs	29,446	26,349
Pension costs	5,064	-
Death in service premium	-	751
	<u>231,033</u>	<u>251,170</u>

The average weekly number of employees, including directors, during the year was as follows:

	1998	1997
	Number	Number
Administration	4	3
Broadcasting, entertainment, sales and marketing	14	14
	<u>18</u>	<u>17</u>

Directors' emoluments

	1998	1997
	£	£
Fees	18,500	16,000
Emoluments	53,737	735
Directors' pension contributions under defined contribution schemes	1,279	-
	<u>73,516</u>	<u>16,735</u>

### 9 Transactions with Directors

An interest free loan was granted, for a period of twelve months, to the Managing Director by the Board of Directors during a Board meeting on the 25 November 1997. The loan is for an amount of £1,000 and is repayable by deduction from salary or by way of one instalment at the end of the twelve month period.

On the 30 September 1998, £1,000 was outstanding and is included in Debtors (see note 11).

# CARLISLE RADIO LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1998

### 10 Tangible Fixed Assets

	Leasehold Properties Improve- ments	Trans- mitters	Motor Vehicles	Furniture, Fittings and Equipment	Technical Equipment	Total
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1st October 1997	62,631	180,142	3,500	23,777	210,865	480,915
Additions	1,800	-	6,143	8,471	28,038	44,452
<b>At 30th September 1998</b>	<b>64,431</b>	<b>180,142</b>	<b>9,643</b>	<b>32,248</b>	<b>238,903</b>	<b>525,367</b>
<b>Depreciation</b>						
At 1st October 1997	36,186	36,197	875	18,841	162,097	254,196
Charge for the year	8,476	12,015	2,411	4,341	26,252	53,495
<b>At 30th September 1998</b>	<b>44,662</b>	<b>48,212</b>	<b>3,286</b>	<b>23,182</b>	<b>188,349</b>	<b>307,691</b>
<b>Net Book Value</b>						
At 30th September 1998	19,769	131,930	6,357	9,066	50,554	217,676
At 30th September 1997	26,445	143,945	2,625	4,936	48,768	226,719

### 11 Debtors

	1998 £	1997 £
Trade debtors	162,525	149,092
Other debtors	6,752	2,622
Prepayments and accrued income	32,839	31,970
Directors' loan accounts	1,000	-
	<b>203,116</b>	<b>183,684</b>

### 12 Creditors: Amounts Falling Due Within One Year

	1998 £	1997 £
Trade creditors	54,531	28,051
Corporation tax	31,820	371
Other taxes and social security	34,783	27,899
Proposed dividends	60,000	-
Accruals and deferred income	83,167	63,854
	<b>264,301</b>	<b>120,175</b>

Included in Accruals and deferred income is £8,400 (1997 £9,100) relating to a grant from the West Cumbria Development Fund. This grant is being amortised over 15 years through the profit and loss account.

# CARLISLE RADIO LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1998

### 13 Operating Lease Commitments

At 30 September 1998 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings		Other	
	1998	1997	1998	1997
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	3,635	6,917
Between two and five years	12,000	12,000	1,843	5,756
After five years	-	3,500	-	-
	<u>12,000</u>	<u>15,500</u>	<u>5,478</u>	<u>12,673</u>

### 14 Pension Scheme

The company operates a defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the year amounted to £5,064 (1997 £-).

### 15 Capital Commitments

The company had the following capital commitments:

Contracted for but not provided in the financial statements

1998	1997
£	£
-	20,805

### 16 Share Capital

Authorised  
Equity Shares  
600,000 Ordinary shares of £1 each

1998	1997
£	£
600,000	600,000

Allotted  
Equity Shares  
Allotted, called up and fully paid ordinary shares of £1 each

1998	1997
£	£
500,000	500,000

# CARLISLE RADIO LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1998

### 17 Profit and Loss Account

	Profit and Loss Account
	£
At 1st October 1997	(68,049)
Profit for the year	107,284
At 30th September 1998	39,235

### 18 Reconciliation of Shareholders' Funds

	1998 £	1997 £
Profit for the financial year	167,284	76,306
Dividends	(60,000)	-
Increase in the shareholders' funds	107,284	76,306
Opening shareholders' funds	431,951	355,645
Closing shareholders' funds	539,235	431,951

### 19 Related Parties

In the director's opinion the Company is under the control of the following Companies whose interests in the ordinary share capital of Carlisle Radio Limited are as follows:

Border Television plc	20%
3i Group plc	25%
Scottish Radio Holdings plc	40%

Scottish Radio Holdings plc provides management services to the Company and Border Television plc provides secretarial and engineering services. Amounts charged in respect of these services during the year were £16,000 and £5,644 respectively. In addition normal trading arrangements involved charges in respect of sales commission of £34,204 from SRH Radio Sales Ltd, a subsidiary of Scottish Radio Holdings plc, in respect of advertising/technical support.

A management fee of £5,000 was charged by 3i Group plc.

Border Television plc also received £12,000 in respect of rent.

Amounts owed to related parties as at 30th September, 1998 were:-

Border Television plc	£ 4,893
3i Group plc	£ 2,937
Scottish Radio Holdings plc	£13,438
Radio Forth Ltd	£ 4,700