

ISSUE 1

LOCAL RADIO LICENCE
APPLICATION FORM

(RE-ADVERTISEMENT)
(B: NEW APPLICANT)

SECTION 1 : GENERAL

1. RE-ADVERTISED LOCAL LICENCE AREA

EXETER/TORBAY

2. NAME OF APPLICANT GROUP (AND/OR PROPOSED STATION NAME)

GEMINI RADIO
BROADCASTING AS GEMINI AM & GEMINI FM

3. LICENCE(S) APPLIED FOR

Indicate whether this application is for : (TICK ONE
BOX ONLY)

licences on both AM and FM wavebands

a licence on the AM waveband only

a licence on the FM waveband only

<input checked="" type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

See also Q.50

4. MAIN CONTACTS (FOR PUBLIC PURPOSES)

Individuals nominated to deal with any press or public enquiries.

Name: Ivor Stolliday

David Rodgers

Address: _____

Orchard Media Ltd.,
Haygrove House,
Shoreditch,
Taunton,
Somerset,
TA3 7BT.

Telephone _____

(daytime): _____

0823 338448

BOARD OF DIRECTORS

IVOR STOLLIDAY

Chairman (Non-executive)

Nationality: British citizen

Current occupation:
The Secretary,
The Dartington Hall Trust

Other media interests:
Trustee - TSW Group Pension Scheme
- TSW Telethon Charitable Trust
- The South West Film
and Television Archive

Directorships held:
(in past five years)

The Dartington Group of Companies
Marketing South West Ltd
National Music and Disability Information
Service Ltd
South West Counties Leisure Ltd
The TSW Group of Companies

As chief executive of the Dartington Hall Trust, Ivor is responsible for one of the country's most innovative charitable trusts, dedicated to education, the arts, rural regeneration, and the environment.

To the visitor Dartington is best known for its mediaeval buildings, and as a centre for concerts, films, lectures and theatre performances. However of greater significance is its role as an educational campus for students of all ages, nationalities, and backgrounds. The Old Postern houses Schumacher College, a new international centre informed by spiritual and ecological values, the first of its kind in Europe; the Tech is the hub of youth training and vocational programmes; while estate projects include a horticultural training workshop, a centre for woodland training, a programme of craft education, and a conservation and habitat management initiative. Dartington College of Arts is a flourishing and innovative Higher Education centre, of which Ivor is a governor.

For five years prior to his appointment at Dartington, Ivor was Deputy Managing Director and Company Secretary of TSW plc, and from 1980-88 Secretary of the ITV Association, the central body of the ITV companies. For a year he was Visiting Professor in Management at California State University in Sacramento.

Ivor's experience at the most senior levels in commercial broadcasting will ensure that Gemini Radio will operate on a sound financial basis.

THE EARL OF IDDESLEIGH
DL Deputy Chairman/
Non-executive director

Nationality: British citizen

Current occupation:
Landowner/farmer

Other media interests:

None

Directorships held:
(in past five years)

Devon and Exeter Steeplechases Ltd
TSB Group plc
TSW Television South West Holdings plc
TSW - Television South West Ltd
Trustee - The TSW Group Pension Scheme
United Dominion Trust Ltd

Stafford Idedesleigh was a founder member of the Radio Haldon consortium which applied for, and won as DevonAir, the Exeter/Torbay licence in 1979. He was a founder member of the Television South West consortium which won the regional television licence in 1980. He served as a director throughout the licence period, and was appointed Deputy Chairman in 1990.

Lord Idedesleigh was elected a Trustee of the Devon and Exeter Trustee Savings Bank in 1970 and was Chairman of the South West Region between 1980 and 1987. He was a main board director of TSB Group plc and the United Dominions Trust from 1984 to 1987.

In Devon, Stafford Idedesleigh has been a member of the Devon Committee of the Country Landowners Association since 1966. He is a member of the London Council and served on the Legal and Parliamentary Committee for several years. He was county Chairman and President between 1977 and 1981. He is President of the Devon Association of Parish Councils, and served on district and parish councils for twenty years from the mid 1950s. He is a trustee of the Devon Historic Churches Trust, Patron of the Exeter Hospital Aid Society, Vice President of the Friends of Exeter Museum, and Vice Chairman of Exeter Racecourse.

The fourth Earl of Idedesleigh is the direct descendent of Galfridas Miles de Northcote who made his home in Devon in 1103. The family has had an unbroken line in the county since that time. As a Peer of the Realm, Lord Idedesleigh sits in the House of Lords across the West Country, and speaks specifically on matters of concern to the County of Devon. He serves as a Deputy Lieutenant of the County of Devon.

MRS. BARBARA GREGORY Company Secretary (Non-executive)

Nationality: British citizen

Current occupation:

Chief Accountant
Royal Devon and Exeter
Healthcare NHS Trust

Other media interests:
None

Directorships held:
(in past five years)

None

In 1992 Barbara was personally responsible for the independent financial appraisal for the Regional Health Authority of all South West NHS Trust applicants. Now as Chief Accountant of the leading NHS Trust in Devon, since February 1993, Barbara is responsible for accountability and control of an annual budget of £80 million.

Born in Dorset, Barbara attended the University of Bath where she graduated in 1982 with a BA Honours in European Studies. She took a one year sabbatical in the South West during which time she worked in a T-shirt factory and went apple picking, before joining KPMG Peat Marwick in Exeter in 1983 as a Trainee Accountant.

Barbara qualified as a Chartered Accountant in 1986 and quickly rose to the level of Audit Manager, overseeing the audits of regional media companies, the regional bus companies, and a leading life assurance group, the largest employer in the Exeter area.

In 1990, Barbara was co-opted into a newly formed Peat Marwick Management Consultancy team established in Exeter, the first in the South West. The first project was a major cost reduction exercise which took 10% off the overheads of a major insurance group. A similar exercise in London was applied to a national utility.

Barbara is a keen competitive sailor, scuba diver, and an accomplished horsewoman. She speaks fluent French and German.

As a member of the board of Gemini Radio she will ensure that the company has sound financial management, applying vigorous controls to operating costs.

-3(c)-

LIEUTENANT COLONEL
GUY LAWRENCE RA (RTD)

Non-executive director

British subject

Current occupation:
Security and Home Defence Staff Officer
HQ 43 (Wessex) Brigade, Exeter

Other media interests:
None

Directorships held:
(in past five years)
None

Guy Lawrence was born in April 1939 in The Hague, Holland. He was educated at Winchester, and joined the foreign staff of the Hong Kong and Shanghai Banking Corporation as a trainee in London in 1957. He was called up for National Service in 1959.

He was commissioned on the National Service list and posted to 4th Regiment RHA in Hohnhe, West Germany. In 1961 he transferred to the Regular List and was posted to 29 Field Regiment which became a Commando regiment the following year.

After further duty in Aden and Canada, Colonel Lawrence served on the Artillery Staff at HQ 2 Division in Germany from 1970 to 1972, before attending the 1973 course at the Army Staff College.

Guy was subsequently appointed Military Assistant to the Chief of Staff at HQ Northern Army Group in Rheindahlen, a NATO appointment. He subsequently became Battery Commander of the Eagle Troop in the 2nd Field Regiment before being appointed Second in Command of the Regiment. He was subsequently appointed as an instructor at the tactics wing of the Royal School of Artillery.

On promotion to Lieutenant Colonel he was appointed Commanding Officer of the Junior Leaders Regiment RA from 1981 to 1983. He subsequently spent two years as an Intelligence Officer to the United Kingdom Delegation to NATO in Brussels before returning to the Army Security Directorate in the Ministry of Defence. He retired from Regular Service in 1991 but was appointed to his current position as a retired officer in 1992.

Guy was married in Devon twenty seven years ago and has considered the county his base throughout his army career. During his spell of duty in Canada he developed an awareness of the power of local radio as a means of effective communication and has maintained a keen interest ever since.

-3(d)-

JOHN LLOYD

Non-executive

British subject

Current occupation:

Barrister

Other media interests:

None

Directorships held:
(in past five years)

Business Enterprise Exeter
Exeter Arts Centre
Exeter Workshops Ltd
Quay and Canal Trust, Devon

John is a barrister, specialising in planning and administrative law. He established his own chambers in Exeter in 1990, having graduated as a Bachelor of Laws from Exeter University in 1987.

John was born and grew up in Southern Africa. He graduated as a Bachelor of Arts from Natal University in 1963, and worked as a journalist on the Natal Witness and Golden City Post and Drum, before returning to Britain where he became a sub-editor on the South West's leading daily newspaper, the Western Morning News. In 1965 he worked for a year as a sub-editor for the BBC World Service.

John decided to enter the teaching profession and taught in schools in Bristol and Bishops Stortford, between 1966 and 1973, before returning to the West Country as Head of the English Department at Vincent Thompson School, Exeter. He gained his Master of Arts degree from Exeter University in 1970.

He takes a keen interest in local politics. Between 1981 and 1985 he served on Devon County Council as a member of the Police Authority and Planning Committees. He was elected to Exeter City Council in 1983 and was Chairman of Development between 1984 and 1992. In 1992 became Deputy Leader, a position which he still holds. He stood as the Labour candidate for Exeter at the last general election.

John lists allotment gardening and road running among his recreations. He will bring his surefootedness and wealth of local connections to the board of Gemini Radio.

MADELEINE PARKINSON

Non-executive director

British subject

Current occupation:

Health Promotion Specialist

Exeter and North Devon
Health Authority

Other media interests:

None

Directorships held:
(in past five years)

None

Madeleine came to Devon in 1974 to train as a teacher at Rolle College in Exmouth, where she has lived ever since.

In 1984, when she was nine months pregnant with her first child, Maddy was elected, as a Liberal Democrat, to East Devon District Council. She currently serves on the Public Health, Tourism and Transportation, Environment, and Planning Committees. She has previously served on the Housing, and Tenancy Allocation Committees. Maddy spoke in the environment debate at the Liberal Democrat National Conference in Brighton in 1990.

Maddy currently works as a Health Promotion Specialist for the West Exeter and North Devon Health Authority, and is studying for a Post-graduate Diploma, with a view to developing it into a Master of Science degree at the University of the West of England. She has recently devised a health strategy for Westcountry Television and a media strategy for the Health of the Nation initiatives.

Maddy lives with her husband John, who runs an electrical and plumbing services business, and their two young children. She is genuinely concerned about the community, the voluntary sector organisations, women's issues, and above all, equal opportunities.

Maddy will ensure that her views on equal opportunities are vigorously pursued within Gemini Radio and that, on air, it becomes a phrase with real meaning in our transmission area.

EWEN CAMERON DL

Non-executive director

Nationality: British citizen

Current occupation:
Landowner/farmer

Other media interests:
Chairman - Orchard Media Ltd
T/A Orchard FM

Directorships held:
(in past five years)
Allangrange Farming Company Ltd
Dillington Park Farm Ltd
Ilford Bridge Farming Company Ltd
Golf Media Ltd
West Country Sports Ltd

Ewen graduated from Oxford with an MA in history, then attended the Royal Agricultural College in Cirencester where he undertook a three year Rural Land Management Course. He now owns and manages the Dillington estate of 3,000 acres at Ilminster, Somerset.

Over the past fifteen years the Home Farm has been built up from 350 acres to 1550 acres, and currently involves two dairies, and grows wheat, sugar beet, peas, and potatoes, and other vegetables, with irrigation and cold stores. There is also a housing association scheme on the estate.

In 1988 Ewen became Chairman of Orchard FM, Somerset's first commercial radio station. He is justifiably proud that the station, which was conceived in a boom and launched in a recession, is now trading profitably. As an indicator of his belief in the future of commercial radio, Ewen recently organised the buyout of Capital Radio's 22% shareholding in Orchard, and is now the station's largest shareholder.

In his home county he serves on the Business Committee of the Rural Development Commission, the Regional National Trust Committee, the Landowners Panel of the Agricultural Land Tribunal, and the County Executive of the National Farmers Union. He has also served for ten years as Chairman of his local parish.

Ewen has served for many years on the National Council of the Country Landowners Association. He is currently Deputy Chairman of the National Executive and is due to become National Deputy President in November 1993. He is Chairman of the Agriculture and Rural Economy Committee, and last year he chaired the working party on 'Access to Rural Land'.

As a Deputy Lieutenant he is available to represent the Queen at ceremonial functions and was High Sheriff in 1986/87.

MALCOLM HALL

Non-executive director

Nationality:

British

Current occupation:

Managing Director
ERA Consultancy Ltd

Other media interests:
Director - Channel Radio Ltd.
Director - Orchard Media Ltd.

Directorships held:

- (in past five years)
- Jersey - Chez Pierre Ltd
- Des Pas Investments Ltd
- Hub Trans Communications Ltd
- Moneypenny Investments Ltd
- Owl Holdings Ltd
- UK - Crewlight Ltd
- Majordetail Ltd
- Nobel Properties Ltd
- Steelux Holdings Ltd

In 1955 Malcolm joined the family business in London, a light engineering company making tubular kitchen furniture, school furniture, and beds. He left as managing director in 1969 to work full time in his own business, which he had started in 1965. Over twenty-two years he built up Hub Tubes Ltd, a steel tube manufacturing company, until it was sold in 1987 to Glynwed plc.

Since 1987, Malcolm has developed his management consultancy business, operating generally in the light engineering and tube manufacturing field, throughout Europe and the United States.

Malcolm co-founded the Jersey Commercial Radio Association in 1977, to lobby the States to establish commercial radio on the island. The fact that the States decided to opt initially for the BBC was a disappointment but not a setback, and in 1992 his group was awarded the independent radio licence for Jersey. Malcolm now holds a 30% share of Channel Radio Ltd., having recently released a share of his original holding to enable members of staff to acquire an interest in the company.

This year Malcolm has acquired a 15% shareholding in Orchard FM and is a member of a consortium formed to apply for a licence in Hertfordshire when a frequency has been identified.

Malcolm will bring his indefatigable enthusiasm for commercial radio and his unparalleled managerial experience to Gemini Radio

SUSAN JACKSON

Non-executive director

Nationality:

British

Current occupation:

Proprietor and founder

Willys Ltd
Fashion Retailer
Exeter

Other media interests:

None

Directorships held:
(in past five years)

Bananas at Home Ltd

Sue was born in Bristol where she attended Westwing School. She subsequently attended Coldham's Tutorial College in Kenya, before working for two years as a medical auxiliary at the Mathare Valley Mission in Nairobi.

On returning to Britain she worked as an occupational therapist in the stroke unit at Heavitree Hospital in Exeter.

In 1983, after the birth of her first child, she founded her own outside catering business, Bananas at Home. Sue was entirely responsible for the management and finance of the business.

Since 1985, Sue has been running a highly successful fashion retail business in Exeter called Willys! Her responsibilities cover buying, merchandising, sales, staff training, marketing, and producing fashion shows. In 1992, she was runner-up in the Independent Retailer of the Year Award promoted by Drapers Record, and she is currently developing her "own label" clothing.

Sue's many customers include one of the top cult bands in the country, The Cure. She will ensure that our young FM audience is fully up to date with the fashion scene and feels informed and confident, rather than "down the line".

DAVID RODGERS

Non-executive director

Nationality: British citizen

Current occupation:

Managing Director
Orchard Media Ltd
T/A Orchard FM

Other media interests:

Director - Lantern Radio Ltd
Director - Regent Radio Ltd

Directorships held:
(in past five years)

SomerSound Ltd
Trustee - Orchard Charity Trust

David is the Managing Director/Programme Controller of Orchard FM the Somerset radio station, and was responsible for its successful launch. In the most recent RAJAR survey the station has returned a 30% increase in listening hours with an audience share of 30% in its target demographic.

David was born and brought up in Devon. He is a well-respected radio and television producer and presenter, with international experience, broadcasting regularly from the United States, Australia and New Zealand.

For two years he was the presenter of 'Morning Sou'West', the one-time BBC Radio Four regional opt-out, before moving in 1973 into television to present the nightly news magazine for Westward and subsequently TSW. He went on to become the Editor of TSW's arts and entertainment programmes.

David maintained his contact with radio by producing a series of entertainment programmes from New York and Australasia, sponsored by Trivial Pursuit, which were broadcast across the Independent Radio network and in the United States. He still broadcasts regularly, producing travel reports from cities including Paris, Madrid and Hong Kong for Orchard and Classic FM.

In 1988, David led a team of six British broadcasters to Zimbabwe, on a six week attachment to the Zimbabwe Broadcasting Corporation, to train the Corporation's news directors in modern broadcasting techniques. The initiative was organised by the Thompson Foundation and the state of the art equipment was supplied by the American and European governments.

He will bring to Gemini Radio his invaluable experience in launching a radio station and bringing it, through recession, to profit.

7. EXTERNAL ASSISTANCE

David Cousins of St. David's Research, based in Honiton, completed major audience research for Gemini Radio throughout the Exeter/Torbay radio licence area, as well as output analysis of the existing licensee. The results of this research, along with accompanying tables, have been made available to the Radio Authority.

St. David's research is one of the leading consultancies to the radio industry. Recent clients include Minster Sound plc, KCBC in Kettering, Regent Radio who were recently awarded the licence to broadcast to Weymouth and Dorchester, and CLT - the biggest broadcasting organisation in the world.

8. APPLICANT GROUP'S HISTORY AND DEVELOPMENT STRATEGY

In the late summer of 1992, two original members of the Gemini Radio consortium met up to discuss the forthcoming advertisement of the Exeter/Torbay radio Licence. They were aware of a feeling of disappointment about the output of DevonAir when they discussed this opportunity with friends and colleagues. Although they felt it may be difficult and costly to compete against DevonAir's two large corporate shareholders, they felt that the risk was justifiable. One of them, Mike de Sousa, an Exeter resident with international broadcasting experience, wrote to Orchard FM to see if they will willing to support a local group in applying for the Licence.

After two productive meetings between Orchard and the Exeter group, it was decided to team up and find a Chairman to pull the project together. Ivor Stolliday and Barbara Gregory had joined the group to provide industry and financial input and it soon became clear that Ivor was just the person to become Chairman. Despite approaches from other groups, the Earl of Idesleigh and Lord Courtenay both decided to join the Gemini consortium, the former becoming Deputy Chairman.

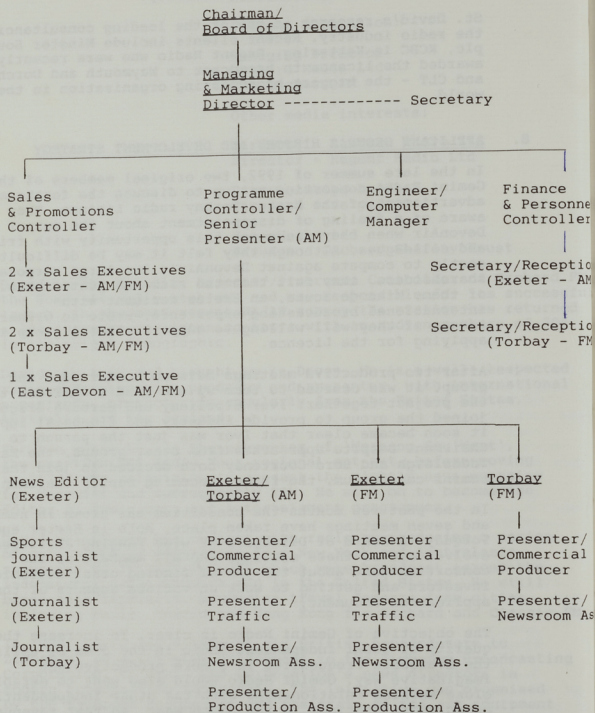
In the past few months the consortium has grown in numbers and seven meetings have taken place, both in Exeter and Torquay. A Board of Directors of wide ranging abilities evolved out of these meetings and all members of the consortium went about the job of finding other suitable investors and getting to work on various aspects of the application document.

The objective of Gemini Radio is clear. To increase the quality of local independent radio in the area by utilising the available frequencies in a more productive and imaginative way. Gemini Radio would also want to establish close working relationships with the other independently owned radio stations in the South West, so that revenue potential from regional sources, as well as local and national, can be maximised.

This clear strategy of wider choice, better quality and closer co-operation means overall audience share will go up and revenue will follow.

9. STAFFING

Details of proposed station management and staff including reporting structure. Staff numbers and salaries by department with details of shared service.



b) Full-time and part-time staff

Administration:

Managing/Marketing Director*	£ 30,000
Finance/Personnel Controller*	£ 17,500
Engineer/Computer Manager*	£ 18,000
Management Secretary	£ 11,000
Secretary/Receptionist - Exeter	£ 9,000
Secretary/Receptionist - Torbay	£ 9,000
-----	-----
Total administration	£ 94,500

Programming:

Programme Controller/AM Presenter*	£ 22,000
Presenter(AM)/Commercial Producer	£ 14,000
Presenter(AM)/Traffic	£ 14,000
Presenter(AM)/Newsroom Assistant	£ 10,000
Presenter(AM)/Production Assistant	£ 10,000
Presenter(FM/EX)/Commercial Producer	£ 14,000
Presenter(FM/EX)/Traffic	£ 14,000
Presenter(FM/EX)/Newsroom Assistant	£ 10,000
Presenter(FM/EX)/Production Assistant	£ 10,000
Presenter(FM/TQ)/Commercial Producer	£ 14,000
Presenter(FM/TQ)/Newsroom Assistant	£ 14,000
-----	-----
Total presentation	£ 146,000

News:

News Editor/Journalist*	£ 17,500
Sports journalist	£ 14,000
Journalist - Exeter	£ 14,000
Journalist - Torbay	£ 14,000
-----	-----
Total news	£ 59,500

Sales:

Sales/Promotions Controller*	£ 22,000
Sales executive - Exeter	£ 14,000
Sales executive - Exeter	£ 12,000
Sales executive - East Devon	£ 12,000
Sales executive - Torbay	£ 14,000
Sales executive - Torbay	£ 12,000
-----	-----
Total sales	£ 86,000

Total salaried staff	£ 386,000
* - Pensions @ 5%	£ 6,500
NHI	£ 40,100
-----	-----
Total salaries	£ 432,600

Gemini Radio will employ 27 full-time staff.

All of the team will be trained to fulfil dual roles within the company, and there is provision in our plans for adequate cover for holidays and sickness.

The local revenue projections that we have made are the targets that will be set to the sales team. Bonuses will be earned on sales in excess of target.

Once set up costs have been covered by Year Four, as well as paying dividends to shareholders, Gemini Radio will introduce a staff profit sharing scheme.

c) Activities that will be contracted out

The Gemini Radio area is totally within the Westcountry Television area. In order to compete with television for national sales it is imperative that the station is sold alongside the other stations in the South West, Orchard FM, Pirate FM, Plymouth Sound, Lantern Radio, and Wessex FM. We have not been able to hold discussions with Media Sales and Marketing, who sell national advertising for the existing licensee. However we intend to enter into an agreement with the sales house representing the South West at the time that we go on air.

d) Role to be played by unpaid voluntary helpers

There are a number of radio enthusiasts in the Exeter and Torbay area who perform excellent work for the local hospital radio services. It would be our intention to encourage any such broadcaster who showed promise by offering them the opportunity of assisting the presenters of our AM specialist programmes. They would be expected to do this on a voluntary basis in return for the training they would receive. We expect to use three such volunteers.

These volunteers will form the nucleus of a pool of local talent from which we will develop our future presentation team.

We are currently talking to Tom Goodison of Community Service Volunteers with a view to them providing help and support for our 'CommuniCare' features.

e) Employment of existing staff

We intend to staff the station with a blend of the best up and coming talents working alongside experienced radio professionals.

The sound of Gemini Radio has to fresh and bright, but as far as possible we will employ those already working at DevonAir Radio. We are aware of the personal upheaval that this kind of change can cause and would wish to minimise this effect. For example, some existing on-air staff may now be better suited to the AM service, creating new opportunities for the next generation of young broadcasters on FM.

10. MANAGEMENT

Individuals so far identified for management positions

The senior management of Gemini Radio has been identified and made known to the Radio Authority.

A confidential letter accompanying this application was addressed to Peter Baldwin, Chief Executive of the Authority.

SECTION II : PROGRAMMING

11. PROPOSED PROGRAMME SERVICE

a) AM Waveband

Proposed name of service - GEMINI AM

b) The approach and objectives of the proposed programme service

Gemini AM will set out to revive the spirit of community across the area with the intention of creating a life enhancing, celebratory atmosphere.

The output of Gemini AM will be a full service of informative speech, presented in a warm and friendly manner; and quality easy listening music, with the accent on melody and familiarity.

The output will be aimed at discerning over 35s, providing a valued source of information and entertainment. However, certain sections of our output will be of a specialist nature and may well have an appeal to listeners in any age group.

Our research shows a clear demand for local, national and international news coverage. However our research also shows a demand for news of the South West, from further afield. Furthermore our research shows a clear demand, among those over 35, for discussions about local issues.

Gemini AM will place a strong emphasis on news. The duration of our news bulletins will allow for stories and issues to be dealt with in depth. In our early evening phone-in slots, listeners will be able to question local politicians, their local MPs, their local councillors about their decisions and actions.

We have based the planning of Gemini AM's feature content, again, on our research findings. There is a high degree of interest, especially among older women, in environmental news, and news of what is happening in the glorious countryside around them. Older men are especially interested in sport, which we will cover in depth. And we will not exclude popular leisure activities such as board sailing, three day eventing at Bicton, racing at Haldon, hill climbing at Wiscombe, and stock car racing at Newton Abbot, where Chalky White of Sidbury ruled as British champion.

As a matter of course Gemini AM will broadcast in-depth weather forecasts; reports from the Coastguards, in an area where sailing is a primary leisure activity; and news of delays on the roads, especially in the summer, when ten mile tail-backs on the motorway are a common occurrence.

Gemini AM intends to create the "feelgood factor" among our listeners. We will not exclude matters that lift the spirit. The area enjoys wide range of religious denominations, due to the spread of non-conformism across the South West. We will reflect this interest in a thought provoking daily slot, and in our 'Thought for the Week' on Sunday mornings. We expect a considerable response from our 'Call for Action'.

Based on our research findings, Gemini AM will play a tuneful mix of easy listening music; songs by classic artists like The Beatles, Abba, Diana Ross and Elvis; with a sprinkling of country music, so popular among the over 35s in the area. We will not exclude current records by artists such as Michael Ball, who has a Top Ten album at present, and Barbra Streisand whose albums no longer get the exposure they deserve on the routine output of commercial radio in this country.

This music mix will prove to be especially popular as BBC Radio Devon moves to an all speech format.

There will be specialist music programmes in the evening which will cater for a wide variety of individual tastes. These will include showtime and film music, jazz and swing, folk and blues, country and gospel, popular classics and light opera, focussing attention on the relevant local clubs and societies.

There is a thriving live music scene in the area. The Exeter Festival is a major annual cultural event which received scant attention this year in the output of the existing licensee. Lesley Garrett appeared in the open air at Killerton Gardens, there was a candlelit concert in the Cathedral, and Kenny Ball and Acker Bilk set toes tapping. The Dartington Summer Festival attracts literally thousands of visitors from across Europe yet receives little or no commercial radio coverage. The Sidmouth Folk Festival is one of the summer's major European dance and song events. Then again there are local folk groups, choral societies, and light opera groups, all looking for exposure.

Over 90% of the output of Gemini AM will be locally originated.

12. BALANCE BETWEEN MUSIC AND SPEECH

	<u>Speech as % of prog. airtime</u>			
	<u>'Peaktime'</u> (06.00-19.00)		<u>Non-'peaktime'</u>	
	<u>Min. %</u>	<u>Max. %</u>	<u>Min. %</u>	<u>Max. %</u>
a) On a typical weekday (Monday-Friday)	20	45*	20	30
b) On a typical Saturday	20	35	15	20
c) On a typical Sunday	20	35*	15	30

* Excluding phone-ins (See Programme Schedule)

13. MUSIC OUTPUT

a) Weekday peak-time music

<u>Type of music</u>	<u>Illustrative tracks and artists</u>	<u>Music type as % of total music output</u>	
		<u>Min. %</u>	<u>Max. %</u>
<u>Easy listening</u>	I'm stone in love with you Johnny Mathis	25	35
	Memory Barbra Streisand		
	Unforgettable Nat King Cole		
	Big Spender Shirley Bassey		
<u>Contemporary easy listening</u>	Everything I do Bryan Adams	15	20
	Get Here Oleta Adams		
	I will always love you Whitney Houston		
<u>Classic artists</u>	A groovy kind of love Phil Collins		
	She's leaving home The Beatles	15	20
	The name of the game Abba		
	All shook up Elvis Presley		
<u>Country music</u>	You can't hurry love Diana Ross and the Supremes		
	Islands in the stream Kenny Rodgers and Dolly Parton	10	15
	Stand by your man Tammy Wynette		
	Country Roads John Denver		
	Blanket on the ground Billie Jo Spears		

13. MUSIC OUTPUT (Cont.)

a) Weekday peak-time music

Type of music	Illustrative tracks and artists	Music type as % of total music output	
		Min. %	Max. %
<u>Sixties hits</u>	Wonderful World Louis Armstrong Downtown Petula Clark In the country Cliff Richard Anyone who had a heart Cilla Black	10	15
<u>Seventies hits</u>	The air that I breathe The Hollies Midnight train to Georgia Gladys Knight Three times a lady The Commodores Angie Baby Helen Reddy	10	15

b) Music output at other times

Type of music	Illustrative tracks and	Total no. of hours per week	Day(s) of week week and time(s) of day
<u>Folk</u>	Danny Boy Christie Moore Clare to here Ralph McTell No frontiers Mary Black Jock o' Hazeldean Dick Gaughan	<u>2</u>	Monday/1900-2100
<u>Country music</u>	Shameless Garth Brooks Blackberry Blossom The D'Urberville Ramblers Passionate kisses Mary Chapin Carpenter Down to my last teardrop Tanya Tucker	<u>2</u>	Tuesday/1900-2100
<u>Blues</u>	Sweet little angel B.B. King Mannish boy Muddy Waters I'd rather go blind Etta James The glory of love Big Bill Broonzy	<u>2</u>	Wednesday/1900-2100
<u>Jazz</u>	We are in love Harry Connick Jr. The girl from Ipanema Stan Getz and Joao Gilberto Petite fleur Sidney Bechet Nuages Django Rheinhardt	<u>2</u>	Thursday/1900-2100

b) Music output at other times (continued)

<u>Type of music</u>	<u>Illustrative tracks and</u>	<u>Total no. of hours per week</u>	<u>Day(s) of week week and time(s) of day</u>
<u>Rock and roll</u>	La Bamba Ritchie Valens That'll be the day Buddy Holly Shakin' all over Johnny Kidd Sea cruise Frankie Ford	<u>3</u>	Friday/1800-2100
<u>Show tunes</u>	Maria Jose Carreras (from 'West Side Story') Empty chairs at empty tables Michael Ball (from 'Les Miserables') The s Surrey with the fringe on top Howard Keel (from 'Oaklahoma') Aquarius/Let the sunshine in Fifth Dimension (from 'Hair')	<u>2</u>	Saturday/1800-2100
<u>Nostalgia</u>	Welcome to my world Jim Reeves White cliffs of Dover Vera Lynn Pennsylvania 65000 Glenn Miller Dreamboat Alma Cogan	<u>2</u>	Sunday/1800-2000

14. SPEECH CONTENT

Gemini Radio does not consider the AM waveband to be a liability. On the contrary we consider it to be a valuable resource, capable of delivering a substantial boost to the market share of independent local radio in the licence area.

Our research shows clearly the level of demand for speech items, which attract greater levels of interest among women. This is particularly pertinent in view of the significant decline in the numbers of older women listeners to DevonAir. Between JICRAR in 1988 and RAJAR in 1992 the station lost 41% of women listeners aged over 35. In the same period BBC Radio Devon went from a 7% market share to 15%, in the area.

But what are these women interested in? Our research shows that 65% of women over the age of 35 are interested in environmental news; 64% are interested to know what's happening in the countryside; and 68% are interested in discussions about local issues. The Gemini AM schedule caters for all of these needs, providing for shorter feature items in the weekend breakfast shows, and longer interviews in the weekday morning programme.

This does not mean to say that older men are not interested in these subjects - they most certainly are. However, they are also interested in sport, and Gemini AM will provide comprehensive sports coverage on Saturday afternoons, results at breakfast-time, and a half-hour preview on Friday evenings.

Sailing and other water sports are an essential part of the leisure activities in the area. In the summer months there is racing in Torbay virtually every evening. A regular sailing forecast will be an essential feature of the Gemini AM output, and we have made provision for this in our breakfast shows.

At other days in the early evening we will be producing half-hour magazine programmes on holidays, local business news, local theatre and arts events, and motoring and motor sports.

Gemini Radio will provide a forum for discussion in our phone-in slots, on weekday evenings, and Sunday mornings. Our research shows that 52% of women aged over 35 are interested in phone-ins where experts give advice on subjects like benefits, and we will have local people in the news on the end of the phone to answer questions about their concerns.

Our weekday morning 'Community Line' will deal with a wide range of topics from advice about legal matters and health concerns; to the value of the antique piece of furniture that has been in the family for years.

It is the stated objective of Gemini Radio to set out to revive the spirit of community across the area. In order to do this it is essential that we make contact not only with people who live in the main population centres of Exeter and Torbay, but also with the outlying villages. 'Village Voice' on Sunday afternoons will enable us to talk to the postmaster, the shopkeeper, and the vicar about their village and let them become the voice of Gemini AM.

15. NEWS OUTPUT

a) National and international news

Our research shows that the majority of our older respondents consider that it is important to have news on the hour every hour. Gemini AM proposes to provide a service of national and international news 24 hours a day, seven days a week.

Gemini AM intends to use the feed from Independent Radio News as our source of national and international news. Between 0700 and 1800 on weekdays, and 0700 and 1300 at weekends, we intend to run national and international material, on the hour, as part of mixed bulletins. At all other times, the hourly bulletins would be the direct feed from IRN. There will be a minimum of two minutes of national and international news in each bulletin.

Despite the recent furore over Maastricht, we believe that Europe will play an ever more important role in our daily lives. We are delighted that Jim Gibbons of EuroNews has returned to the transmission area with his family. Jim left DevonAir in 1989 to set up his company in Brussels, reporting from the European institutions to broadcast outlets around the world. Jim is the European Correspondent for Sky News, and provides a twice monthly feature for the European Parliament for CNN World Report. He also writes and directs a monthly programme for the Euronews satellite channel, broadcast in five languages, TV5 and France 3.

Jim Gibbons has agreed to become Gemini AM's exclusive European correspondent.

b) Local and regional news

Gemini AM regards local news to be the crucial component in building our audience. We intend to mix our news bulletins in peak hours, and local news will generally carry precedence over national and international stories.

The Gemini team of four local journalists, backed by two newsroom assistants and local stringers, will concentrate on providing a comprehensive hourly service throughout our peak-time output, and at the critical half-hour junction points.

The flagship of our news output will be 'Gemini Reports', our half-hour news magazine broadcast weekdays at 1700, which will carry a two minute sports section. We also intend to run a ten minute lunchtime edition of 'Gemini Reports' at 1300.

On weekdays, between 0700 and 0900, and between 1600 and 1800, our mixed bulletins will be five minutes in duration, with two minute headline sequences on the half-hour. At all other times in the peak output they will be three minutes long.

At weekends, between 0700 and 0900, our mixed bulletins will be five minutes in duration, with two minute headline sequences on the half-hour. Between 1000 and 1300 they will be three minutes.

Our research shows that news from the South West is important to respondents over the age of 35. We will include a regional summary in 'Gemini Reports'.

16. BROADCASTING HOURS

Gemini Radio will broadcast 24 hours a day from our own studios.

17. NON-LOCAL ORIGINATION

a) Programming that is part of a regional or networked service

We do not intend to take programme material originating from a studio outside the licence area.

b) All syndicated programming

We are concerned about the editorial control over programmes originating from an outside source. Programmes will only be broadcast in the light of their relevance to our audience and with confidence in the integrity of the production company.

As one of the smaller stations in the network, we will not derive significant sponsorship revenue from syndicated material, and therefore this will have no bearing on whether we take a syndicated programme or not.

We will take a limited number of shows from such companies as Unique Broadcasting, including the 'David Hamilton Show', should it still be available in 1995.

18. AUTOMATED LOCAL OUTPUT

Through the night we will run an automated service common to both AM and FM wavebands.

We have chosen this route in order to concentrate our resources on the daytime output.

However, in times of severe weather conditions, this programme will be broadcast live for the benefit of the elderly, for those living in isolated villages, and for those on the road, including milk collection vehicles and long distance drivers.

We will cross-promote frequencies so that drivers can remain in contact with the service.

19. OUTPUT IN LANGUAGE(S) OTHER THAN ENGLISH

The area has an especially low incidence of foreign speaking residents.

We do not intend to broadcast in any language other than English.

20. PROGRAMME SCHEDULE

a) A typical weekday

Note: The music content throughout our peak-time weekday output will be homogeneous, consistent with the examples in 13a)., within the proportions shown. The presentation style will be warm and friendly.

0600 BREAKFAST SHOW (Speech - 40% : Music - 60%)

Gemini AM's informative breakfast show, presented with a sense of humour - taking our listeners easily into the day as they set off for work in Exeter, Torbay, East and South Devon, or elsewhere.

News content

0600	: International/National news	3'00"
0650,0750,0850	: Sports round-up	2'00"
0700,0800,0900	: National/local news mix	5'00"
0715,0745,0815,0845	: News features	3'00"
0730,0830,0930	: News headlines	2'00"
Half-hourly	: Local weather	30"

Regular features

0620	: Farming news and tapes.	2'00"
0659,0733,0759	: <u>Travel News</u>	1'00"
0833,0858,0933	: Hold-ups from AA Roadwatch plus air, rail and bus information.	

0718,0818 : Brixham Coastguard 1'00"
Update on conditions for sailors.

0740,0940 : CommuniCare 2'00"
Our socially aware view of what's happening across the area, including news from the voluntary sector, as well as news of local amateur dramatic and choral societies, gardening clubs and the like.

0915 : Police File 2'00"
The police ask for help with local crime.

1000 GEM AM (Speech - 45% : Music - 55%)

News content

1000,1100,1200 : Local/Nat/Int/news 3'00"

The programme will be the place for features on popular activities such as gardening, antiques and collectables, and keeping fit. There will be space for celebrity guests such as Elkie Brooks, who lives with her family in their wild life sanctuary in Devon. The focal points of the programme will be:

1120 Community Line

We will introduce a studio guest to comment, and answer listeners' questions, on a wide variety of subjects including:

- Legal problems - advice from a local solicitor.
- Medical problems - advice from a local GP.
- Environmental action - giving listeners the opportunity to take part in cleaning up their community.
- CommuniCare - representatives of the voluntary organisations and services with visits to, and news about, caring facilities.

1230 Local News Headlines 2'00"

a) A typical weekday (continued)

1300 GEMINI REPORTS (Speech - 100% : Music - 0%)
Local, national, world and sports news.

1310 AFTERNOON OUT (Speech - 30% : Music - 70%)
News content
1400, 1500, 1600 : Local/Nat/Int/news 3'00"

Lunch box - Once a week, employees of a local business talk about their company and choose favourite discs from a listed selection.

Between 1400 - 1600

The emphasis will be on music, competitions and fun. This open slot will, however, give us the opportunity to be out and about. We will cover the Dartmouth Regatta, the Sidmouth Folk Festival, the Exeter Festival, and the Dartington Summer Festival. We will also visit the local attractions such as Babacombe Model Village, Bicton Gardens, the Dart Valley Railway, and the Exeter Maritime Museum. When sponsors can be found, we will book a line to enable us to broadcast live from these unique places and events.

Between 1600 - 1800

Emphasis on travel/traffic news and information.

The main features will be:

1620, 1720 CommuniCare
Round up of the evening's local activities
1630, 1730 Local news headlines
1650 Travel News

1700 GEMINI REPORTS (Speech - 100% : Music - 0%)
Local, national, world and sports news,
plus South West round-up and local share prices.

1730 (Speech - 100% : Music - 0%)
Monday: JUST THE TICKET - Tips for a holiday break.
Tuesday: THE BOTTOM LINE - Local business news.
Wednesday: CRUCIBLE - Local theatre and arts events.
Thursday: OVERDRIVE - Motoring and motor sports.
Friday: CUT LOOSE - The weekend's leisure and sport

1800 - 2400 IRN
1803-1900 THE PHONE EXCHANGE (Speech - 100% : Music - 0%)
(Mon-Thurs) Phone-in with guest relating to news topic.

1900-2100 (Speech - 25% : Music - 75%)
Monday: FROM THE WOOD - Folk and world music.
Tuesday: COUNTRY ROADS - Country and bluegrass classics.
Wednesday: BLUESBREAKERS - Tracks from Muddy to John Lee.
Thursday: TAKE FIVE - From Louis to Miles, Barber to Bechet

1803-2100 FRIDAY FLASHBACK (Speech - 15% : Music - 85%)
(Friday) Classic tracks from the swinging sixties.

2100 GEMINI GOLD (Speech - 15% : Music - 85%)
Easy listening, vintage classics and dedications.

a) A typical Saturday

Note: Unless otherwise shown, the music content throughout our Saturday peak-time output will be homogeneous, consistent with the examples in 13a), within the proportions shown. The presentation style will be warm and friendly.

0600 WEEKEND BREAK (Speech - 35% : Music - 65%)

A relaxed version of the weekday breakfast show, including birthday dedications and the following features:

News content
0600 : International and national news 3'00"
0650, 0750, 0850 : Sports preview 2'00"
0700, 0800 : National/local news mix 5'00"
0730, 0830, 0930 : News headlines 2'00"
Half-hourly : Weather 30"

Regular features

Taking root - the weekend in the garden
Setting sail - update on conditions for those putting to sea.
Community desk - what's on this weekend in Devon.
Off the hook - news for local anglers.
On the hook - greetings for those getting married.

1000 SUNNY SIDE UP (Speech - 20% : Music - 80%)

News content
1000, 1100 : Local/nat/int news 3'00"
Competitions and audience participation.

1200 OUT AND ABOUT (Speech - 25% : Music - 75%)

News content
1200, 1300 : Local/nat/int news 3'00"
News of village fetes, fundraising events
gardens to visit, and so on.

1400 SPORTSBEAT (Speech - 50% : Music - 50%)

News content
1400, 1500 : IRN 3'00"
1600, 1700
Local and national sports reports and leisure features with a full round-up of the day's results at close of play. The managers of the teams give their impressions between 1730 and 1800.

1800 OVERTURE AND BEGINNERS (Speech - 20% : Music - 80%)

News content
1800, 1900, 2000 : IRN 3'00"
Hits from the classic musical shows, with interviews and news of local productions.

2100 GEMINI GOLD (Speech - 15% : Music - 85%)

News content
2100, 2200, 2300 : IRN 3'00"
Easy listening, vintage classics and dedications.

a) A typical Sunday

Note: Unless otherwise shown, the music content throughout our Saturday peak-time output will be homogeneous, consistent with the examples in 13, within the proportions shown.
The presentation style will be warm and friendly.

0600 SUNDAY SUPPLEMENT (Speech - 35% : Music - 65%)

An even more relaxed breakfast show, including:

News content

0600 : International and national news 3'00"
0650, 0750, 0850 : Sports round-up 2'00"
0700, 0800 : National/local news mix 5'00"
Half-hourly : Weather 30"

Thought for the week - a local preacher poses a moral issue.
CommuniCare - what's on in Devon today.

Setting Sail - update on conditions for those putting to sea.

Taking stock - a look at what's happening in the countryside with the RSPB, NRA, and conservationists.

1000 THE PHONE EXCHANGE (Speech - 100% : Music - 0%)

News content

1000, 1100 : Local/Nat/Int news 3'00"

Phone-in on local issues, with studio guest.

1200 SOLID GOLD SUNDAY (Speech - 20% : Music - 80%)

News content

1200, 1300 : Local/Nat/Int news 3'00"
Classic hits and memories from charts gone by.
(If it is still available we may take the
'David Hamilton Show' from Unique Broadcasting.)

1400 VILLAGE VOICE (Speech - 25% : Music - 75%)

News content

1400, 1500 : IRN 3'00"
We visit a different village each week to talk to the locals and hear their favourite songs, chosen from our list.

1600 DEVON COUNTRY (Speech - 20% : Music - 80%)

News content

1600, 1700 : IRN 3'00"
From Achy Breaky Heart to Chet Atkins, from Dolly to the Blue Ridge Mountains.

1800 SILVER THREADS AND GOLDEN NEEDLES (Speech - 20% : Music - 80%)

News content

1800, 1900 : IRN 3'00"
Nostalgic hits, big bands, and golden memories.

a) A typical Sunday (cont.)

2000 GOOD NEWS (Speech - 30% : Music - 70%)

News content

2000 : IRN 3'00"
Interdenominational religious magazine, featuring Christian and gospel music.

2100 GEMINI GOLD (Speech - 15% : Music - 85%)

News content

2100, 2200, 2300 : IRN 3'00"

Easy listening, vintage classics and dedications.

MONDAY/SUNDAY NIGHT OWLS (Speech - 15% : Music - 85%)

Midnight/0600

News content

Hourly : IRN 3'00"

Automated programming for both AM and FM wavebands.

When resources permit, our first priority will be to broadcast this programme live.

21. APPEAL OF PROGRAMME SERVICE

Due to the timing of the closing date for this application we have been obliged to use RAJAR data from Quarter 4 1992 for comparative purposes. The fact that DevonAir has shown an improvement in market share in Quarter 2 1993 does not materially affect our argument.

a) The tastes and interests of persons living in the area

Gemini Radio has conducted 475 interviews with adults in the transmission area to establish their current radio listening habits, their appreciation of news material, the appeal to them of certain radio feature items, and their music tastes. Gemini AM is designed to cater for the specific tastes of people living within the transmission area.

b) Appeal to demographic groups

Our new Gemini AM service will be targeted at listeners over the age of 35. We have discovered that there is a wide divergence of taste, in music heard on the radio and speech items, between those under 35 and those over 35.

The latest data from the 1991 Census shows that this age group has shown the greatest population growth over the decade, and will continue to dominate the area over the life of the licence and beyond:

	1981	1991	+/- (%)
15-24	63,854	64,706	+ 1
25-34	57,746	65,321	+13
35-44	53,674	68,822	+28
45-54	51,492	61,714	+20
55+	165,802	179,520	+ 8

The Census data also shows that the greatest growth in housing type has been in the upper income bracket:

Households by social group of household head:

	1981	(%)	1991	(%)	+/-(%)
Professional/Managerial	35,700	34	45,686	39	+28
Skilled Non-manual	15,513	15	16,989	14	+10
	51,213	49	62,675	53	+22

As we have shown, the adult profile of the area is ageing and has moved up-market. The programming designed for Gemini AM is aimed at "discerning over 35s", and will prove popular as BBC Radio Devon moves towards an all-speech format.

Sadly the repositioned DevonAir has lost a large number of its over 35 audience since 1988, and of its ABC1 listeners.

c) Other Independent Local Radio Services

There are presently no other independent local radio stations serving all or part of the advertised licence area.

22. RELATIONSHIP BETWEEN EXISTING ILR SERVICE(S) IN THE AREA, AND APPLICANT'S PROPOSALS

The output of Gemini AM will be radically different in style and content to that of the existing licence holder.

However, before establishing the difference between the service proposed by Gemini AM and the existing holder of the licence, it is necessary to examine the output of DevonAir in relation to that of its major competitor, Radio 1FM.

Average broadcast hour comparison

Weekday peak 06.00 - 19.00

	Radio 1FM Min/Sec	DevonAir Min/Sec
--	----------------------	---------------------

News/Sport	5'00"	4'33"
Weather/Traffic & Travel	1'20"	1'02"
Information/Interviews	2'00"	.20"
DJ Chat/Competitions	5'45"	3'30"

Total speech	14'05"	9'25"
Music	44'15"	36'50"

Programming airtime	58'20"	46'15"
Station ID's/trails	1'40"	2'15"
Advertisements	-	11'30"

Total	60'00"	60'00"
-------	--------	--------

Among adults aged 35-54, Radio 1FM has a market share of 31% compared to DevonAir's share of 21%. It is easy to see why when one compares the output.

Devonair is currently running 11'30" of advertisements in the average weekday peaktime hour, which, when added to station IDs and trails, leaves just over 46 minutes of programming airtime. There is very little in the way of information content, although the station is carrying 20% speech out of available programming time.

Gemini AM will run a maximum of nine minutes of advertising in any broadcast hour. The speech content will range between 30% and 45% in weekday peaktime, which our research shows will be attractive to our target audience of over 35s.

Our research into overlap listenership shows that there are 50,000 adults aged over 35 who listen to Radio 1FM but do not listen to DevonAir. It also shows that there are 28,000 listeners who tune between both services. It is our intention to attract this audience to our mature service as Radio 1FM moves to gain a younger profile.

SECTION II : PROGRAMMING

11. PROPOSED PROGRAMME SERVICE

a) FM Waveband

Proposed name of service - GEMINI FM

b) Approach and objectives of the proposed programme service

GEMINI FM will be a predominantly music based service with the output clearly focussed on the 15-35 age group. Over 95% of the service will be locally originated, the exceptions being the Network Chart and specials featuring bands in concert.

The output will be homogeneous with a careful mix of music styles popular with the target demographic. There would be no "ghetto hours" of one type of music apart from the occasional in-concert programmes mentioned above.

Speech would be short and sharp with the emphasis on keeping our younger audience fully informed as they go about their day.

12. BALANCE BETWEEN SPEECH AND MUSIC

	<u>Speech as % of prog. airtime</u>			
	<u>'Peaktime'</u> (06.00-19.00)		<u>Non-'peaktime'</u>	
	<u>Min.%</u>	<u>Max.%</u>	<u>Min.%</u>	<u>Max.%</u>
a) On a typical weekday (Monday-Friday)	15	25	5	15
b) On a typical Saturday	15	25	5	15
c) On a typical Sunday	12	15	5	15

13. MUSIC OUTPUT

a) Weekday peak-time music

The music broadcast during this period will be predominantly

- i) Current Chart Hits
- ii) Recurrent Hits from the 1990's
- iii) Classic Hits from the 1980's
- iv) Pop and Rock Album Tracks

<u>Type of Music</u>	<u>Illustrative tracks and artists</u>	<u>Music type as % of total music output</u>	
		<u>Min.%</u>	<u>Max.%</u>
Current Chart Hits	"Night Swimming" REM		
	"All That She Wants" Ace of Base		
	"What is Love" Haddaway		
	"Walking on Broken Glass" Annie Lennox		
		30	40
Hits from the 1990's	"Blue Savannah" Erasure		
	"Baby Baby" Amy Grant		
	"Goodnight Girl" Wet Wet Wet		
	"All I Wanna Do is Make Love to You" Heart		
		25	35

Type of Music

Illustrative tracks and artists

Music type as % of total music output

<u>Type of Music</u>	<u>Illustrative tracks and artists</u>	<u>Music type as % of total music output</u>	
		<u>Min.%</u>	<u>Max.%</u>
Hits from the 1980's	"Just Like Jesse James" Cher		
	"Beat It" Michael Jackson		
	"I Get Weak in the Presence of Beauty" Belinda Carlisle		
	"Get Outta My Dreams, Get into My Car" Billy Ocean		
		20	30
Pop and Rock Album Tracks	"Pride (in the name of Love)" U2		
	"Fever" Madonna		
	"Something Got Me Started" Simply Red		
	"Hot Legs" Rod Stewart		
		5	15

b) Music output at other times

The music output of Gemini FM will be homogenous. Therefore the music styles and percentages presented above will remain constant during non-peak-time hours on weekdays, and throughout all broadcasting hours over the weekends.

14. SPEECH CONTENT

Gemini FM's speech content will be short and sharp with the emphasis on providing lifestyle briefings for our young and active audience

Not only will we broadcast details of leisure activities available in the area, but we will also give airtime to issues that promote self awareness and common sense. For example, in the summer months we will regularly broadcast short items about the strength of the sun to remind holiday makers and locals alike about the importance screening and avoiding the increasing incidences of skin cancer in this country.

Likewise in the summer, we would remind listeners about keeping dogs in unventilated cars, what to do about wasp stings and the importance of condoms during their holiday romances!

Competitions are an important way of building listenings hours and we would run intelligent, bright competitions that added to the fun of listening to Gemini FM.

The demographic that Gemini FM broadcasts to, 15-35 year olds, are very interested in live music, new film and video releases, fashion and showbiz gossip.

Our research shows that this demographic are especially interested in environmental news. We will encourage their interest with our short, sharp 'Call for Action' inserts that will give briefings on green initiatives such as beach pollution, organic farming and so on.

We would keep them fully updated with all the options available for their leisure time. Sports coverage would concentrate on results and personalities and we would cross promote our AM service if it was running more detailed coverage of a particular event.

Cross promotion would be a major strength of Gemini Radio, on FM we would often trail the specialist programmes available on our AM service. Many of them would have a high interest value to our younger audience even if the service as a whole would not be their first choice.

It is our firm intention to become the first and second choice of listening within our transmission area.

15. NEWS OUTPUT

a) National and international news

On Gemini FM we intent to provide weekday national and international news, on the hour, between 07.00 and 18.00. This will be mixed with local and regional news, the running order depending on the strength and relevance of each story.

The two minute bulletins will be read locally from copy supplied via IRN, and the bulletins will always end with the words "For full details of those stories, tune to Gemini AM News on 666 and 954 Medium Wave"

Between 06.00 and 10.00; and 16.00 and 19.00, thirty second, topline headlines will be presenter read on the half hour.

Outside of the above hours, IRN news will be broadcast live by satellite.

At weekends, this news mix will be broadcast between 06.00 and 13.00. IRN would be broadcast live at other times.

b) Local and regional news

Our research reveals that whilst local news is greatly demanded of independent radio, regional news also has a wide appeal.

Local and regional news will be an important part of our news mix and be included in the two minute, locally presented bulletins scheduled between 06.00 - 18.00 weekdays and 06.00 - 13.00 at weekends.

Our own journalists and news assistants will compile the local news element from material supplied by stringers and agencies across Devon and the South West. The newsroom would also monitor the local press and other electronic media to ensure that our service was up to date and efficient.

16. BROADCASTING HOURS

Gemini FM will broadcast from Exeter for 24 hours per day, 7 days per week.

During the periods 06.00 - 10.00 and 15.00 - 19.00 on weekdays, and 06.00 - 10.00 at weekends, Torbay will have the same style of output as outlined above but with much more localised speech. Likewise, during those hours, Exeter's output will concentrate more on it's own coverage area.

17. NON-LOCAL ORIGINATION

a) Programming that is part of a wider regional or networked service.

Gemini FM will be a locally originated service for 24 hours a day, with Torbay running its own output as outlined above.

If a "live" regional overnight service became available, we would consider taking it providing it fitted in with our overall output policy.

b) All other syndicated programming

We intend to run the Network Chart Show, if still available in 1995, for three hours on Sunday afternoons between 16.00 and 19.00.

We may also occasionally run concert by star artistes with an appeal to our target demographic. However, this would be purely on an "if and when" basis and then only if the production company was tried, tested and approved.

18. AUTOMATED LOCAL OUTPUT

Between the hours of midnight and 06.00, we will run a computer controlled music service that will have been compiled locally earlier in the day. This will include information links, commercials and idents.

19. OUTPUT IN LANGUAGE(S) OTHER THAN ENGLISH

Less than 4% of the population of the transmission area is of non U.K. origin, Gemini Radio will not, therefore, broadcast in languages other than English.

20. PROGRAMME SCHEDULE

a) Monday to Friday

06.00 - 10.00 PRESENTER 'A'

Music will make up 80% of non-commercial airtime in this time band. The make up of music in the segment will be as follows:

30% - Current Chart Hits 25% - Hits from the 1990's
30% - Hits from the 1980's 15% - Pop & Rock Album Tracks

The non-commercial speech for each hour of this segment will be made up of music introduction and presenter chat, plus the following news and information:

International/National/Local/Regional News	2'00"
Local weather	.20"
Local & National News Headlines	.30"
Sport	1'00"
Traffic & Travel	.40"
Competition	.40"
Local Information	1'00"
Presenter Chat and Music Introductions	2'30"
TOTAL NON-COMMERCIAL SPEECH (per Hour)	9'40"

10.00 - 14.00 PRESENTER 'B'

Music will make up 85% of non-commercial airtime in this time band.

The make up of music in the segment will be as follows:
35% - Current Chart Hits 25% - Hits from the 1990's
25% - Hits from the 1980's 15% - Pop & Rock Album Tracks

The 15% non-commercial speech for each hour of this segment will be made up of music introduction and presenter chat, plus the following news and information:

International/National/Local/Regional News	2'00"
Local weather	.20"
Cinema/Video Review/Lifestyle/Comp(1 per hour)	1'00"
Local Information	1'00"
Presenter Chat and Music Introductions	2'30"
TOTAL NON-COMMERCIAL SPEECH (per Hour)	6'50"

14.00 - 15.00 "THE CRUISE" All hit music (No Presenter)

The make up of the 95% of non-commercial time featuring music in this hour will be as follows:
30% - Current Chart Hits 35% - Hits from the 1990's
30% - Hits from the 1980's 5% - Pop & Rock Album Tracks

The non-commercial speech for this hour will be made up of news and weather as follows:

International/National/Local/Regional News	2'00"
Local weather	.20"
TOTAL NON-COMMERCIAL SPEECH IN THIS HOUR	2'20"

15.00 - 19.00 PRESENTER 'C'

Music will make up 85% of non-commercial airtime in this time band. The make up of music in the segment will be as follows:

40% - Current Chart Hits 35% - Hits from the 1990's
20% - Hits from the 1980's 15% - Pop & Rock Album Tracks

The non-commercial speech of 15% for each hour of this segment will be made up of music introduction and presenter chat, plus the following news and information:

International/National/Local/Regional News	2'00"
Local weather	.20"
Local & National News Headlines	.30"
What's On Tonight/Tomorrow	1'00"
Local Information (Hrs 1&2) Sport (Hrs 3&4)	1'00"
Competition(Hrs 1&2) Traffic & Travel (Hrs 3&4)	.40"
Presenter Chat and Music Introductions	2'30"
TOTAL NON-COMMERCIAL SPEECH (per Hour)	8'00"

19.00 - Midnight PRESENTER 'D'

Music will make up 86% of non-commercial airtime in this time band.

The make up of music in the segment will be as follows:
40% - Current Chart Hits 30% - Hits from the 1990's
20% - Hits from the 1980's 10% - Pop & Rock Album Tracks

The non-commercial speech of 14% for each hour of this segment will be made up of music introduction and presenter chat, plus the following news and information:

National and International News	2'00"
Local weather	.20"
Local Gigs/Young Health/Holidays/Comp(1 per hour)	1'00"
Local Information	1'00"
Presenter Chat	2'30"
TOTAL NON-COMMERCIAL SPEECH (per Hour)	6'50"

Midnight - 06.00 AUTOMATED

The make up of the 94% of non-commercial time featuring music in this hour will be as follows:
30% - Current Chart Hits 30% - Hits from the 1990's
30% - Hits from the 1980's 10% - Pop & Rock Album Tracks

The 6% of non-commercial speech for this segment will be made up follows:

Cinema/Video Review/Lifestyle/X2 overnight	1'00"
Local Information	1'00"
AM Programme Information & Trails	1'00"
TOTAL NON-COMMERCIAL SPEECH IN THIS HOUR	2'20"

20. PROGRAMME SCHEDULE (Cont.)

b) A typical Saturday

06.00 - 10.00 FREELANCE PRESENTER

Music will make up 79% of non-commercial airtime in this time band. The make up of music in this segment will be as follows:

30% - Current Chart Hits 25% - Hits from the 1990's
30% - Hits from the 1980's 15% - Pop & Rock Album Tracks

The 21% non-commercial speech for each hour of this segment will be made up of music introduction and presenter chat, plus the following news and information:

International/National/Local/Regional News	2'00"
Local weather	.20"
Local & National News Headlines	.30"
Sport	2'00"
Traffic & Travel	.40"
Competition	.40"
Local Information	1'00"
Presenter Chat and Music Introductions	2'30"
TOTAL NON-COMMERCIAL SPEECH (per Hour)	10'40"

10.00 - 14.00 PRESENTER 'A'

Music will make up 80% of non-commercial airtime in this time band.

The make up of music in the segment will be as follows:
35% - Current Chart Hits 25% - Hits from the 1990's
25% - Hits from the 1980's 15% - Pop & Rock Album Tracks

The 20% non-commercial speech for each hour of this segment will be made up of music introduction and presenter chat, plus the following news and information:

International/National/Local/Regional News	2'00"
Local weather	.20"
Sports/Leisure Time Chat	4'30"
Local Information	1'00"
Presenter Chat and Music Introductions	2'30"
TOTAL NON-COMMERCIAL SPEECH (per Hour)	10'20"

14.00 - 15.00 "THE SATURDAY CRUISE" All hit music

The make up of the 95% of non-commercial time featuring music in this hour will be as follows:
30% - Current Chart Hits 35% - Hits from the 1990's
30% - Hits from the 1980's 5% - Pop & Rock Album Tracks

The non-commercial speech for this hour will be made up of news and weather as follows:

International/National/Local/Regional News	2'00"
Local weather	.20"
TOTAL NON-COMMERCIAL SPEECH IN THIS HOUR	2'20"

15.00 - 19.00 PRESENTER 'C'

Music will make up 78% of non-commercial airtime in this time band. The make up of music in the segment will be as follows:

40% - Current Chart Hits 35% - Hits from the 1990's
20% - Hits from the 1980's 15% - Pop & Rock Album Tracks

The non-commercial speech of 22% for each hour of this segment will be made up of music introduction and presenter chat, plus the following news and information:

International/National News 2'00"
Local weather .20"
Local & National News Headlines .30"
What's On Tonight/Tomorrow 1'00"
Local Information 1'00"
Sports Results and Reactions 4'00"
Presenter Chat and Music Introductions 2'30"
TOTAL NON-COMMERCIAL SPEECH (per Hour) 11'20"

19.00 - Midnight PRESENTER 'D'

Music will make up 85% of non-commercial airtime in this time band.

The make up of music in the segment will be as follows:

40% - Current Chart Hits 30% - Hits from the 1990's
20% - Hits from the 1980's 10% - Pop & Rock Album Tracks

The non-commercial speech of 15% for each hour of this segment will be made up of music introduction and presenter chat, plus the following news and information:

National and International News 2'00"
Local weather .20"
Local Gigs/Young Health/Holidays/Comp(1 per hour) 1'00"
Local Information 1'00"
Presenter Chat 3'00"
TOTAL NON-COMMERCIAL SPEECH (per Hour) 7'20"

Midnight - 06.00 AUTOMATED

The make up of the 94% of non-commercial time featuring music in this hour will be as follows:

30% - Current Chart Hits 30% - Hits from the 1990's
30% - Hits from the 1980's 10% - Pop & Rock Album Tracks

The 6% of non-commercial speech for this segment will be made up follows:

Cinema/Video Review/Lifestyle/X2 overnight 1'00"
Local Information 1'00"
AM Programme Information & Trails 1'00"
TOTAL NON-COMMERCIAL SPEECH IN THIS HOUR 2'20"

20. PROGRAMME SCHEDULE (Cont.)

c) A typical Sunday

06.00 - 10.00 FREELANCE PRESENTER

Music will make up 85% of non-commercial airtime in this time band. The make up of music in this segment will be as follows:

30% - Current Chart Hits 25% - Hits from the 1990's
30% - Hits from the 1980's 15% - Pop & Rock Album Tracks

The 15% non-commercial speech for each hour of this segment will be made up of music introduction and presenter chat, plus the following news and information:

International/National/Local/Regional News 2'00"
Local weather .20"
Local & National News Headlines .30"
Self Awareness Feature 1'30"
Local Information 1'00"
Presenter Chat and Music Introductions 2'30"
TOTAL NON-COMMERCIAL SPEECH (per Hour) 7'50"

10.00 - 14.00 PRESENTER 'B'

Music will make up 87% of non-commercial airtime in this time band.

The make up of music in the segment will be as follows:

35% - Current Chart Hits 25% - Hits from the 1990's
25% - Hits from the 1980's 15% - Pop & Rock Album Tracks

The 13% non-commercial speech for each hour of this segment will be made up of music introduction and presenter chat, plus the following news and information:

International/National/Local/Regional News 2'00"
Local weather .20"
Leisure Time News 1'00"
Local Information 1'00"
Presenter Chat and Music Introductions 2'30"
TOTAL NON-COMMERCIAL SPEECH (per Hour) 6'50"

14.00 - 15.00 "THE SUNDAY CRUISE" All hit music

The make up of the 95% of non-commercial time featuring music in this hour will be as follows:

30% - Current Chart Hits 35% - Hits from the 1990's
30% - Hits from the 1980's 5% - Pop & Rock Album Tracks

The 5% non-commercial speech for this hour will be made up of news and weather as follows:

International/National News 2'00"
Local weather .20"
TOTAL NON-COMMERCIAL SPEECH IN THIS HOUR 2'20"

15.00 - 19.00 FREELANCE PRESENTER

Music will make up 87% of non-commercial airtime in this time band. The make up of music in the segment will be as follows:

40% - Current Chart Hits 35% - Hits from the 1990's
20% - Hits from the 1980's 15% - Pop & Rock Album Tracks

The non-commercial speech of 13% for each hour of this segment will be made up of music introduction and presenter chat, plus the following news and information:

International/National News	2'00"
Local weather	.20"
What's On Next Week	1'00"
Local Information	1'00"
Presenter Chat and Music Introductions	2'30"
TOTAL NON-COMMERCIAL SPEECH (per Hour)	6'50"

19.00 - Midnight FREELANCE PRESENTER

Music will make up 88% of non-commercial airtime in this time band.

The make up of music in the segment will be as follows:

40% - Current Chart Hits 30% - Hits from the 1990's
20% - Hits from the 1980's 10% - Pop & Rock Album Tracks

The non-commercial speech of 12% for each hour of this segment will be made up of music introduction and presenter chat, plus the following news and information:

National and International News	2'00"
Local weather	.20"
Local Information	1'00"
Presenter Chat	3'00"
TOTAL NON-COMMERCIAL SPEECH (per Hour)	6'20"

Midnight - 06.00 AUTOMATED

The make up of the 94% of non-commercial time featuring music in this hour will be as follows:

30% - Current Chart Hits 30% - Hits from the 1990's
30% - Hits from the 1980's 10% - Pop & Rock Album Tracks

The 6% of non-commercial speech for this segment will be made up follows:

Cinema/Video Review/Lifestyle/X2 overnight	1'00"
Local Information	1'00"
AM Programme Information & Trails	1'00"
TOTAL NON-COMMERCIAL SPEECH IN THIS HOUR	2'20"

21. APPEAL OF PROGRAMME SERVICE

Gemini FM is aimed at the 15 - 35 age group and our research clearly shows that a redefined FM service will cater for their tastes and interests.

67% of DevonAir's listeners in this age range tune away regularly to BBC Radio 1FM, which is currently the most listened to station.

Although this age group do tend to tune around the dial, we feel that by sharpening up the FM output and providing young adult listeners with exactly what they want, we will substantially improve the listening figures. Audience loyalty will be a priority for Gemini FM.

The target audience is very interested in International and National news, on the hour. In their local news, they particularly want to hear about environmental issues, especially young women.

Young men have a high interest in sport, we intend to broaden the range of sport presently covered and give higher priority to sea-sports, tennis and athletics. The new running track in Exeter is popular with large numbers of youngsters and parents who use it each day. We will cross promote our more comprehensive AM coverage at specific times to encourage this younger audience to select our AM service, rather than the BBC, as their listening alternative for specialist programmes.

The music programming of the station also flows directly from our research. The illustrative choice of artists listed in answer to question 13 is based on the preferences of those 15 - 35 year olds interviewed. One reason we have decided to keep the Network Chart was because of the high recorded interest in chart based programmes.

Data from the British Market Research Bureau shows that the index of heavy listening intensity to independent local radio in this transmission area is extraordinarily low, demonstrating the need for a more carefully defined FM service. Gemini FM will deliver that promise.

There are presently no other independent local radio services serving part or all of this particular licence area.

22. RELATIONSHIP BETWEEN EXISTING ILR SERVICE(S) IN THE AREA AND APPLICANT'S PROPOSALS

Gemini FM proposes to provide a much more carefully constructed programme service to its target audience than that currently being broadcast.

The existing licensee is transmitting one programme format on both AM and FM, and trying to appeal to a much too wide demographic. The latest RAJAR results show that, despite having two wavebands available, their reach is 1% lower than an adjacent station which broadcasts on FM only.

Our FM programme service would concentrate on its target demographic of 15 - 35 and would not try to capture the large demographic age group above this. Our AM output will service their needs.

Average broadcast hour comparison
Weekday peaktime 06.00 - 19.00

	<u>DevonAir</u> <u>current</u>	<u>Gemini</u> <u>proposed</u>
News/Sport	4'30"	2'45"
Weather/Travel	1'00"	.40"
Local Information	.20"	1'30"
D.J. Chat/Competitions	3'30"	2'45"
<hr/>		
Total Speech	9'20"	7'40"
Music	36'50"	43'20"
<hr/>		
Programming Airtime	46'10"	51'00"
Station ID's/Trails	2'15"	1'00"
Advertisements	11'35"	8'00"
<hr/>		
	60'00"	60'00"

By focusing our FM output in this way, we will provide a much more appropriate service for young adults. One which will provide the speech they need and more of music they want, without being side-tracked by having to cater for others who may be tuned in.

Despite the past opportunities to split their programme service, the current licensee has failed to do so. This has wasted a valuable resource and deprived many listeners of the benefit of alternative choice.

SECTION III : AUDIENCE AND SUPPORT

23. EVIDENCE OF DEMAND

Research that we have conducted shows a clear demand for the twinned AM and FM services that Gemini Radio is proposing. Our detailed analysis of published information from JICRAR/RAJAR shows that the combined market share of BBC Radio Devon and DevonAir rose between 1988 and 1992 from 30% to 34%.

However, during the period above, while BBC Radio Devon increased its share from 7% to 15%, DevonAir's share fell from 23% to 19%. (In the new RAJAR survey it had recovered slightly to 22%.)

Analysis of the most recent OPCS Census shows that the over 35 age group has shown the biggest growth over the last decade. Between 1988 and 1992, DevonAir lost 32% of listeners aged over 35, and the conclusion must be that these have been lost to the BBC.

Our OPCS analysis also shows that the greatest growth in housing type in the area has been a remarkable 28% growth in homes owned by the Professional/ Managerial socio-economic group. While the area moved distinctly up-market, the repositioned DevonAir lost a large number of its ABC1 listeners.

A field survey conducted among 475 adults by St. David's Research, shows a clear demand for speech material among the over 35s and ABC1s. 65% of women over 35, and 61% of ABC1s, are interested in environmental news; 64% of women over 35 are interested in news of what's happening in the countryside; 63% of women over 35 are interested in discussions about local issues. Conversely 60% of men over 55 are interested in sport, against 26% for women.

The field research illustrated wide differences in music tastes between the 15-34s and the over 35s.

The over 35s are very keen on easy listening music by artists such as Matt Monro, Shirley Bassey, Nat King Cole, and Barbra Streisand. During our monitoring of the output of the existing licensee throughout the last couple of months we did not hear a record by any of these artists. The older respondents also like classic artists like The Beatles and Abba, but were far less keen on 'Gold' artists like Billy Fury and The Searchers.

As BBC Radio Devon moves to an all speech format, our Gemini AM service of easy listening music and discerning speech will become available to pick up disenfranchised listeners.

The 15-34 audience has different needs to older listeners. Our research shows that while they want news they are not quite as interested as the older generation. They are interested in news of live concerts, showbiz gossip, video reviews, and chart shows. Their music tastes are predictable, contemporary chart music.

Gemini FM will give them sharper, user-friendly news bites, lifestyle sound-bites, and the best music. Watch out Radio One!

24. SIZE AND COMPOSITION OF AUDIENCE

Gemini FM will be carefully aimed at the 15-34 age group. Our research shows that 55% of this age group name Radio One as the station they listen to most often, against 22% for DevonAir.

Gemini AM will be carefully aimed at the over 35's with a view to attracting listeners away from BBC Radio Devon. It will cater for the well researched needs of this large audience. It will appeal to grey cells as well as greying hair.

We confidently anticipate the following audience delivery:

	Adults ('000)	15-24 ('000)	25-34 ('000)	35-44 ('000)	45-54 ('000)	55+ ('000)
<u>Year 1</u>						
Reach	165	32	28	30	30	45
%	37	51	42	49	45	23
Av. hours	12.5	9.1	15.7	12.5	13.0	12.6
<u>Year 2</u>						
Reach	175	34	30	32	31	48
%	39	54	45	52	46	25
Av. hours	13.0	9.6	16.0	13.5	13.6	12.8
<u>Year 3</u>						
Reach	185	35	32	34	34	50
%	41	56	48	56	51	26
Av. hours	13.5	10.6	16.0	14.2	14.2	13.0

25. EXPECTED AUDIENCE RELATIVE TO THAT FOR EXISTING SERVICE

The 1992 RAJAR showed that the primary BBC services had a 72% share of all listening compared with 19% for the existing licensee. (*) By providing split FM/AM locally generated services we believe we can substantially increase the audience share over three years to 29%. Inevitably, as we split the service and increase reach, the average hours listened will show a reduction although total hours listened will increase:

		04/1992	1993	1994	1995	1996
<u>DevonAir/</u>	- Reach	31%	33%	37%	39%	41%
	Hours	12.1	14.8	12.5	13.0	13.5
<u>Gemini</u>	- Reach	27%	27%	24%	22%	21%
	Hours	10.6	10.6	10.7	10.8	10.9
<u>Radio</u>	- Reach	38%	36%	35%	33%	31%
	Hours	12.9	12.9	13.0	13.1	13.2
<u>One</u>	- Reach	28%	28%	26%	26%	25%
	Hours	11.7	11.7	11.8	11.9	12.0
<u>Radio</u>	- Reach	25%	25%	25%	24%	24%
	Hours	11.6	11.6	11.7	11.8	11.9

* At the time of writing this application detailed data from the new RAJAR survey is not available.

26. LOCAL SUPPORT FOR THE APPLICANT

Members of our group currently have, or have had, close relations with the Police and the emergency services, the local authorities, and educational establishments, whose support will be vital to the success of Gemini Radio.

In addition to the members of our Board we have had particular advice and support from the following prominent individuals:

Jim Gibbons - the Managing Director of EuroNews, the specialist agency based in Brussels, which supplies news from the European Parliament and Commission to worldwide broadcast outlets. Jim, whose home is in Crediton, is the former News Editor of DevonAir and will provide regular reports on European decisions which affect the West Country for our news programmes.

Stephen Reid - Chairman of the South West Region of the Royal Society of Arts and Commerce, founded in 1794, is an independent financial consultant. Stephen was formerly the Senior Partner of Hays Allen. He has offered to contribute to our financial programme slots.

Alan Hooper - the Deputy Director of the School of Business Studies at Exeter University. Alan is the former commandant of the Royal Marine Training Establishment at Lymington. He will help us to maintain close links with the University and the services.

Graham Slater - the proprietor of Exeter based Tabitha Music Ltd., which has produced and released records by numerous artists and bands operating across the South West. He will keep us in touch with the local music scene.

Stephen and Kristine Williams - Stephen is Managing Director of the Grand Hotel, one of the leading hotels in the Torbay area. The hotel plays host to many of the major business and charity functions in the South West's premier resort. They will also be our link with the vitally important tourist trade.

Stephen Matthews - a lecturer in marketing and public relations at St. Mark and St. John College in Plymouth. Stephen has just been awarded a bursary by the Central Office of Information to evaluate the effectiveness of their multi million pound advertising campaigns on radio and television. He will coordinate our marketing strategy in the critical build up to our launch.

Mike de Souza - a highly experienced broadcaster who was Director of Programmes with the Hong Kong Broadcasting Company. He was a Gold Medallist at the New York Radio Festival. He was responsible for the successful launch of CNFM 103 in Cambridge, moved to establish Metro Radio in Hong Kong, and is currently programming and digitising Blue Danube Radio in Vienna. Mike, who lives in Exeter, has had a considerable input into our programme philosophy and will continue to do so when we go on air.

27. LOCAL INVOLVEMENT BY THE APPLICANT

At the beginning of July we undertook 475 interviews among adults right across the transmission area. The six page research questionnaire examined in depth, not only the listening habits, editorial and music preferences of the audience, but also the appeal of all existing services. This local involvement in our plans has proven invaluable as our programming philosophy flows directly from it.

From the personal contact that members of our consortium have made with local clubs, societies and other organisations, it is clear that such groups are hungry for media exposure and would obviously want to work with whichever group wins this licence.

However our monitoring of a typical week of the current output of DevonAir, available to the Radio Authority in our research supplement, sadly suggests that they will remain hungry under the current philosophy of that station. In the average broadcast hour across the week just 22 seconds was devoted to such information. It is our intention to increase this substantially.

For example, one person that we contacted, Alan Trump, the Chief Executive of Exeter City Football Club, felt that Independent Local Radio coverage of local football could be much stronger, and that BBC Radio Devon is much more interested. Furthermore, he also advised us, on the 5th of August, that we were the only group applying for these licences that had bothered to get in contact with him to discuss a future working relationship.

As well as the above, Gemini Radio has issued press releases to all local media detailing the membership of the group and outlining our plans.

28. AUDIENCE RESPONSE

We are well aware that it will be vital that Gemini Radio stays in direct contact with our audience and listens to their views about our output.

As well as full participation in RAJAR, we intend to devise and undertake regular telephone call-out research to assess the appeal of our programmes.

We will establish the Gemini Charitable Trust, under the Chairmanship of the Earl of Iddesleigh, to raise funds specifically for Devon charities. We will involve the entire staff of the station in community based activities. It is our experience that listeners react positively to such events and we will not be ashamed to broadcast our achievements on air.

Finally, in order to be commercially viable, we must be seen to be local and highly popular. We will also listen to the views of our advertisers to ensure that our product meets their demanding criteria.

SECTION IV : FINANCE

29. SUMMARY OF THE BUSINESS PLAN

Gemini Radio intends to improve the quality of local radio in Devon and to bring ownership of the radio station back to the South West. This application is fully funded and has the necessary industry expertise to launch a successful, wholly local service on the 1st of January 1995.

a) Trends in audience share

Gemini Radio is committed to maximising the audience share within the broadcasting area, and thereby the potential revenue, by imaginative use of the frequencies.

We intend to provide separate peak-time services on FM for Exeter and Torbay, targeted on the 15-34 demographic. Sharper focussing of the FM output will enable us to attack the increasingly vulnerable Radio One, while providing greater appeal to the young adult audience of the existing licensee. We intend to introduce a breakfast show for East Devon when resources permit.

On the AM frequencies, which currently offer the listener no alternative choice, we will introduce an intelligent speech and easy listening music format aimed at the over 35s. This will win back the huge number of listeners that our research clearly shows have defected to BBC Radio Devon. As Radio Devon, under its Birtian directive, moves towards an all speech format we are convinced that our proposed AM output will have great appeal. We also expect to attract some listeners from Radios Two and Four.

b) Trends in advertising revenue

We project that the provision of separate services, to more clearly defined audiences, will improve the market share from 22% to 29%. The wider choice available will appeal to both local and national advertisers, enabling them to direct their message in a more specific and efficient way. The introduction of the new AM service will provide a fresh stimulus to the local market whilst protecting national revenue levels. We expect to generate an additional 12.5% in local revenue as a result of this.

c) Radio developments and other media

We do not see the development of Classic FM and Virgin 1215 as a threat. Indeed we see the stations as a positive advantage in increasing the awareness of commercial radio and introducing new advertisers into the radio market place.

We predict that the proposed BBC rolling news service will primarily take audience from current Radio Four listeners and will have minimal effect on our projections.

At this time it is difficult to predict the specific format of INR3. However we anticipate that its thrust will be directed towards Radios Two, Four and Five.

Radio developments and other media (cont.)

Whilst regional television will continue to market aggressively, Gemini Radio's split format will offer a highly cost effective and attractive solution to local and national advertisers.

Again Gemini Radio's split format will offer an inducement to advertisers who might have been attracted to the press since the introduction of colour and other new technology.

Channel Five Television remains an unknown quantity.

d) Radio marketing policies and ownership patterns

Orchard FM was recently responsible for initiating a regional advertising conference held on Burgh Island, near Plymouth. The response from agencies and clients alike was wholly positive and has already begun to generate new revenue streams across the South West. Gemini Radio will unreservedly support the future of this initiative and will work alongside the other stations to maximise the regional revenue potential.

By bringing the ownership of this licence back to the South West we can ensure that such opportunities continue without strategic intervention.

e) Gemini Radio's business development strategy

To achieve a high profile just prior to our launch we have allocated a budget of £40,000. This will be immediately followed by a further spend of £42,000 in our first few months on air. A large proportion of the budget will be spent on television awareness advertising. In addition we will use newspaper contra advertising and as much free publicity as can be generated by editorial copy and television news coverage. Carefully researched and targeted mail drops will also be used, along with poster sites and bus sides.

Transmitter costs for the licence area are extremely high and we have carefully examined the alternatives. A note to the published accounts of DevonAir Radio to 30 September 1992 states that the company has entered into negotiations with National Transcommunications Ltd. regarding the facilities management arrangements commencing 1 January 1993. The sum requested by NTL is approximately £126,000 per annum. However the note further states that the directors of DevonAir expect that a significantly reduced figure will finally be agreed upon.

In our projections we have prudently budgeted expenditure of £206,000 in our first year of broadcasting, for a Total Broadcast Contract on the basis of full replacement.

To further increase our market awareness we would immediately introduce RDS onto the FM transmitters.

30. FORECASTS AND ACCOUNTS

Assumptions in the forecasts

Pre-operational period - 9 months.

Inflation is assumed to be 4% per annum throughout.

Depreciation:

Studio equipment	- 5 years
Building alterations and studio construction	- 8 years
Computers and furniture	- 3 years
Record library	- 5 years

Local advertising receipts:

50%	- received within 30 days (including pre-payments)
30%	- received within 60 days
10%	- received within 90 days
7%	- received within 120 days
3%	- not recovered

(An allowance for bad debts of 3% of local revenue and commercial production has been included in the profit and loss projections.)

National advertising receipts

40%	received within 30 days
60%	received within 60 days

National sales commission

Included under marketing costs at 14%, plus 1% to RAB.

Local agency commission

15% commission on 20% of local sales.

Copyright payments

PRS	- 5.0%	- less 6% prompt payment discount.
PPL	- 5.0%	- The new licence, between the AIRC companies and PPL, states that AM and FM revenue streams may be treated separately. It is likely that this calculation will reduce the base rate to 3%. We have prudently made our projections at the higher rate, awaiting confirmation on the award of the licence.

Rounding

The figures have been rounded to the nearest £1000 which may produce differences between the quarterly figures and the annual totals.

Radio developments and other media (cont.)

Whilst regional television will continue to market aggressively, Gemini Radio's split format will offer a highly cost effective and attractive solution to local and national advertisers.

Again Gemini Radio's split format will offer an inducement to advertisers who might have been attracted to the press since the introduction of colour and other new technology.

Channel Five Television remains an unknown quantity.

d) Radio marketing policies and ownership patterns

Orchard FM was recently responsible for initiating a regional advertising conference held on Burgh Island, near Plymouth. The response from agencies and clients alike was wholly positive and has already begun to generate new revenue streams across the South West. Gemini Radio will unreservedly support the future of this initiative and will work alongside the other stations to maximise the regional revenue potential.

By bringing the ownership of this licence back to the South West we can ensure that such opportunities continue without strategic intervention.

e) Gemini Radio's business development strategy

To achieve a high profile just prior to our launch we have allocated a budget of £40,000. This will be immediately followed by a further spend of £42,000 in our first few months on air. A large proportion of the budget will be spent on television awareness advertising. In addition we will use newspaper contra advertising and as much free publicity as can be generated by editorial copy and television news coverage. Carefully researched and targeted mail drops will also be used, along with poster sites and bus sides.

Transmitter costs for the licence area are extremely high and we have carefully examined the alternatives. A note to the published accounts of DevonAir Radio to 30 September 1992 states that the company has entered into negotiations with National Transcommunications Ltd. regarding the facilities management arrangements commencing 1 January 1993. The sum requested by NTL is approximately £126,000 per annum. However the note further states that the directors of DevonAir expect that a significantly reduced figure will finally be agreed upon.

In our projections we have prudently budgeted expenditure of £206,000 in our first year of broadcasting, for a Total Broadcast Contract on the basis of full replacement.

To further increase our market awareness we would immediately introduce RDS onto the FM transmitters.

30. FORECASTS AND ACCOUNTS

Assumptions in the forecasts

Pre-operational period - 9 months.

Inflation is assumed to be 4% per annum throughout.

Depreciation:

Studio equipment - 5 years

Building alterations and studio construction - 8 years

Computers and furniture - 3 years

Record library - 5 years

Local advertising receipts:

- 50% - received within 30 days (including pre-payments)
- 30% - received within 60 days
- 10% - received within 90 days
- 7% - received within 120 days
- 3% - not recovered

(An allowance for bad debts of 3% of local revenue and commercial production has been included in the profit and loss projections.)

National advertising receipts

- 40% received within 30 days
- 60% received within 60 days

National sales commission

Included under marketing costs at 14%, plus 1% to RAB.

Local agency commission

15% commission on 20% of local sales.

Copyright payments

- PRS - 5.0% - less 6% prompt payment discount.
- PPL - 5.0% - The new licence, between the AIRC companies and PPL, states that AM and FM revenue streams may be treated separately. It is likely that this calculation will reduce the base rate to 3%. We have prudently made our projections at the higher rate, awaiting confirmation on the award of the licence.

Rounding

The figures have been rounded to the nearest £1000 which may produce differences between the quarterly figures and the annual totals.

30. FINANCIAL FORECASTS AND ACCOUNTS

a. CASH FLOW FORECASTS

	Year 0 Q1	Year 0 Q2	Year 0 Q3	Year 0 Q4	Year 0 Total
INCOME:					
Capital	600	0	0	0	600
Gross advertising revenue	0	0	0	0	0
Less ag comm/discounts	0	0	0	0	0
Net advertising revenue	0	0	0	0	0
Sponsorship and co-funding	0	0	0	0	0
Other (Commercial Production)	0	0	0	0	0
VAT on sales	0	0	0	0	0
TOTAL INCOME	600	0	0	0	600
EXPENDITURE:					
Capital/expenditure	0	12	27	20	59
HP/Leasing	0	0	20	13	33
General and administration:					
Licence fees	0	0	0	0	0
Staff	0	14	19	88	121
Premises	0	0	3	8	11
Legal and professional	0	0	2	10	12
Establishments	0	2	6	17	24
Engineering:					
Transmitter operating costs	0	0	0	0	0
Other (technical supplies)	0	0	0	9	9
Programming:					
Copyright fees	0	0	0	0	0
Music library	0	0	0	10	10
Acquired programming	0	0	0	0	0
News service	0	0	0	0	0
Other	0	0	0	6	6
Marketing/promotion					
Audience research	0	0	0	2	3
Other costs (Pre-company)	10	0	0	0	10
VAT on purchases	2	2	10	17	31
TOTAL EXPENDITURE	12	30	87	199	329
VAT adjustment	0	2	0	4	6
Interest payable	0	0	0	0	0
Interest receivable	0	6	6	5	17
Taxation	0	0	0	0	0
Dividends	0	0	0	0	0
Other outflows	0	0	0	0	0
NET INFLOWS/OUTFLOWS	588	-23	-81	-191	294
Balance b/f	0	588	566	484	0
Balance c/f	588	566	484	294	294
Lowest cash position in quarter	588	566	484	294	

30. FINANCIAL FORECASTS AND ACCOUNTS

a. CASH FLOW FORECASTS

	Year 1 Q1	Year 1 Q2	Year 1 Q3	Year 1 Q4	Year 1 Total
INCOME:					
Capital	0	0	0	0	0
Gross advertising revenue	83	212	267	247	809
Less ag comm/discounts	1	5	6	6	18
Net advertising revenue	82	207	260	241	791
Sponsorship and co-funding	9	33	43	38	123
Other (Commercial Production)	8	20	26	23	77
VAT on sales	17	46	58	53	173
TOTAL INCOME	115	306	387	356	1164
EXPENDITURE:					
Capital/expenditure	20	0	0	0	20
HP/Leasing	15	15	15	15	59
General and administration:					
Licence fees	2	2	2	2	7
Staff	115	113	113	113	454
Premises	8	8	8	8	32
Legal and professional	6	3	3	6	19
Establishments	35	38	39	37	149
Engineering:					
Transmitter operating costs	52	52	52	52	206
Other (technical supplies)	0	1	1	1	2
Programming:					
Copyright fees	12	25	25	25	86
Music library	0	0	0	0	0
Acquired programming	0	0	0	0	0
News service	2	2	2	2	8
Other	0	0	0	0	1
Marketing/promotion					
Audience research	54	19	21	21	114
Other costs (Pre-company)	3	3	3	3	12
VAT on purchases	36	29	29	29	124
TOTAL EXPENDITURE	359	309	313	313	1293
VAT adjustment	15	-13	-27	-30	-55
Interest payable	0	0	0	0	0
Interest receivable	0	1	0	0	6
Taxation	4	1	0	0	1
Dividends	0	0	0	0	0
Other outflows	0	0	0	0	0
NET INFLOWS/OUTFLOWS	-225	-15	48	14	-179
Balance b/f	294	69	54	102	294
Balance c/f	69	54	102	115	115
Lowest cash position in quarter	69	27	43	95	

30. FINANCIAL FORECASTS AND ACCOUNTS

a. CASH FLOW FORECASTS

	Year 2 Q1	Year 2 Q2	Year 2 Q3	Year 2 Q4	Year 2 Total
INCOME:					
Capital	0	0	0	0	0
Gross advertising revenue	224	231	284	263	1001
Less ag comm/discounts	5	5	7	6	23
Net advertising revenue	219	226	277	257	978
Sponsorship and co-funding	37	43	57	51	188
Other (Commercial Production)	21	22	27	25	95
VAT on sales	48	51	63	58	221
TOTAL INCOME	325	342	424	390	1481
EXPENDITURE:					
Capital/expenditure	0	0	0	0	0
HP/Leasing	15	15	15	15	59
General and administration:					
Licence fees	2	2	2	2	7
Staff	118	118	118	118	471
Premises	8	8	8	8	32
Legal and professional	9	4	4	6	24
Establishments	38	42	44	41	165
Engineering:					
Transmitter operating costs	54	54	54	54	214
Other (technical supplies)	1	1	1	1	2
Programming:					
Copyright fees	25	26	26	26	105
Music library	0	0	0	0	0
Acquired programming	0	0	0	0	0
News service	2	2	2	2	9
Other	0	0	0	4	4
Marketing/promotion					
Audience research	21	21	23	23	89
Other costs (Pre-company)	3	3	3	3	12
	0	0	0	0	0
VAT on purchases	31	31	32	32	125
TOTAL EXPENDITURE	327	327	331	335	1320
VAT adjustment	-23	-16	-30	-34	-102
Interest payable	0	0	0	0	0
Interest receivable	1	1	1	1	4
Taxation	0	0	0	0	0
Dividends	0	0	0	0	0
Other outflows	0	0	0	0	0
NET INFLOWS/OUTFLOWS	-23	0	64	22	63
Balance b/f	115	92	92	156	115
Balance c/f	92	92	156	178	178
Lowest cash position in quarter	92	60	84	152	

30. FINANCIAL FORECASTS AND ACCOUNTS

a. CASH FLOW FORECASTS

	Year 3 Q1	Year 3- Q2	Year 3 Q3	Year 3 Q4	Year 3 Total
INCOME:					
Capital	0	0	0	0	0
Gross advertising revenue	238	246	302	279	1065
Less ag comm/discounts	6	5	7	6	25
Net advertising revenue	233	240	294	273	1040
Sponsorship and co-funding	49	55	73	65	241
Other (Commercial Production)	22	23	29	26	100
VAT on sales	53	56	69	64	242
TOTAL INCOME	357	374	465	427	1623
EXPENDITURE:					
Capital/expenditure	0	0	0	0	0
HP/Leasing	15	15	15	15	60
General and administration:					
Licence fees	2	2	2	2	7
Staff	123	123	123	123	490
Premises	8	8	8	8	33
Legal and professional	13	4	4	7	28
Establishments	41	47	49	40	178
Engineering:					
Transmitter operating costs	56	56	56	57	224
Other (technical supplies)	1	1	1	1	2
Programming:					
Copyright fees	27	28	28	28	113
Music library	0	0	0	0	0
Acquired programming	0	0	0	0	0
News service	2	2	2	2	9
Other	0	0	0	0	1
Marketing/promotion					
Audience research	24	24	26	26	99
Other costs (Pre-company)	3	3	3	3	13
	0	0	0	0	0
VAT on purchases	33	33	34	33	133
TOTAL EXPENDITURE	349	346	351	344	1390
VAT adjustment	-26	-18	-34	-38	-116
Interest payable	0	0	0	0	0
Interest receivable	2	2	1	2	7
Taxation	0	0	0	0	0
Dividends	0	0	0	0	0
Other outflows	0	0	0	0	0
NET INFLOWS/OUTFLOWS	-16	12	82	47	125
Balance b/f	178	162	174	256	178
Balance c/f	162	174	256	303	303
Lowest cash position in quarter	162	136	168	255	

30. FINANCIAL FORECASTS AND ACCOUNTS

b) PROFIT AND LOSS ACCOUNTS

	Pre-op	Year One	Year Two	Year Three
TURNOVER				
ADVERTISING SALES:				
Local sales	0	743	787	834
Less: Local agency commission	0	22	24	25
Local sales (net)	0	721	763	809
Reciprocal	0	24	30	36
National sales (net)	0	204	216	229
OTHER INCOME:				
Com. production income	0	93	98	104
Sundry income	0	149	197	250
TOTAL TURNOVER	0	1190	1305	1428
STAFF COSTS:				
Payroll	120	433	451	469
Contract/freelance	0	25	26	27
Training	3	3	3	3
DEPRECIATION:				
Improvements/construction	0	7	7	7
Fixtures/fittings	2	7	7	5
Studio equipment	3	9	9	9
OTHER OPERATING CHARGES:				
Revenue related costs:				
PRS/PPL	0	96	103	110
National sales commission	0	28	29	31
Fixed costs:				
Transmitter running costs	0	206	214	224
Licence fees	0	7	7	7
Leasing	21	66	64	61
Legal and professional/AIRC	9	10	14	15
Establishment	12	28	29	30
Research	0	12	12	13
Music licences/MCPS	0	6	6	7
Variable costs:				
Commercial production costs	0	14	15	16
Telephone/post	7	66	69	71
Advertising/promotion	40	18	19	19
Reciprocal	0	24	30	36
Costs against other income	0	37	49	63
Stationery/print/artwork	0	8	8	10
Motor expenses	4	12	12	13
Travel/entertainment	3	7	7	8
Engineering - maint/tape	1	2	2	2
Cleaning and maintenance	2	4	4	4
General costs	1	5	5	6
Bank charges	1	1	1	1
Pre-company	10	0	0	0
Non-cash items:				
Bad debt provision	0	29	31	33
TOTAL COSTS	246	1169	1236	1301
OPERATING PROFIT/(LOSS)				
Bank interest paid/charged	-246	21	69	127
PROFIT/(LOSS) on ordinary activities before tax	17	6	4	7
Taxation	-229	27	72	134
RETAINED PROFIT/(LOSS)	0	0	0	0
PROFIT/(LOSS) B/F	-229	27	72	134
PROFIT/(LOSS) C/F	0	-229	-202	-130
	-229	-202	-130	4

30. FINANCIAL FORECASTS AND ACCOUNTS

c) BALANCE SHEETS

	Pre-op	Year One	Year Two	Year Three
FIXED ASSETS:				
Transmission equipment	0	0	0	0
Building lease	0	0	0	0
Motor vehicles	0	0	0	0
Studio equipment	90	90	90	90
Studio construction	40	60	60	60
Computers/office equip	19	19	19	19
Music library	10	10	10	10
Less: Depreciation	6	29	52	74
NET FIXED ASSETS:	153	150	127	105
CURRENT ASSETS:				
Cash at bank and in hand	294	115	178	303
Debtors	0	261	340	425
NET CURRENT ASSETS:	294	376	519	728
NET ASSETS	447	526	645	833
CREDITORS:				
Amounts falling due within one year	7	68	126	191
NET CURRENT ASSETS/(LIABILITIES)	441	458	519	642
CREDITORS:				
Amounts falling due after one year	70	60	49	38
Long term debt	0	0	0	0
TOTAL ASSETS LESS TOTAL LIABILITIES	371	398	470	604
REPRESENTED BY:				
Called-up share capital	600	600	600	600
Profit and loss account	-229	-202	-130	4
CAPITAL AND RESERVES	371	398	470	604

31. FINANCIAL REQUIREMENTS AND SOURCES

(i) Capital expenditure (including capital value of leases)	£ 159,000
(ii) Other pre-operational expenditure	£ 237,000
(iii) Working capital (at on-air date)	£ 294,000
TOTAL	£ 690,000

(i) Share capital	£ 600,000
(ii) Loan stock/medium term borrowing	£ -
(iii) Leasing/HP facilities (capital value)	£ 90,000
(iv) Bank overdraft	£ -
(v) Grants and donations	£ -
(vi) Other	£ -
TOTAL	£ 690,000

32. FIXED ASSETS

Fixtures and fittings:

Building alterations and studio construction	£ 60,000
Office furniture purchased for cash	£ 9,000

Studio equipment:

We have assumed costs of equipment at £90,000.
We have budgeted to pay a 20% deposit.
The equipment would be capitalised with the capital payment in the cash flow, with interest payments and depreciation in the profit and loss account.

Transmitter equipment:

Not applicable. We intend to enter into a Total Broadcast Contract with NTL, National Transcommunications Ltd.

Vehicles:

The company will contract hire vehicles. Staff with the use of company vehicles will be required to keep a log of all journeys and will be reimbursed for business mileage only.

Other:

Computer equipment and software purchase	£ 10,000
Music library purchase	£ 10,000
Telephone system/fax and photocopier (treated as a monthly payment)	

33. SHARE CAPITAL

Classes of share capital:

	Number	Par value	Issue price
Voting:	600,000	£1	£1
Non voting:	N/A	N/A	N/A
Preference:	N/A	N/A	N/A
Other:	N/A	N/A	N/A

34. LOAN STOCK

From advice within the radio industry, we are aware of the detrimental effect that loan stock can have on the balance sheet should trading not achieve its forecast levels, for whatever reason.

Gemini Radio does not intend to issue any loan stock.

35. PROPOSED INVESTORS

<u>Name of investor</u>	<u>Address</u>	<u>Investment</u> (£)	(%)
Orchard Media Ltd* (t/a Orchard FM)		200,000	33.33
Hub Transcommunications Ltd		90,000	15.00
Lt. Col. G Lawrence		75,000	12.50
The Earl of Idlesleigh		50,000	8.33
Ivor Stolliday		35,000	5.83
Jan Holford		30,000	5.00
David Hoare		15,000	2.50
John Cave		15,000	2.50
Lord Courtenay		10,000	1.67
Kate Caddy		10,000	1.67
John Lloyd		10,000	1.67
Mr. and Mrs. J Hassell		10,000	1.67

South Devon

continued

35. PROPOSED INVESTORS (cont.)

Mrs. Susan Jackson		10,000	1.67
Graham Sclater T/A Tabitha Music Ltd		10,000	1.67
Mr. and Mrs. A Gregory		6,000	1.00
Mr. and Mrs. N Matthews		5,000	0.83
Paul Hargreaves		5,000	0.83
David Rodgers		5,000	0.83
Nicholas Bennett		3,000	0.50
Michael de Souza		2,000	0.33
David Cousins		2,000	0.33
Madelaine Parkinson		1,000	0.17
Alan Hooper		1,000	0.17
Total		600,000	100.00

* Orchard Media Ltd. would be willing to consider reducing its shareholding by £50,000 to enable a suitable investor from an unsuccessful applicant group to hold a sizeable share.

Formal pledges of investment have been signed by potential shareholders, some of whom have contributed to the cost of the application. Investors taking more than 3% of the share capital have written letters of intent which can be found at the back of this document.

36. METHOD OF RAISING CAPITAL

Gemini Radio does not intend to issue a prospectus.

All monies pledged are as a result of personal contact, made with the understanding of the requirements of the Financial Services Act.

We reiterate that Orchard Media Ltd. would consider reducing its shareholding from 33% to 25% should a suitable investor from unsuccessful applicant groups wish to participate, some of whom will most certainly have a contribution to make to Gemini Radio, both financially and in terms of their contacts, expertise, and experience.

Our shareholders have signed a letter of intention to invest on the understanding that the company will issue a formal shareholders agreement within ten days of the award of the licence, and that the investment must be in place within ten days of receipt of that agreement.

At this stage we have no intention of having the shares publicly quoted.

37. OTHER LOANS

Gemini Radio does not intend to raise capital through loans.

38. BANK OVERDRAFT FACILITIES

Our cash flow forecasts show that we are sufficiently capitalised. Our projections show that Gemini Radio will remain cash positive in the first three years of operation.

As a prudent measure, however, we have negotiated a £100,000 overdraft facility with National Westminster Bank Ltd., Exeter.

A supporting letter from National Westminster Bank Ltd., appears at the back of this document.

39. GRANTS AND DONATIONS, ETC.

Gemini Radio does not propose to use such means of funding.

40. OTHER INTERESTS

a) Advertising agencies

None

b) Non EC interests

Malcolm Hall is a director of Hub Transcommunications Ltd., registered in Jersey.

That company owns a 30% shareholding in Channel Radio Ltd., and a 15% shareholding in Orchard Media Ltd.

c) Newspapers (including holdings in a group having substantial control over one or more newspapers)

None

d) Other broadcasting interests

Orchard Media Ltd (Trading as Orchard FM) is the licensed independent radio contractor for Somerset.

The company's shareholders include:

Southern Radio Holdings plc - 22%
HTV plc - 5%

Orchard Media owns 10% of Lantern Radio Ltd., and 25% of Regent Radio Ltd.

e) Bodies whose objects are wholly or mainly of a religious nature

None

f) Bodies whose objects are wholly or mainly of a political nature

None

g) Local authorities

None

h) Other publicly funded bodies

None

ADVERTISING REVENUEa) Population coverage, audience reach, and listening hours

We are convinced that, by providing split FM/AM locally generated services, we can substantially increase the audience share from its current 22%, to 29% over three years:

	Weekly reach ('000)	(%)	Average hours	Total hours ('000)	Audience share (%)
Year 1 - FM	127	28	12.8	1,626	19
Year 1 - AM	55	12	11.5	633	7
Gemini Twin	165	37	12.5	2,063	24
Year 2 - FM	133	29	13.3	1,770	20
Year 2 - AM	62	14	12.1	748	9
Gemini Twin	175	39	13.0	2,274	26
Year 3 - FM	141	31	13.8	1,944	22
Year 3 - AM	71	16	12.7	902	10
Gemini Twin	185	41	13.5	2,498	29

b) Local revenue projections

The projections are based on our knowledge of current activity in the South West market place which is seeing positive growth from the previous low base. We have assumed a 10% growth for 1992/93, but reducing to 6% growth, including rate card inflation, for the next four years in the light of continuing uncertainty in the recovery of the economy.

We have assumed that the market share between DevonAir Radio and Plymouth Sound in the short term will be the average performance of the previous nine years. However we have assumed that, following the change of licence ownership, the proposed split FM/AM services will deliver a 57% share. We have been prudent in not projecting to increase FM revenue above that of the existing licensee in Year One. However we anticipate that our new AM service will generate 12.5% of the total local revenue.

	Plymouth Sound		DevonAir Radio - FM/AM		Total	+/-	
	('000)	(%)	('000)	(%)	('000)	(%)	
1991/92	487	46	567	54	1,054	-	
(current base)							
1992/93	545	47	614	53	1,159	+10	
1993/94	578	47	651	53	1,229	+ 6	
	Plymouth Sound		Gemini			Total	+/-
	('000)	(%)	FM ('000)	AM ('000)	(%)	('000)	(%)
1994/95	560	43	651	92	57	1,303	+ 6
1995/96	594	43	690	97	57	1,381	+ 6
1996/97	630	43	731	103	57	1,464	+ 6

41. ADVERTISING REVENUE (cont.)c) National revenue projections

From our analysis of revenue history in the South West, contained in our 'Market Potential Analysis' research document, it is apparent that the national revenue cake is divided further as new stations enter the marketplace. We have therefore taken Pirate FM, covering Cornwall and Plymouth, and Lantern FM, covering North Devon, into account.

We have projected revenue shares for the stations based on current audience delivery and length of time in the market. We have down-graded Plymouth Sound's share as it is apparent that Pirate FM will take a proportion of the station's revenue. The projected shares are as follows:

	(%)
Plymouth Sound	22
Pirate FM	17
-----	39
Gemini Radio	35
Orchard FM	23
Lantern FM	3

The projections are based on current knowledge of the South West marketplace which is delivering a healthy year on year increase in national sales due to the arrival and maturing of the new stations. We have calculated this increase to be 18% in 1992/93.

We have then assumed that a 6% rate of growth, including rate card inflation, will continue across the next five years as the economy improves and awareness of the benefit of radio advertising increases with the advent of the national commercial stations.

	DevonAir Radio ('000)	Plymouth Sound ('000)	Orchard FM ('000)	Pirate FM ('000)	Lantern FM ('000)	Total ('000)
1991/92	170	128	109	32	-	439

1992/93	181	113	119	89	16	518
1993/94	192	121	126	93	17	549

	Gemini Radio ('000)	Plymouth Sound ('000)	Orchard FM ('000)	Pirate FM ('000)	Lantern Radio ('000)	Total ('000)
1994/95	204	128	134	98	18	582
1995/96	216	136	141	105	19	617
1996/97	229	144	150	111	20	654

DRAFT LOCAL RATE CARD

Although there is no longer any limit to advertising minutage it is our intention to restrict advertising airtime to a maximum of nine minutes per hour, to protect the sound of the station.

We have assumed an average 30 second spot cost of £14. This delivers an hourly yield of £252. The bulk of our revenue will be generated in the 'live' hours, 0600 - midnight.

This would deliver a potential annual revenue of £1,655,640.

We believe that with our competitive package rates we will sell an average of 45% of our available air time in the local market place. This will deliver £745,000, in line with our forecast for Year One.

Our Total Audience Package is designed to deliver our advertisers the maximum cumulative audience and will cover the time slot, 0600 - midnight.

Segment	Day	Times	30 second spot rate	AM and FM Exeter or Torquay	All AM and FM transmitters
P1	Mon-Fri	0600-1000			
	Saturday	0800-1200	£ 50		£ 75
	Sunday	0800-1200			
P2	Mon-Fri	1000-1300			
	Saturday	0600-0800	£ 30		£ 45
	Sunday	1200-1400			
P3	Mon-Fri	1600-1800	£ 15		£ 22
P4	Mon-Fri	1300-1600			
	Saturday	1200-1800	£ 10		£ 15
P5	Mon-Sun	1800-2200	£ 5		£ 8
P6	Mon-Sun	0000-0600	£ 2		£ 3
TOTAL AUDIENCE PACKAGE					
21 x 30sec. commercials, evenly rotated between 0600-midnight across seven consecutive days.			£231		£357
Average package spot rate			£ 11		£ 17

42. REVENUE FROM SPONSORSHIP, CO-FUNDING OR OTHER SOURCES

In line with current industry experience we have budgeted to earn a substantial amount from sources other than the sale of spot airtime.

A significant element of this will come from the sponsorship of programme feature elements. On AM these will include:

CommuniCare	Travel News
Legal advice	Coastguard report
Coffee Break	Sports reports
Medical Advice	Setting Sail
Friday Flashback	On the Hook

At just £75 per week these will generate £37,500.

We will also accept sponsorship of our evening magazine shows:

Just the Ticket	Overdrive
The Bottom Line	Cut Loose
Crucible	

At £250 per week these programmes will generate £62,500.

On FM we will look for sponsorship of programme feature items. These will include:

Sports Reports	Lifestyle
Video Review	Young Health
Showbiz Gossip	Traffic and Travel

At just £100 per week these will generate £30,000.

We appreciate that it will cost Gemini Radio money to generate this income. We have budgeted a sizeable element of cost against other income, one third of the predicted total, to pay for printing, outside broadcast lines, and so on.

In the past, our research consultant was responsible for the creation of St. David's Marketing, the unit that runs the the Business Exhibition in Exeter, in association with the Chamber of Commerce, and the Devon Motor Show, for the existing licensee. Historically these events have made a significant contribution to the turnover of DevonAir.

On being awarded the licence, Gemini Radio would enter into negotiations with the existing licensee with a view to acquiring the rights to these events, thus protecting the jobs of employees

43. EFFECTS OF OBTAINING LICENCE ON ONE WAVEBAND ONLY

Anticipated effects on the business plan if we were successful in obtaining a licence to broadcast on one waveband only.

(i) AM LICENCE ONLY:

- a) Revenue reduced to 11% of Projected AM & FM Total.
- b) No requirement for Torbay premises.
- c) Presenters reduced by 6
- d) Journalists reduced by 1
- e) Marginal savings on Freelancers
- f) Substantial savings on Transmitter costs.

The financial headline effects of the above would be:

	Turnover	Staff costs	Total costs	Profit/Loss	P/L c/f
Pre-operational	-	104	183	(166)	(166)
Year one	131	324	663	(523)	(689)
Year two	154	337	697	(557)	(1246)
Year three	179	351	731	(587)	(1833)

(ii) FM LICENCE ONLY:

- a) Turnover reduced to 90% of Projected AM & FM Total
- b) The twin studio centres would need to be retained
- c) Presenters reduced by 4
- d) Journalists reduced by 1
- e) Marginal savings on Freelancers
- f) Substantial savings on Transmitter costs.

The financial headline effects of the above would be:

	Turnover	Staff costs	Total costs	Profit/Loss	P/L c/f
Pre-operational	-	110	226	(209)	(209)
Year one	1071	365	961	118	(91)
Year two	1174	380	1020	165	74
Year three	1285	395	1076	226	300

(iii) AM & FM COMPARISON

Pre-operational	-	120	246	(229)	(229)
Year one	1190	433	1169	27	(202)
Year two	1305	451	1236	72	(130)
Year three	1428	469	1301	134	4

Full financial projections for all adjustments anticipated are contained on the following pages. For AM they are on gold paper; for FM they are on blue paper.

AM - FINANCIAL FORECASTS AND ACCOUNTS

a. CASH FLOW FORECASTS

	Year 0 Q1	Year 0 Q2	Year 0 Q3	Year 0 Q4	Year 0 Total
INCOME:					
Capital	600	0	0	0	600
Gross advertising revenue	0	0	0	0	0
Less ag comm/discounts	0	0	0	0	0
Net advertising revenue	0	0	0	0	0
Sponsorship and co-funding	0	0	0	0	0
Other (Commercial Production)	0	0	0	0	0
VAT on sales	0	0	0	0	0
TOTAL INCOME	600	0	0	0	600
EXPENDITURE:					
Capital/expenditure	0	6	7	7	19
HP/Leasing	0	0	7	5	12
General and administration:					
Licence fees	0	0	0	0	0
Staff	0	14	19	72	105
Premises	0	0	1	3	4
Legal and professional	0	0	1	8	9
Establishments	0	2	5	14	21
Engineering:					
Transmitter operating costs	0	0	0	0	0
Other (technical supplies)	0	0	0	9	9
Programming:					
Copyright fees	0	0	0	0	0
Music library	0	0	0	10	10
Acquired programming	0	0	0	0	0
News service	0	0	0	0	0
Other	0	0	0	6	6
Marketing/promotion	0	0	0	2	3
Audience research	0	0	0	0	0
Other costs (Pre-company)	10	0	0	0	10
VAT on purchases	2	1	4	12	18
TOTAL EXPENDITURE	12	23	43	148	226
VAT adjustment	0	2	0	2	4
Interest payable	0	0	0	0	0
Interest receivable	0	6	6	5	17
Taxation	0	0	0	0	0
Dividends	0	0	0	0	0
Other outflows	0	0	0	0	0
NET INFLOWS/OUTFLOWS	588	-16	-37	-141	395
Balance b/f	0	588	573	536	0
Balance c/f	588	573	536	395	395
Lowest cash position in quarter	588	573	536	395	

AM - FINANCIAL FORECASTS AND ACCOUNTS

a. CASH FLOW FORECASTS

	Year 1 Q1	Year 1 Q2	Year1 Q3	Year 1 Q4	Year 1 Total
INCOME:					
Capital	0	0	0	0	0
Gross advertising revenue	10	23	28	26	88
Less ag comm/discounts	0	1	1	1	2
Net advertising revenue	10	22	28	25	85
Sponsorship and co-funding	1	4	5	5	15
Other (Commercial Production)	1	3	3	3	10
VAT on sales	2	5	6	6	19
TOTAL INCOME	14	34	43	39	129
EXPENDITURE:					
Capital/expenditure	6.5	0	0	0	7
HP/Leasing	7	7	7	7	28
General and administration:					
Licence fees	1	1	1	1	3
Staff	85	84	84	84	337
Premises	3	3	3	3	12
Legal and professional	5	2	2	4	13
Establishments	24	24	24	24	97
Engineering:					
Transmitter operating costs	24	24	24	24	97
Other (technical supplies)	0	0	0	0	2
Programming:					
Copyright fees	3	3	3	3	13
Music library	0	0	0	0	0
Acquired programming	0	0	0	0	0
News service	2	2	2	2	8
Other	0	0	0	0	1
Marketing/promotion					
Audience research	26	6	6	7	46
Other costs (Pre-company)	3	3	3	3	12
	0	0	0	0	0
VAT on purchases	18	13	13	14	58
TOTAL EXPENDITURE	209	174	174	177	734
VAT adjustment	9	9	7	7	32
Interest payable	0	0	0	0	0
Interest receivable	4	3	1	0	8
Taxation	0	0	0	0	0
Dividends	0	0	0	0	0
Other outflows	0	0	0	0	0
NET INFLOWS/OUTFLOWS	-181	-129	-123	-131	-564
Balance b/f	395	214	85	-37	395
Balance c/f	214	85	-37	-169	-169
Lowest cash position in quarter	214	85	-37	-169	

AM - FINANCIAL FORECASTS AND ACCOUNTS

a. CASH FLOW FORECASTS

	Year 2 Q1	Year 2 Q2	Year 2 Q3	Year 2 Q4	Year 2 Total
INCOME:					
Capital	0	0	0	0	0
Gross advertising revenue	25	27	33	30	115
Less ag comm/discounts	1	1	1	1	3
Net advertising revenue	24	27	32	30	112
Sponsorship and co-funding	5	5	7	6	23
Other (Commercial Production)	3	3	3	3	12
VAT on sales	5	6	7	7	26
TOTAL INCOME	37	41	50	46	173
EXPENDITURE:					
Capital/expenditure	0	0	0	0	0
HP/Leasing	7	7	7	7	29
General and administration:					
Licence fees	1	1	1	1	4
Staff	87	87	87	87	349
Premises	3	3	3	3	12
Legal and professional	8	2	2	2	17
Establishments	25	26	26	26	102
Engineering:					
Transmitter operating costs	25	25	25	25	101
Other (technical supplies)	0	0	0	0	2
Programming:					
Copyright fees	4	4	4	4	15
Music library	0	0	0	0	0
Acquired programming	0	0	0	0	0
News service	2	2	2	2	9
Other	0	0	0	4	4
Marketing/promotion					
Audience research	7	7	8	8	30
Other costs (Pre-company)	3	3	3	3	12
	0	0	0	0	0
VAT on purchases	15	14	14	15	58
TOTAL EXPENDITURE	188	183	183	190	743
VAT adjustment	8	9	7	7	31
Interest payable	0	0	0	0	0
Interest receivable	-1	-3	-4	-5	-13
Taxation	0	0	0	0	0
Dividends	0	0	0	0	0
Other outflows	0	0	0	0	0
NET INFLOWS/OUTFLOWS	-144	-136	-130	-143	-553
Balance b/f	-169	-313	-448	-578	-169
Balance c/f	-313	-448	-578	-721	-721
Lowest cash position in quarter	-313	-448	-578	-721	

AM - FINANCIAL FORECASTS AND ACCOUNTS

a. CASH FLOW FORECASTS

	Year 3 Q1	Year 3 Q2	Year 3 Q3	Year 3 Q4	Year 3 Total
INCOME:					
Capital	0	0	0	0	0
Gross advertising revenue	29	31	38	35	132
Less ag comm/discouts	1	1	1	1	3
Net advertising revenue	28	30	37	34	129
Sponsorship and co-funding	6	7	9	8	30
Other (Commercial Production)	3	3	4	3	12
VAT on sales	6	7	9	8	30
TOTAL INCOME	43	47	58	53	202
EXPENDITURE:					
Capital/expenditure	0	0	0	0	0
HP/Leasing	7	7	7	7	29
General and administration:					
Licence fees	1	1	1	1	4
Staff	91	91	91	91	363
Premises	3	3	3	3	13
Legal and professional	12	3	3	5	22
Establishments	26	27	27	22	103
Engineering:					
Transmitter operating costs	26	26	26	27	105
Other (technical supplies)	0	0	0	0	2
Programming:					
Copyright fees	4	4	4	4	17
Music library	0	0	0	0	0
Acquired programming	0	0	0	0	0
News service	2	2	2	2	9
Other	0	0	0	0	1
Marketing/promotion	8	9	9	9	35
Audience research	3	3	3	3	13
Other costs (Pre-company)	0	0	0	0	0
VAT on purchases	16	15	15	14	60
TOTAL EXPENDITURE	201	191	192	190	774
VAT adjustment	8	9	7	6	30
Interest payable	0	0	0	0	0
Interest receivable	-7	-8	-10	-11	-35
Taxation	0	0	0	0	0
Dividends	0	0	0	0	0
Other outflows	0	0	0	0	0
NET INFLOWS/OUTFLOWS	-156	-144	-137	-141	-578
Balance b/f	-721	-878	-1022	-1159	-721
Balance c/f	-878	-1022	-1159	-1300	-1300
Lowest cash position in quarter	-878	-1022	-1159	-1300	

AM - FINANCIAL FORECASTS AND ACCOUNTS
b) PROFIT AND LOSS ACCOUNTS

	Pre-op	Year One	Year Two	Year Three
TURNOVER				
ADVERTISING SALES:				
Local sales	0	92	97	103
Less: Local agency commission	0	3	3	3
Local sales (net)	0	89	94	100
Reciprocal	0	12	13	15
National sales (net)	0	0	10	20
OTHER INCOME:				
Com. production income	0	12	12	13
Sundry income	0	18	24	31
TOTAL TURNOVER	0	131	154	179
STAFF COSTS:				
Payroll	104	324	337	351
Contract/freelance	0	17	17	18
Training	3	3	3	3
DEPRECIATION:				
Improvements/construction	0	2	2	2
Fixtures/fittings	1	4	4	3
Studio equipment	1	3	3	3
OTHER OPERATING CHARGES:				
Revenue related costs:				
PRS/PPL	0	10	12	14
National sales commission	0	0	2	3
Fixed costs:				
Transmitter running costs	0	97	101	105
Licence fees	0	3	4	4
Leasing	8	30	30	30
Legal and professional/AIRC	9	10	14	15
Establishment	6	13	13	14
Research	0	12	12	13
Music licences/MCPS	0	6	6	7
Variable costs:				
Commercial production costs	0	2	2	2
Telephone/post	7	66	69	71
Advertising/promotion	20	9	9	10
Reciprocal	0	12	13	15
Costs against other income	0	5	6	8
Stationery/print/artwork	6	6	7	6
Motor expenses	2	6	6	6
Travel/entertainment	3	7	7	6
Engineering - maint/tape	1	2	2	2
Cleaning and maintenance	2	4	4	4
General costs	1	5	5	6
Bank charges	1	1	1	1
Pre-company	10	0	0	0
Non-cash items:				
Bad debt provision	0	4	4	4
TOTAL COSTS	183	663	697	731
OPERATING PROFIT/(LOSS)	-183	-532	-544	-552
Bank interest paid/charged	17	8	-13	-35
PROFIT/(LOSS) on ordinary activities before tax	-166	-523	-557	-587
Taxation	0	0	0	0
RETAINED PROFIT/(LOSS)	-166	-523	-557	-587
PROFIT/(LOSS) B/F	0	-166	-689	-1246
PROFIT/(LOSS) C/F	-166	-689	-1246	-1833

AM - FINANCIAL FORECASTS AND ACCOUNTS

c) BALANCE SHEETS

	Pre-op	Year One	Year Two	Year Three
FIXED ASSETS:				
Transmission equipment	0	0	0	0
Building lease	0	0	0	0
Motor vehicles	0	0	0	0
Studio equipment	30	30	30	30
Studio construction	13	20	20	20
Computers/office equip	6	6	6	6
Music library	10	10	10	10
Less: Depreciation	2	11	20	28
NET FIXED ASSETS:	57	55	45	37
CURRENT ASSETS:				
Cash at bank and in hand	395	-169	-721	-1300
Debtors	0	28	39	51
NET CURRENT ASSETS:	395	-141	-682	-1249
NET ASSETS	452	-86	-637	-1212
CREDITORS:				
Amounts falling due within one year	-5	-17	-8	9
NET CURRENT ASSETS/ (LIABILITIES)	457	-69	-629	-1221
CREDITORS:				
Amounts falling due after one year	23	20	16	13
Long term debt	0	0	0	0
TOTAL ASSETS LESS TOTAL LIABILITIES	434	-89	-646	-1233
REPRESENTED BY:				
Called-up share capital	600	600	600	600
Profit and loss account	-166	-689	-1246	-1833
CAPITAL AND RESERVES	434	-89	-646	-1233

FM - FINANCIAL FORECASTS AND ACCOUNTS

a. CASH FLOW FORECASTS

	Year 0 Q1	Year 0 Q2	Year 0 Q3	Year 0 Q4	Year 0 Total
INCOME:					
Capital	600	0	0	0	600
Gross advertising revenue	0	0	0	0	0
Less ag comm/discounts	0	0	0	0	0
Net advertising revenue	0	0	0	0	0
Sponsorship and co-funding	0	0	0	0	0
Other (Commercial Production)	0	0	0	0	0
VAT on sales	0	0	0	0	0
TOTAL INCOME	600	0	0	0	600
EXPENDITURE:					
Capital expenditure	0	12	27	20	59
HP/Leasing	0	0	13	9	22
General and administration:					
Licence fees	0	0	0	0	0
Staff	0	14	19	79	112
Premises	0	0	2	6	8
Legal and professional	0	0	1	9	10
Establishments	0	2	6	17	24
Engineering:					
Transmitter operating costs	0	0	0	0	0
Other (technical supplies)	0	0	0	9	9
Programming:					
Copyright fees	0	0	0	0	0
Music library	0	0	0	10	10
Acquired programming	0	0	0	0	0
News service	0	0	0	0	0
Other	0	0	0	6	6
Marketing/promotion					
Audience research	0	0	0	0	0
Other costs (Pre-company)	10	0	0	0	10
VAT on purchases	2	2	9	16	28
TOTAL EXPENDITURE	12	30	77	182	301
VAT adjustment	0	2	0	3	5
Interest payable	0	0	0	0	0
Interest receivable	0	6	6	5	17
Taxation	0	0	0	0	0
Dividends	0	0	0	0	0
Other outflows	0	0	0	0	0
NET INFLOWS/OUTFLOWS	588	-23	-71	-173	321
Balance b/f	0	588	566	494	0
Balance c/f	588	566	494	321	321
Lowest cash position in quarter	586	566	494	321	

FM - FINANCIAL FORECASTS AND ACCOUNTS

a. CASH FLOW FORECASTS

	Year 1 Q1	Year 1 Q2	Year 1 Q3	Year 1 Q4	Year 1 Total
INCOME:					
Capital	0	0	0	0	0
Gross advertising revenue	76	192	241	224	733
Less ag comm/discounts	1	4	6	5	16
Net advertising revenue	75	188	236	219	717
Sponsorship and co-funding	8	29	38	34	107
Other (Commercial Production)	7	18	22	20	67
VAT on sales	16	41	52	48	156
TOTAL INCOME	105	275	348	321	1048
EXPENDITURE:					
Capital/expenditure	20	0	0	0	20
HP/Leasing	11	11	11	11	44
General and administration:					
Licence fees	1	1	1	1	4
Staff	96	95	95	95	380
Premises	6	6	6	6	24
Legal and professional	5	2	2	5	15
Establishments	34	36	37	35	143
Engineering:					
Transmitter operating costs	31	31	31	31	123
Other (technical supplies)	0	1	1	1	2
Programming:					
Copyright fees	22	22	22	22	90
Music library	0	0	0	0	0
Acquired programming	0	0	0	0	0
News service	2	2	2	2	6
Other	0	0	0	0	1
Marketing/promotion					
Audience research	3	3	3	3	12
Other costs (Pre-company)	0	0	0	0	0
VAT on purchases	33	23	24	24	104
TOTAL EXPENDITURE	317	252	255	256	1080
VAT adjustment	14	-15	-26	-30	-57
Interest payable	0	0	0	0	0
Interest receivable	4	2	1	2	8
Taxation	0	0	0	0	0
Dividends	0	0	0	0	0
Other outflows	0	0	0	0	0
NET INFLOWS/OUTFLOWS	-195	10	67	37	-80
Balance b/f	321	126	137	204	321
Balance c/f	126	137	204	241	241
Lowest cash position in quarter	126	118	148	219	

FM - FINANCIAL FORECASTS AND ACCOUNTS

a. CASH FLOW FORECASTS

	Year 2 Q1	Year 2 Q2	Year 2 Q3	Year 2 Q4	Year 2 Total
INCOME:					
Capital	0	0	0	0	0
Gross advertising revenue	203	209	257	238	908
Less ag comm/discounts	5	5	6	5	20
Net advertising revenue	199	205	251	233	888
Sponsorship and co-funding	33	38	50	45	165
Other (Commercial Production)	18	19	24	22	83
VAT on sales	44	46	57	52	199
TOTAL INCOME	293	308	382	352	1334
EXPENDITURE:					
Capital/expenditure	0	0	0	0	0
HP/Leasing	11	11	11	11	44
General and administration:					
Licence fees	1	1	1	1	4
Staff	98	98	98	98	394
Premises	6	6	6	6	24
Legal and professional	8	3	3	5	20
Establishments	36	40	42	39	158
Engineering:					
Transmitter operating costs	32	32	32	32	128
Other (technical supplies)	1	1	1	1	2
Programming:					
Copyright fees	24	24	24	24	96
Music library	0	0	0	0	0
Acquired programming	0	0	0	0	0
News service	2	2	2	2	6
Other	0	0	0	4	4
Marketing/promotion					
Audience research	3	3	3	3	12
Other costs (Pre-company)	0	0	0	0	0
VAT on purchases	25	25	26	26	102
TOTAL EXPENDITURE	269	267	271	275	1083
VAT adjustment	-23	-17	-29	-33	-102
Interest payable	0	0	0	0	0
Interest receivable	2	2	3	3	10
Taxation	0	0	0	0	0
Dividends	0	0	0	0	0
Other outflows	0	0	0	0	0
NET INFLOWS/OUTFLOWS	4	26	84	46	160
Balance b/f	241	245	271	355	241
Balance c/f	245	271	355	401	401
Lowest cash position in quarter	245	244	287	375	

FM - FINANCIAL FORECASTS AND ACCOUNTS

a. CASH FLOW FORECASTS

	Year 3 Q1	Year 3 Q2	Year 3 Q3	Year 3 Q4	Year 3 Total
INCOME:					
Capital	0	0	0	0	0
Gross advertising revenue	216	223	273	254	966
Less ag comm/discounts	5	5	6	6	22
Net advertising revenue	211	218	267	248	944
Sponsorship and co-funding	43	48	64	57	211
Other (Commercial Production)	19	21	25	23	88
VAT on sales	48	50	62	57	218
TOTAL INCOME	322	337	418	385	1461
EXPENDITURE:					
Capital/expenditure	0	0	0	0	0
HP/Leasing	11	11	11	11	45
General and administration:					
Licence fees	1	1	1	1	4
Staff	102	102	102	102	409
Premises	6	6	6	6	25
Legal and professional	12	3	3	6	24
Establishments	40	45	47	38	169
Engineering:					
Transmitter operating costs	33	33	33	34	134
Other (technical supplies)	1	1	1	1	2
Programming:					
Copyright fees	26	26	26	26	103
Music library	0	0	0	0	0
Acquired programming	0	0	0	0	0
News service	2	2	2	2	6
Other	0	0	0	0	1
Marketing/promotion					
Audience Research	24	24	26	26	99
Other costs (Pre-company)	3	3	3	3	13
	0	0	0	0	0
VAT on purchases	28	27	27	27	108
TOTAL EXPENDITURE	288	284	288	282	1142
VAT adjustment	-26	-19	-33	-37	-114
Interest payable	0	0	0	0	0
Interest receivable	4	4	4	5	17
Taxation	0	0	0	0	0
Dividends	0	0	0	0	0
Other outflows	0	0	0	0	0
NET INFLOWS/OUTFLOWS	11	39	101	72	223
Balance b/f	401	412	451	552	401
Balance c/f	412	451	552	624	624
Lowest cash position in quarter	412	415	471	576	

FM - FINANCIAL FORECASTS AND ACCOUNTS

b) PROFIT AND LOSS ACCOUNTS

	Pre-op	Year One	Year Two	Year Three
TURNOVER				
ADVERTISING SALES:				
Local sales	0	651	690	731
Less: Local agency commission	0	20	21	22
Local sales (net)	0	631	669	709
Reciprocal	0	24	30	36
National sales (net)	0	204	216	229
OTHER INCOME:				
Com. production income	0	81	86	91
Sundry income	0	130	173	219
TOTAL TURNOVER	0	1071	1174	1285
STAFF COSTS:				
Payroll	110	365	380	395
Contract/freelance	0	17	17	18
Training	3	3	3	3
DEPRECIATION:				
Improvements/construction	0	5	6	6
Fixtures/fittings	2	7	7	5
Studio equipment	2	6	6	6
OTHER OPERATING CHARGES:				
Revenue related costs:				
PRS/PPL	0	87	93	100
National sales commission	0	31	32	34
Fixed costs:				
Transmitter running costs	0	123	128	134
Licence fees	0	4	4	4
Leasing	14	47	46	45
Legal and professional/AIRC	9	10	14	15
Establishment	10	22	23	24
Research	0	12	12	13
Music licences/MCPS	0	6	6	7
Variable costs:				
Commercial production costs	0	12	13	14
Telephone/post	7	66	69	71
Advertising/promotion	40	18	19	19
Reciprocal	0	24	30	36
Costs against other income	0	33	43	55
Stationery/print/artwork	8	7	8	10
Motor expenses	4	12	12	13
Travel/entertainment	3	7	7	8
Engineering - maint/tape	1	2	2	2
Cleaning and maintenance	2	4	4	4
General costs	1	5	5	6
Bank charges	1	1	1	1
Pre-company	10	0	0	0
Non-cash items:				
Bad debt provision	0	26	27	29
TOTAL COSTS	226	961	1020	1076
OPERATING PROFIT/(LOSS)	-226	110	154	209
Bank interest paid/charged	17	8	10	17
PROFIT/(LOSS) on ordinary activities before tax	-209	118	165	226
Taxation	0	0	0	0
RETAINED PROFIT/(LOSS)	-209	118	165	226
PROFIT/(LOSS) B/F	0	-209	-91	74
PROFIT/(LOSS) C/F	-209	-91	74	300

FM - FINANCIAL FORECASTS AND ACCOUNTS

c) BALANCE SHEETS

	Pre-op	Year One	Year Two	Year Three
FIXED ASSETS:				
Transmission equipment	0	0	0	0
Building lease	0	0	0	0
Motor vehicles	0	0	0	0
Studio equipment	60	60	60	60
Studio construction	40	60	60	60
Computers/office equip	19	19	19	19
Music library	10	10	10	10
Less: Depreciation	5	23	41	58
NET FIXED ASSETS:	124	126	108	91
CURRENT ASSETS:				
Cash at bank and in hand	321	241	401	624
Debtors	0	233	303	377
NET CURRENT ASSETS:	321	475	704	1001
NET ASSETS	445	601	811	1092
CREDITORS:				
Amounts falling due within one year	8	51	105	166
NET CURRENT ASSETS/ (LIABILITIES)	438	549	707	926
CREDITORS:				
Amounts falling due after one year	46	40	33	25
Long term debt	0	0	0	0
TOTAL ASSETS LESS TOTAL LIABILITIES	391	509	674	900
REPRESENTED BY:				
Called-up share capital	600	600	600	600
Profit and loss account	-209	-91	74	300
CAPITAL AND RESERVES	391	509	674	900

SECTION V : ENGINEERING

44. TRANSMISSION SITE (AM)a) Existing site

The Radio Authority states in the coverage brief that the FM service is designed to cover the following area:

The city of Exeter, the Torbay area, and surrounding parts of South and East Devon to include Exmouth, Newton Abbot, Totnes and Dartmouth. In daylight hours, coverage should extend to include the towns of Tiverton, Crediton, and Buckfastleigh.

At the time of this applications it is our intention to use the existing sites for our AM coverage:

Exeter

Location of aerial: Pearce's Hill

National Grid Reference: SX 931 881

Site operator: BBC

Torbay

Location of aerial: Occombe

National Grid Reference: SX 857 630

Site operator: BBC

We are fully conversant with these existing sites and we have advised National Transcommunications Ltd (NTL) that we would wish them to negotiate with the BBC with a view to entering into an agreement for their continuing use.

NTL's projected costs of site rentals is included in their quotation for a Total Broadcast Contract and, as such, is included in our forecasts.

b) Alternative site

We are advised by NTL that AM coverage might be achieved at lower cost by covering the area with one transmitter from a site near Teignmouth. No such site exists at present, either BBC or NTL, and naturally planning permission and frequency clearance would present major obstacles. However, in the event that we are successful with this application we would continue to explore this option with NTL.

45. TRANSMISSION EQUIPMENT

After careful evaluation, Gemini Radio proposes to enter into a Total Broadcast Contract with National Transcommunications Ltd for the leasing of the AM transmitters and aerials, to include a full maintenance and servicing agreement. NTL have costed the AM service, at 1993 prices, at £90,000.

NTL's quotation for a Total Broadcast Contract is based on the intention to install new transmission equipment at each AM site using the existing BBC antennae, complete with a full-redundancy amplifier, mono limiter, reserve drive and auto-changeover.

NTL expect the system design, due to the amount of redundancy, to provide an availability of around 99.8% averaged over a period of one year, excluding BT or electricity failures.

NTL have advised Gemini Radio that the system will be designed to meet the Radio Authority's Local Licence Engineering Code.

We are aware that the incumbent is the beneficial owner of the transmitters and aerial arrays at the sites. In the event that Gemini Radio is successful with this application we would enter into negotiations with a view to acquiring the use of existing transmission equipment. Although it is likely that this will be financially beneficial we consider it prudent to cost transmission facilities on the basis of full replacement.

Supervision of the installation of new transmission equipment, or negotiations with the incumbent for the acquisition of existing equipment, will be the responsibility of our engineering consultant, Nick Bennett.

46. TRANSMITTER MAINTENANCE

Gemini Radio proposes to enter into a Total Broadcast Contract with National Transcommunications Ltd. for the leasing of the transmission equipment, to include a full maintenance and servicing agreement.

NTL owns all of the necessary equipment to install, inspect and maintain the Gemini Radio transmission equipment.

NTL will install a supervisory and telemetry system at each transmitter site to report around the clock the status of the transmission equipment to their Regional Operations Centre (ROC).

45. TRANSMISSION EQUIPMENT

Exeter

Location of aerial:	Pearce's Hill
National Grid Reference:	SX 931 881
Aerial pattern:	Omni-directional
Aerial height:	37m above ground-level
Total maximum effective monopole radiated power:	340 Watts
Frequency:	666kHz
Site operator:	BBC

Torbay

Location of aerial:	Occombe
National Grid Reference:	SX 878 630
Aerial pattern:	Omni-directional
Aerial height:	45m. above ground-level
Total maximum effective monopole radiated power:	320 Watts
Frequency:	954 KHz
Site operator:	BBC

SECTION V : ENGINEERING

44. TRANSMISSION SITE (FM)

a) Existing site

The Radio Authority states in the coverage brief that the FM service is designed to cover the following area:

The city of Exeter, the Torbay area, and surrounding parts of South and East Devon to include Exmouth, Newton Abbot, Totnes and Dartmouth.

We appreciate that there are localised deficiencies in coverage in certain districts within this area due to terrain factors. However the relay site at Stockland Hill strengthens coverage in the East Devon area taking in Honiton, Axminster, and Seaton.

We intend to use the existing sites for our FM coverage:

Exeter

Location of aerial: Exeter St. Thomas

National Grid Reference: SX 898 922

Site operator: National Transcommunications Ltd

Torbay

Location of aerial: Beacon Hill

National Grid Reference: SX 857 619

Site operator: National Transcommunications Ltd

East Devon relay

Location of aerial: Stockland Hill

National Grid Reference: ST 222 014

Site operator: National Transcommunications Ltd

We are fully conversant with these existing sites and we have advised National Transcommunications Ltd (NTL) that we intend to enter into an agreement with them for their continuing use.

NTL's projected costs of site rentals is included in their quotation for a Total Broadcast Contract and, as such, is included in our forecasts.

b) Alternative sites

Not applicable.

45. TRANSMISSION EQUIPMENT

After careful evaluation, Gemini Radio proposes to enter into a Total Broadcast Contract with National Transcommunications Ltd for the leasing of the FM transmitters and aerials, to include a full maintenance and servicing agreement. NTL have costed the FM service, at 1993 prices, at £100,000. NTL advise us that the cost of a connecting stereo circuit between the studios in Exeter and Torbay will be £5,400. This cost is included in our telephone and circuits budget.

NTL's quotation for a Total Broadcast Contract is based on the intention to install a new 1.0 kiloWatt stereo solid state transmitter and aerial array at each FM site complete with a full-redundancy amplifier with two separate drives with built-in encoders, two mono limiters, reserve drive, auto-changeover, and Optimod audio processor

The aerials will be dual mixed purpose directional arrays with two feeder for maximum reliability. Gemini Radio will install RDS identification equipment immediately in the light of the wider availability of receivers and increasing competition for listeners.

NTL have advised Gemini Radio that the system will be designed to meet the Radio Authority's Local Licence Engineering Code. NTL expect the system design, due to the amount of redundancy, to provide an availability of around 99.8% averaged over a period of one year, excluding BT or electricity failures.

We are aware that the incumbent is the beneficial owner of the transmitters and aerial arrays at the sites. In the event that Gemini Radio is successful with this application we would enter into negotiations with a view to acquiring the existing transmission equipment. Although it is likely that this would be financially beneficial we consider it prudent to cost transmission facilities on the basis of full replacement.

Supervision of the installation of new transmission equipment, or negotiations with the incumbent for the acquisition of existing equipment, will be the responsibility of our engineering consultant, Nick Bennett.

46. TRANSMITTER MAINTENANCE

Gemini Radio proposes to enter into a Total Broadcast Contract with National Transcommunications Ltd. for the leasing of the transmission equipment, to include a full maintenance and servicing agreement.

NTL owns all of the necessary equipment to install, inspect and maintain the Gemini Radio transmission equipment.

NTL will install a supervisory and telemetry system at each transmitter site to report around the clock the status of the transmission equipment to their Regional Operations Centre (ROC).

45. TRANSMISSION EQUIPMENT

Exeter

Location of aerial: Exeter St. Thomas
National Grid Reference: SX 898 922
Aerial pattern: Directional with a null to the South West to meet the Radio Authority's template as published in the Coverage Brief
Aerial height: 139m. above sea-level
Total maximum effective radiated power: 1.0 kiloWatt -
500 Watts vertical polarisation
500 Watts horizontal polarisation
Frequency: 97.0 MHz
Site operator: National Transcommunications Ltd

Torbay

Location of aerial: Beacon Hill
National Grid Reference: SX 857 619
Aerial pattern: Directional with a null to the South West to meet the Radio Authority's template as published in the Coverage Brief
Aerial height: 268m. above sea-level
Total maximum effective radiated power: 1.0 kiloWatt -
500 Watts vertical polarisation
500 Watts horizontal polarisation
Frequency: 96.4 MHz
Site operator: National Transcommunications Ltd

East Devon relay

Location of aerial: Stockland Hill

National Grid Reference: ST 222 014

Aerial pattern: Directional with a null to the North East to meet the Radio Authority template as published in the Coverage Brief

Aerial height: 434m. above sea-level

Total maximum effective radiated power: 1.0 kilowatt -
 500 Watts vertical polarisation
 500 Watts horizontal polarisation

Frequency: 103.0 MHz

Site operator: National Transcommunications Ltd

47. STUDIO LOCATION

We have decided to base our main studio location in Exeter for several reasons. It is the centre of commerce in Devon - the regional headquarters of many of the banks and accountancy practices are located here. Furthermore, it will be more efficient in terms of gathering editorial material for our proposed Gemini AM speech led output.

We have spoken to Christopher York, the Marketing and Promotions Manager of Exeter City Council, about available property in Exeter. He has sent us a substantial list and advises us that there is a wide variety of property available at a range of prices within our budget.

Our preferred location is adjacent to the motorway intersection.

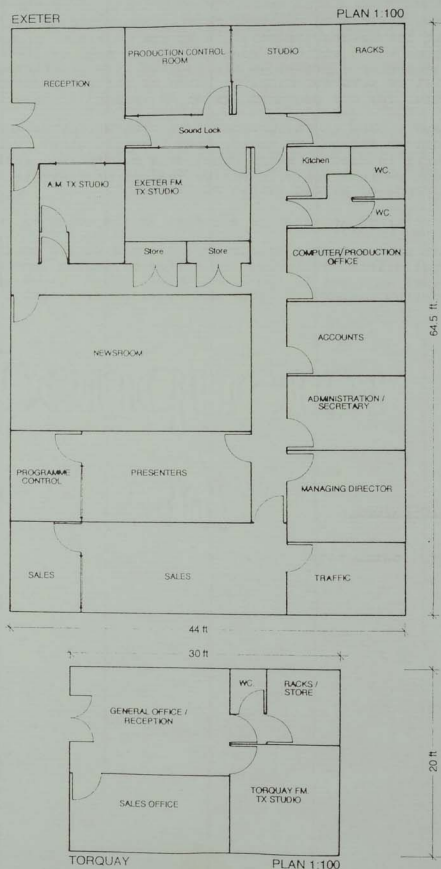
As far as our Torbay studio is concerned we are considering several offers, including the option of basing Gemini in premises adjacent to the Grand Hotel, found for us by consortium members, Stephen and Kristine Williams.

48. STUDIO LAYOUT

See following page.

48. STUDIO LAYOUT

This layout is based on a theoretical plan but is the sort of layout we would hope to achieve should we be successful.

49. STUDIO INSTALLATION AND MAINTENANCEa) Responsibility for engineering installation

The person responsible for supervising studio installation at both our FM and AM studio centres will be:

Nicholas Bennett,

After attending college in Plymouth, and working as an engineer at Plymouth Sound for five years, Nick became a member of the engineering team that built Britain's first twinned radio station, with interlinked studios in Exeter and Torbay, the existing licence holder, DevonAir Radio. He was Chief Engineer of the station between 1985 and 1988.

Nick joined HTV as a specialist sound recordist in 1988 covering a wide variety of live news and entertainment programmes.

At the time of the readvertisement of the television licences Nick took the opportunity to establish his own broadcast engineering company. He is has a contract to provide engineering services to Orchard FM and Lantern FM, and he is currently installing the new studio facilities for Regent Radio, to launch as Wessex FM, in September.

b) Costs of studio installation and construction

The allocated costs for studios are as follows:

Building modification	£ 15,000
Studio construction	£ 45,000
Studio equipment	£ 90,000
Project management*	£ 10,500
Total	£ 160,500

* Pre-operational cost of staff engineer.

c) Ongoing maintenance and repair

This will be the responsibility of our Engineer/Computer Manager who will be a member of the management team of the station.

CONCLUDING SECTION

50. READINESS TO CONSIDER ALTERNATIVES

a) Licences to operate on both AM and FM wavebands

We have carefully evaluated the potential profitability of operating a service on the FM waveband. This is shown to be a sustainable option and the board of Gemini Radio would be prepared to accept the offer of a licence for the FM frequencies alone.

We strongly believe that our AM service is made viable with cross-subsidy and cross-promotion from the FM service.

We have carefully evaluated the potential profitability of operating a service on the AM waveband. Our projections show that a stand alone AM service is clearly not a viable option and the board of Gemini Radio would be obliged to decline the offer of a licence for the AM frequencies alone.

b) Licence to operate on a single waveband

This application is for licenses on both AM and FM. According to the Radio Authority's notes, this question is not applicable.

51. CERTIFICATE

I hereby certify that to the best of my knowledge and belief the statements made in this application are correct. I understand that the Radio Authority reserves the right to revoke the licence if at any time any statement made is found to be false and to have been made by the applicant or any member or officer thereof knowing it to be false.

I also certify that, to the best of my knowledge, no person involved in this application has been convicted of an unlicensed broadcasting offence committed since 1 January 1989; and that I shall do all that I can to ensure that no person so convicted will be concerned in the operation of the radio station if this applicant is granted a licence.

Signed..... *Ivor Stolliday*
Ivor Stolliday - Chairman

Date: 6th August 1993

Yours sincerely,

Ivor Stolliday
Signature

STATIONERY

Faint, illegible text, likely bleed-through from the reverse side of the page.

The Director
Torbay
Holidays
Exeter
Devon, TQ3 1AL

Dear Sir,

[Redacted]

[Redacted]

5 August 1993

Dear Ivor,

Following our meeting and discussion about Gemini Radio's plans to apply for the Exeter/Torbay Independent Radio Licences, this is to confirm that, if you are successful, I will invest £30,000 in the Company. This represents 5% of the equity required.

Good luck with the application.

Yours sincerely,

Jan Halford

Jan Halford

Post Office



The Board of Directors

Date

Dear Sirs,
I am writing to you in connection with the application for the Independent Radio Licence (AM & FM) for the Exeter/Torbay area, which I intend to invest the sum of £35,000 which represents 5.83% of the shareholding.

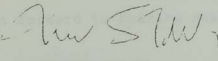
To:

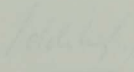
The Board of Directors (Elect)
Gemini Radio Group

This is to confirm that should Gemini Radio be successful in its application for the Independent Radio Licence (AM & FM) for the Exeter/Torbay area, I intend to invest the sum of £35,000 which represents 5.83% of the shareholding.

This money will be available to Gemini Radio within 21 days of being awarded the Licence.

Yours faithfully


IVOR STOLLIDAY



From THE EARL OF IDDESLEIGH, D.L.

To

Your Ref.

Ivor Stolliday,
Gemini Radio Group,
100, The Courtyard,
Exeter, Devon

Ivor Stolliday,
Gemini Radio Group,
100, The Courtyard,
Exeter, Devon

3rd August 1993

GEMINI RADIO

Dear Ivor,

I will be very pleased to accept your offer of a seat on the Board of Gemini Radio should your group win the Exeter/Torbay independent radio Licence.

This is also to confirm that, if successful, I intend to invest the sum of £50,000 representing a little over 8% of the equity.

I look forward to hearing news of our success later in the year.

Yours sincerely,

Idesleigh

5 August 1993

Ivor Stolliday, Esq
Gemini Radio Group
11, Cornhill
London EC3A 3DF

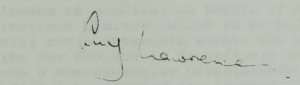
Dear Mr Stolliday,

GEMINI RADIO

I write to confirm that, in principal, I intend to invest £75,000 in £1 shares in Gemini Radio should the Group be successful in winning the Exeter/Torbay radio licence. This commitment is subject to my approval of the shareholders agreement to be issued immediately after the licence has been awarded.

I understand that the above amount represents 12.5% of the proposed equity and accept your invitation to serve on the Board of Gemini Radio should we be successful in our bid.

Yours sincerely,


G P LAWRENCE
Lieutenant Colonel (Retired)

HUB TRANS COMMUNICATIONS LIMITED

Tel: 0534 45615

Fax: 0534 45614

Gibraltar Farm
Mont des Vignes
St Peter
Jersey
JE3 7BD
Channel Islands

3 August 1993

I Stolliday Esq
Chairman
Gemini Radio Group

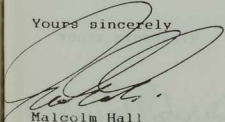
Dear Ivor

Further to our meeting last week and having read and studied carefully the application for the Exeter/Torbay area licence, I fully support and endorse the application document.

I am pleased to confirm, on behalf of Hub Trans Communications Limited, which is my holding company for commercial radio interests within the U.K., our readiness to subscribe for £90,000 in £1 ordinary shares and to my taking-up a Non-Executive Directorship to serve on the Board should Gemini be granted the licence.

May I wish you and your colleagues every success with this application.

Yours sincerely



Malcolm Hall
Director



ORCHARD FM
Classic Hit Radio
102.6

Ivor Stolliday,
Chairman,
Gemini Radio Group,

2nd August 1993

Dear Ivor,

This is to confirm that should Gemini Radio be successful in its application for the Exeter/Torbay independent radio Licences (AM & FM), Orchard Media Ltd intends to invest a total of £200,000 pounds.

This represents 33.3% of the equity required and the shareholding would be represented on your Board by the Chairman of Orchard Media Ltd., Ewen Cameron, and myself.


I can also confirm that these funds are available and will be transferred to Gemini Radio's National Westminster account within 21 days of the Licence being awarded.

Should other suitable shareholders from unsuccessful applicant groups subsequently become available, Orchard would be prepared to consider reducing its investment to £150,000 (25%).

With all best wishes for a successful outcome later this year.

Yours sincerely,

DAVID RODGERS
Managing Director
Orchard Media Ltd.

 National Westminster Bank

Exeter Business Centre
Corporate Banking Group
3rd Floor
246 High Street
Exeter EX4 3PD

Telephone (0392) 412208

Facsimile (0392) 412722

Your ref

Our ref

SDC/C04/316/A/F8

Date

30 July 1993

I Stolliday Esq
Chairman
Gemini Radio Group

Dear Ivor

Gemini Radio

This is to confirm that National Westminster Bank PLC will be delighted to act as your bankers for your business should you be successful in your bid for the Exeter/Torbay Radio Licence.

I can also confirm that, in principle, the Bank would be willing to assist the Company by way of overdraft facility of £100,000 subject to the usual assessment procedures.

Yours sincerely


John Dray
Corporate Account Executive.