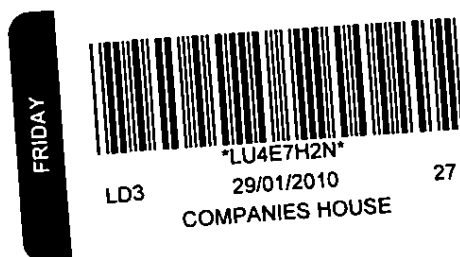


Registered Number: 1568150

Wiltshire Radio Limited

Directors' Report and Financial Statements

For the year ended 31 March 2009



Wiltshire Radio Limited

Company information

Directors	R D J Manning (resigned 28/11/2008) W Pallot (resigned 18/07/2008) C L Allen (appointed 09/06/2008, resigned 20/11/2008) A D Tabor (appointed 09/06/2008, resigned 20/11/2008) M Connole (appointed 18/07/2008) R F J Park (appointed 20/11/2008) D A Thomson (appointed 20/11/2008, resigned 30/09/2009) S G Miron (appointed 30/09/2009)
Secretary	R D J Manning (resigned 28/11/2008) C R Potterell (appointed 28/11/2008)
Company number	1568150
Registered office	30 Leicester Square London WC2H 7LA
Auditors	KPMG LLP Chartered Accountants & Registered Auditor 8 Salisbury Square London EC4Y 8BB

Wiltshire Radio Limited

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Wiltshire Radio Limited
Registered Number: 1568150

Directors' report for the year ended 31 March 2009

The directors present their report and the audited financial statements for the year ended 31 March 2009.

Principal activities and review of business

The principal activity of the Company is unchanged from last year and is the operation in the Swindon and West Wiltshire area of the independent radio licence for GWR FM, which was rebranded Heart 97.2 and 102.2 during the year.

Turnover for the year ended 31 March 2009 amounted to £3,850,000 (2008: £4,110,000) and the Company made a profit for the year before tax of £975,000 (2008: £1,166,000).

Wiltshire Radio Limited experienced a fall in turnover due to the weakened market conditions resulting in a drop in turnover of 6%.

The business uses key performance indicators which are monitored on a regular basis which include audience trends such as listening hours, share of the market and demographic mix, as well as financial indicators such as revenue. Variance analysis is performed monthly and variances are monitored and discussed within a formal meeting structure.

The key risks to the business are that continued advertising slowdown may put pressure on traditional revenues. The risks are monitored and managed through parent and local management.

During the year, the company incurred a recharge of redundancy costs from Global Radio Services Limited which amounted to £189,000.

Results and dividends

The profit for the year, after taxation, amounted to £701,000 (2008: £813,000).

The directors do not recommend the payment of a dividend (2008 Interim: £1,000,000. Final £nil).

Directors'

The directors who held office during the year and to the date of this report were as follows:

R D J Manning (resigned 28/11/2008)
W Pallot (resigned 18/07/2008)
C L Allen (appointed 09/06/2008, resigned 20/11/2008)
A D Tabor (appointed 09/06/2008, resigned 20/11/2008)
M Connole (appointed 18/07/2008)
R F J Park (appointed 20/11/2008)
D A Thomson (appointed 20/11/2008, resigned 30/09/2009)
S G Miron (appointed 30/09/2009)

Political and charitable contributions

The Company made no political or charitable donations or incurred any political expenditure during the year.

Wiltshire Radio Limited
Registered Number: 1568150

Directors' report for the year ended 31 March 2009

Policy and practice on payment of creditors

The Company does not follow a code but operates a payment policy to agreed terms in settling outstanding debts. For certain types of regular contracted services direct debit or standing order arrangements are encouraged. Most other supplies are on an ad hoc basis and the terms of payment are agreed when the order is placed. The majority of payments are made by electronic transfer direct to suppliers' bank accounts. All of the payments are undertaken on the Company's behalf by Global Radio Services Limited under an agency agreement.

Provision of information to auditors

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

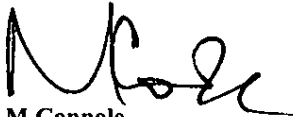
Directors' and officers' insurance

The Company maintains cover for all directors and officers against liabilities which may be incurred by them whilst acting as directors or officers.

Auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and therefore KPMG LLP will continue in office.

This report was approved by the board on **28 JAN** 2010 and signed on its behalf.



M Connole
Director

30 Leicester Square
London
WC2H 7LA

Wiltshire Radio Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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.

Independent Auditors' report to the members of Wiltshire Radio Limited

We have audited the financial statements of Wiltshire Radio Limited for the year ended 31 March 2009 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.

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 auditors' 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' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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.

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.

Independent Auditors' report to the members of Wiltshire Radio Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2009 and of its profit for the year then ended;
- the financial statements that 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.

KPMG LLP

KPMG LLP
Chartered Accountants and Registered Auditor
8 Salisbury Square
London
EC4Y 8BB

29 Jan 2010

Wiltshire Radio Limited

Profit and loss account for the year ended 31 March 2009

	Note	2009 £'000	2008 £'000
Turnover		3,850	4,110
Operating charges	1-5	(3,073)	(3,130)
Operating profit		<u>777</u>	<u>980</u>
Interest receivable	6	198	186
Profit before taxation		<u>975</u>	<u>1,166</u>
Tax charge on profit on ordinary activities	7	<u>(274)</u>	<u>(353)</u>
Profit on ordinary activities after taxation		<u>701</u>	<u>813</u>

All amounts relate to continuing operations.

A note on historical profits and losses has not been included as part of these financial statements as there is no difference between the results as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

The company has no recognised gains or losses other than the results for the year

The notes on pages 8 to 12 form part of these financial statements.

Wiltshire Radio Limited

Balance sheet as at 31 March 2009

	Note	2009 £'000	2008 £'000
Current assets			
Debtors	8	3,855	3,154
Net assets		<u>3,855</u>	<u>3,154</u>
Capital and reserves			
Called up share capital	9	330	330
Share premium	10	1,742	1,742
Profit and loss account	10	<u>1,783</u>	<u>1,082</u>
Shareholders' funds		<u>3,855</u>	<u>3,154</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on **28 JAN** 2010.



M Connole
Director

Wiltshire Radio Limited

Notes to the financial statements for the year ended 31 March 2009

1. Accounting policies

1.1 Basis of preparation of financial statements

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

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

1.2 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS1.

1.3 Turnover

Turnover represents amounts invoiced in respect of all services and goods provided during the year, excluding value added tax. Radio airtime revenue is recognised on the date of broadcast and this is considered to be the only material class of business for the Company in the United Kingdom.

1.4 Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax 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.

1.5 Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2. Agency agreement

Global Radio Services Limited provided personnel and other services to the Company. The amounts included in 'operating charges' contain a charge for these services of £829,000 (2008: £874,000).

3. Staff costs

The Company does not directly employ any staff (2008: nil).

Wiltshire Radio Limited

Notes to the financial statements for the year ended 31 March 2009

4. Directors' emoluments

The remuneration of W Pallot was received from Global Radio Services Limited up until her resignation and the majority of her time was spent on services to Global Radio Limited, the intermediate parent company. Details of her remuneration as director of Global Radio Limited are disclosed in that company's accounts.

The remuneration of R D J Manning was received from Global Radio Services Limited up until his resignation. For the period he was a director of Global Radio Limited, the intermediate parent company, his remuneration is disclosed in that company's accounts.

During the year ended 31 March 2009, C L Allen, A Tabor and R F J Park received remuneration initially from Global Radio UK Limited and then from Global Radio Services Limited and the majority of their time was spent on services to Global Radio UK Limited, the ultimate parent company. Details of their remuneration as directors of Global Radio UK Limited are disclosed in that company's accounts.

D A Thomson received his remuneration initially from Global Radio London Limited and then from Global Radio Services Limited. His remuneration for the period to 1 November 2008 has been disclosed in Global Radio London Limited accounts. His remuneration post 1 November 2008 has been disclosed in the accounts of Global Radio (UK) Limited and that is the company his time was largely spent on.

M Connoole received his remuneration from Global Radio Services Limited and the majority of his time was spent on services to Global Radio UK Limited, the ultimate parent company. Details of his remuneration as director of Global Radio UK Limited are disclosed in that company's accounts.

None of the directors received remuneration in respect of qualifying services to this Company (2008:£nil).

5. Disclosure of auditors' remuneration

Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed, as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, Global Radio UK Limited.

The audit fee in respect of the Company was £1,000 (2008: £1,000).

6. Interest receivable

	2009 £'000	2008 £'000
Intercompany loan interest receivable	<u>198</u>	<u>186</u>

Wiltshire Radio Limited

Notes to the financial statements for the year ended 31 March 2009

7. Taxation

	2009 £'000	2008 £'000
Analysis of tax charge on profit on ordinary activities		
Current tax		
UK corporation tax charge on profit of the year	275	353
Adjustment in respect of prior year	(1)	-
Total current tax charge	274	353

Factors affecting tax charge for the year

The tax assessed for the year is higher (2008: higher) than the standard rate of corporation tax in the UK of 28% (2008: 30%). The differences are explained below:

	2009 £'000	2008 £'000
Profit on ordinary activities before tax	975	1,166
Current tax at 28% (2008: 30%)	273	351
Effects of:		
Expenses not deductible for tax purposes	2	2
Adjustment in respect of prior year	(1)	-
Current tax charge for year (see note above)	274	353

There are no unrecorded deferred tax assets or liabilities.

8. Debtors

	2009 £'000	2008 £'000
Amounts owed by group undertakings	3,855	3,154

All debtors are due within one year

Wiltshire Radio Limited

Notes to the financial statements for the year ended 31 March 2009

9. Share capital

	2009 £'000	2008 £'000
Authorised		
345,000 ordinary shares of £1 each	345	-
3,000 Ordinary shares of 1p each	-	-
3,000 10% voting preference shares of 1p each	-	-
45,000 Voting ordinary shares of £1 each	-	45
300,000 Non-voting ordinary shares of £1 each	-	300
	<u>345</u>	<u>345</u>
Allotted, called up and fully paid		
329,600 ordinary shares of £1 each	330	-
29,600 Voting ordinary shares of £1 each	-	30
300,000 Non-voting ordinary shares of £1 each	-	300
	<u>330</u>	<u>330</u>

During the year the classification of the company's shares was changed as follows:

- 300,000 non-voting ordinary £1.00 shares authorised are now £1.00 ordinary shares
- 45,000 voting ordinary £1.00 shares authorised are now £1.00 ordinary shares
- 3,000 voting preferences £0.01 shares authorised are now £0.01 ordinary shares

10. Reserves

	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 April 2008	1,742	1,082	2,824
Profit for the year	-	701	701
At 31 March 2009	<u>1,742</u>	<u>1,783</u>	<u>3,525</u>

Wiltshire Radio Limited

Notes to the financial statements for the year ended 31 March 2009

11. Reconciliation of movement in shareholder's funds

	2009 £'000	2008 £'000
Opening shareholders' funds	3,154	3,341
Profit for the year	701	813
Dividend	-	(1,000)
Closing shareholders' funds	<u>3,855</u>	<u>3,154</u>

12. Dividends

	2009 £'000	2008 £'000
Dividends paid	<u>-</u>	<u>(1,000)</u>

13. Contingent liabilities

As at the date of the financial statements, contingent liabilities were as follows:

- Various inter-group cross guarantees held by Bank of Scotland, Bank of Ireland and Allied Irish bank.
- The Company is a member of a group for VAT purposes, resulting in a joint and several liabilities for amounts owing by other group companies for unpaid VAT.

14. Related party transactions

As the Company is a wholly owned subsidiary of Global Radio UK Limited (the ultimate parent company) the Company has taken advantage of the exemption contained within FRS 8 'Related party disclosures' and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Global Radio UK Limited (the ultimate parent company), within which this Company is included, can be obtained from the address given in note 15. There were no other related party transactions during the year.

15. Ultimate parent undertaking and controlling party

The directors regard Global Radio UK Limited, a company incorporated in Great Britain and registered in England and Wales, as the Company's ultimate parent undertaking.

The directors consider that Global Radio Group Limited, a company incorporated in Jersey, is the ultimate controlling party of the Company.

The largest and smallest group in which the results of the Company are consolidated is that headed by Global Radio UK Limited, the ultimate parent company which is incorporated in Great Britain. The consolidated financial statements of this company are available to the public and may be obtained from 30 Leicester Square, London WC2H 7LA.