

Kiss FM Radio Limited

Report and Accounts



For the year ended 31 March 2005

Company Registration No. 2378790

Kiss FM Radio Limited
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For the year ended 31 March 2005

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Kiss FM Radio Limited
Directors and Officials

Directors A K Roberts
 P R Gregg
 R Elliot (Appointed 11 July 2005)
 S Gregory (Appointed 26 August 2005)
 T Smith (Appointed 26 August 2005)
 B Griffin (Appointed 26 August 2005)

Company secretary M Hogg

Auditors PricewaterhouseCoopers LLP
 1 Embankment Place
 London
 WC2N 6RH

Registered office Wentworth House
 Wentworth Street
 Peterborough
 PE1 1DS

Company number 2378790

Kiss FM Radio Limited
Directors' Report
For the year ended 31 March 2005

The directors submit their report and accounts for the year ended 31 March 2005.

Results and dividends

The profit for the year after taxation amounted to £3,527,000 (2004 - £4,116,000). An interim dividend of £11,500,000 (2004: £nil) was paid in the period. The directors do not recommend the payment of a final dividend (2004: £nil)

Review of business and future developments

The company is engaged in the operation of independent radio stations in and around London under licence from Ofcom.

Directors and their interests

The current directors are shown on page 1. The directors who held office during the year are given below:

M T Story	(Resigned 21 April 2005)
A K Roberts	
P Hargreaves	(Resigned 21 April 2005)
D J Embley	(Resigned 21 April 2005)
P R Gregg	
S Long	(Resigned 21 April 2005)

The directors have no interest in the share capital of the company.

The interest of the directors in the share capital and share options of the ultimate parent company, Emap plc, at the beginning of the year, or subsequent date of appointment, and at the end of the year were as follows:

	Ordinary shares in issue	
	At 31 March 2005	At 31 March 2004
M T Story	15,259	4,164
A K Roberts	2,076	1,982
P Hargreaves	290	796
D J Embley	957	459
S Long	890	196

		Ordinary shares under option	
		Granted in year	Exercised/lapsed in year
	At 1 April 2004		At 31 March 2005
M T Story	1,801	2,064	(1,274)
D J Embley	1,518	-	-
P Hargreaves	303	-	-

		Executive Share Plan under option	
		Granted in year	Exercised/lapsed in year
	At 1 April 2004		At 31 March 2005
M T Story	69,747	27,013	(17,110)
A K Roberts	9,875	-	-
D J Embley	30,123	17,556	-
P Hargreaves	9,071	-	-

		Executive Share Plan under Trust	
		Allocated in year	Released/rescinded in year
	At 1 April 2004		At 31 March 2005
P Hargreaves	1,737	-	(1,737)

Kiss FM Radio Limited

Directors' Report

For the year ended 31 March 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 of the company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.


The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2005 and that applicable accounting standards have been followed.

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 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.

Auditors

The auditors, 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.

Approved by the board of directors on 4 January, 2006.



R Elliot
Director

Kiss FM Radio Limited
Independent Auditors' Report
For the year ended 31 March 2005

Independent auditors' report to the members of Kiss FM Radio Limited

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 the 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 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 annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

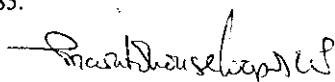
Basis of audit opinion

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.

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 at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

4 January 2006

Kiss FM Radio Limited
Profit and Loss Account
For the year ended 31 March 2005

	Notes	2005 £'000	2004 £'000
Turnover	2	12,305	12,801
Cost of sales		(1,983)	(1,655)
Gross profit		10,322	11,146
Administrative expenses		(5,544)	(5,248)
Operating profit	3	4,778	5,898
Net Interest	5	261	-
Profit on ordinary activities before taxation		5,039	5,898
Tax on profit on ordinary activities	6	(1,512)	(1,782)
Profit after taxation		3,527	4,116
Dividends	7	(11,500)	-
Retained loss for the year	13	(7,973)	4,116

The above results relate to continuing operations.

There are no recognised gains and 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 years being reported.

The notes on pages 7 to 12 form part of these accounts.

Kiss FM Radio Limited
Balance Sheet
At 31 March 2005

	Notes	2005 £'000	2004 £'000
Fixed assets			
Tangible assets	8	210	230
Current assets			
Debtors	9	7,941	24,975
Cash at bank and in hand		1	1
		7,942	24,976
Creditors: amounts falling due within one year	10	(2,391)	(11,472)
Net current assets		5,551	13,504
Net assets		5,761	13,734
Capital and reserves			
Called up share capital	12	740	740
Share premium account	14	1,133	1,133
Profit and loss account	14	3,888	11,861
Total equity shareholders' funds	14	5,761	13,734

The financial statements on pages 5 to 12 were approved by the board of directors on
and were signed on its behalf by:

4 January, 2006



R Elliot
Director

Kiss FM Radio Limited

Notes to the accounts

For the year ended 31 March 2005

1 Accounting policies

Basis of accounting

These financial statements are prepared under the historical cost convention and in accordance with the Companies Act 1985 and all applicable UK accounting standards.

Depreciation

The cost of tangible fixed assets less estimated residual value on disposal is written down evenly over their expected useful lives as follows:

Office equipment and motor vehicles - 3 to 5 years

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. 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.

Leasing

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

Pensions

The ultimate parent company, Emap plc, operates a defined contribution pension plan, Flexiplan, for eligible staff across the group. The group also operates a number of other schemes which are closed to new members. The principal scheme is the Emap Earnings Related Pension Plan, a defined benefit scheme which is funded by payments to trustee administered funds.

The cost of providing pensions under the defined contribution scheme is charged to the profit and loss account as it becomes payable. The cost of providing pensions under the group's defined benefit scheme is charged against profits on a systematic basis with pension surpluses and deficits arising allocated over the expected remaining service lives of current members. Differences between the amounts charged in the profit and loss account and payments made to the pension funds are treated as assets or liabilities.

Cash flow statement and related party disclosures

The company is a wholly owned subsidiary of Emap plc and is included in the consolidated financial statements of Emap plc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Emap plc group or investees of the Emap plc group.

2 Turnover

Turnover represents income received from the sale of advertising time together with sponsorship, club activities and other associated services, and is net of value added tax. Turnover is recognised as the advertising occurs.

3 Operating profit

(a) This is stated after charging

	2005 £'000	2004 £'000
Auditors' remuneration - Audit	-	7
Depreciation of owned tangible fixed assets	100	229
Operating lease rentals - Plant and machinery	27	6

Auditors' remuneration is borne and not recharged by another group undertaking.

Kiss FM Radio Limited

Notes to the accounts

For the year ended 31 March 2005

3 Operating profit (continued)

(b) Directors' emoluments	2005 £'000	2004 £'000
Aggregate emoluments	257	484
Pension contributions under the defined contribution scheme	11	24
	268	508

Retirement benefits are accruing to nil (2004 - nil) directors under the defined benefit scheme.

(c) Highest paid director	2005 £'000	2004 £'000
Aggregate emoluments	136	215
Pension contributions under the defined contribution scheme	7	13
	143	228

The highest paid director exercised share options and received shares under a long term incentive scheme in the year.

4 Staff costs

(a) Costs (including directors' emoluments)	2005 £'000	2004 £'000
Wages and salaries	1,043	1,077
Social security costs	124	105
Other pension costs	30	42
	1,197	1,224

Staff costs in prior years have included the costs incurred for temporary contractors, the comparatives have been restated to exclude these costs from the note.

(b) Pension costs

The company participates in pension schemes operated by the group. The two largest, one defined contribution, the other defined benefit, cover between them over 90% of total membership. In all cases the assets of the schemes are held in separate trustee administered funds.

The latest actuarial assessment of the main defined benefit scheme was at 5 April 2003, further details of which can be found in the annual report and accounts of Emap plc.

(c) Employees

The average weekly number of persons (including executive directors) employed by the company during the year was 27 (2004 - 28).

(d) Staff share bonus

Through the Emap Share Plan, Emap plc has this year offered free shares to the value of £820 (2004 - £820) to qualifying staff. Sharemap is part of Lifemap, Emap's flexible benefits plan and allows staff to save up to £1,500 a year to buy Emap plc shares. Emap plc will then match the cumulative investment in shares on a one to one basis. The shares are held in trust for staff for three years, after which time they can be sold. After five years, the shares are free of income tax on release from the trust. The Emap SAYE scheme has now run in the UK for 20 consecutive years.

5 Net interest

	2005 £'000	2004 £'000
Interest receivable		
Interest receivable from group undertakings	261	-
	261	-

Kiss FM Radio Limited

Notes to the accounts

For the year ended 31 March 2005

6 Tax on profit on ordinary activities

	2005 £'000	2004 £'000
Corporation tax at 30%	1,528	1,774
Corporation tax prior year adjustment	4	(10)
Total current tax	1,532	1,764
Deferred tax - current year	13	13
Deferred tax - prior year	(33)	5
	1,512	1,782

The difference between tax as per the financial statements and tax at the UK nominal rate is explained below:

	2005 £'000	2004 £'000
Profit before tax	5,039	5,898
Tax charge at 30% (2004 - 30%)	1,512	1,769
Corporation tax prior year adjustments	4	(10)
Non-tax deductible expenses	29	18
Deferred tax accelerated capital allowances	(13)	(13)
Tax charge for the current year	1,532	1,764

7 Dividend paid

	2005 £'000	2004 £'000
Dividend of £7.77 per share (2004 - £nil per share)	11,500	-

Kiss FM Radio Limited

Notes to the accounts

For the year ended 31 March 2005

8 Tangible fixed assets

	Office equipment and vehicles £'000
Cost	
At 1 April 2004	902
Additions	79
Disposals	(471)
At 31 March 2005	510
Depreciation	
At 1 April 2004	672
Provided during the year	100
Disposals	(472)
At 31 March 2005	300
Net book value	
At 31 March 2005	210
At 31 March 2004	230

9 Debtors

	2005 £'000	2004 £'000
Trade debtors	2,020	1,826
Amounts owed by group undertakings	5,732	22,744
Other debtors	-	51
Prepayments and accrued income	124	309
Deferred taxation (Note 11)	65	45
	7,941	24,975

Amounts owed by group undertakings are unsecured, bearing interest at the LIBOR rate (2004 - interest free) and have no fixed date of repayment.

10 Creditors: amounts falling due within one year

	2005 £'000	2004 £'000
Trade creditors	31	245
Amounts owed to group undertakings	-	8,871
Other taxation and social security	469	265
Accruals and deferred income	363	317
Corporation tax	1,528	1,774
	2,391	11,472

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

Kiss FM Radio Limited**Notes to the accounts****For the year ended 31 March 2005****11 Deferred taxation**

The movement on deferred tax asset is:

	Deferred tax £'000
At 1 April 2004	(45)
Transferred from profit and loss account	(20)
At 31 March 2005	(65)

The deferred taxation asset has been recognised in the accounts as follows:

	2005 £'000	2004 £'000
Depreciation in advance of capital allowances	(65)	(45)

There is no unprovided deferred taxation.

12 Called up share capital

	2005 £'000	2004 £'000
Authorised 1,600,000 ordinary shares of 50p each	800	800
Allotted, called up and fully paid 1,479,296 ordinary shares of 50p each	740	740

13 Profit and loss account

	Profit and loss account £'000
At 1 April 2004	11,861
Retained loss for the year	(7,973)
At 31 March 2005	3,888

Kiss FM Radio Limited

Notes to the accounts

For the year ended 31 March 2005

14 Reconciliation of movements in shareholders' funds

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 April 2004	740	1,133	11,861	13,734
Retained loss for the year	-	-	(7,973)	(7,973)
At 31 March 2005	740	1,133	3,888	5,761

16 Ultimate parent company

The immediate parent undertaking is Emap Performance Limited.

The ultimate parent company and controlling party is Emap plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Emap plc's consolidated financial statements can be obtained from the Registered Office at Wentworth House, Wentworth Street, Peterborough, PE1 1DS.