



Annual Report 2015/16


manx radio
the nation's station

GD 2016/0049

Radio Manx Limited
Financial statements
for the year ended 31 March 2016

Radio Manx Limited

Chairman's statement

I have followed the fortunes and output of Manx Radio for a number of years, having spent more than a decade building and managing television broadcast infrastructure overseas. Set against this background, coupled with more than 25 years of international business management experience, I was delighted to be asked to join the board of Manx Radio in 2015 and to assume the role of chairman in 2016. I would like to place on record my thanks and gratitude to my predecessor, Mr David North, who led the nation's public service broadcaster for a decade.

The breadth and quality of Manx Radio's programme and digital output is impressive. A large part of this is achieved through the commitment and professionalism of a dedicated team, to whom I pass on my thanks.

The role of national Public Service Broadcaster can be an onerous one in that the scope of the station's output is required to be extremely broad, calling for the full range of broadcasting skills and disciplines to achieve the balance that everyone rightly expects. Achievement of this balance is not easy as it is judged by an individual listener's subjectivity. It does, however, allow for healthy and informing debates and audience engagement. At all times, it is the nation's Public Service Broadcaster.

Each year, we broadcast 5,772 news bulletins and publish over 5,500 Manx news stories on our website. This year we produced almost 1,200 hours of current affairs, up from 858 in 2014/15, and our sports programming included in-depth coverage of the Jersey Island Games, as well as firm favourites such as our dedicated TT and Festival of Motorcycling stations. Coverage of just those two motorcycle events are a huge undertaking for the station and took a mammoth 350 man-days to produce. During the year, we continued with our commitment to highlight local events and broadcasted from the Southern and Royal Agricultural Shows, Snaefell Electric Railway's 120th Anniversary Concert, Douglas Carnival, the Guild, Tynwald Day and provided coverage of five by-elections - just some of the events we covered.

As can be appreciated, this level of broadcast coverage is not without its costs and, in an era of financial challenge, Manx Radio is dedicated to delivering the programming our licence and audience demand as cost efficiently as possible.

We set out in last year's annual report how the station had embarked on an ambitious three year strategy to increase its share of the Island's advertising from 14% to 20% so that we could continue to deliver the necessary services. Our plan represents overall growth in excess of 25% for the station and in 2014/15 we achieved an increase of 12.5% in commercial sales. However, in the year we are now reporting, the business grew by just 0.4%, due mainly to difficulties in sales staff recruitment and retention and, as a result, we did not achieve our budgeted revenues. These staffing issues have now been resolved but, the consequence of minimal growth in commercial income has produced a trading loss for the year of £48,713.

On a positive note, following a successful sales seminar in February where we confirmed in excess of £350,000 of business for the forthcoming 2016/17 year, the company now expects its revenues to grow as predicted over the period to March 2017 – albeit not in the linear way that had been originally forecast.

Having reviewed with the executive management the future direction of revenue growth opportunities, it is clear that core activity of commercial air time sales is finite. Ultimately, it is a function of our hours broadcast and listenership over those hours. We shall during the coming year be developing our 'Digital Channels to Market and complimentary Managed Services' for our business users to add value to our overall proposition and, in doing so, create additional revenue streams. This will take some additional resource and time but it is, in my view, essential that we create these new opportunities. This work will build upon the good foundations put in place by the launch of our new web platform in May 2015.

Radio Manx Limited

Chairman's statement (continued)

Our audience figures this year, as measured by Rajar (Radio joint Audience Research – the industry standard), were extremely pleasing. We believe that they are beginning to fully reflect the station's schedule as determined in the relatively new Statement of Programme Policy, providing Manx Radio with tangible evidence of our aim to meet the need of our listeners.

In the area of regulation, considerable work has been undertaken by the Communications Commission, and other stake holders including Manx Radio, in relation to the proposed new Communications Bill. Once enacted, it will form an important part of taking broadcasting in all its forms forward for the Isle of Man.

The Isle of Man's ageing AM network which is 50 years old presents a number of technological challenges. Its replacement must provide a strategic roadmap to meet current and future needs, enabling all Isle of Man radio stations to take advantage of new cost effective technologies well into the future. We are working closely with our shareholders and regulators to ensure the best possible outcome. Invariably, these challenges, if dealt with in the most appropriate manner, will themselves create new opportunities.

On a reflective note, during the year Manx Radio lost one of the Island's most loved presenters - John Kennaugh. John's contribution to the station was far-reaching. To some he was the enigmatic co-presenter of Countryside, to others he was a vital component of our TT coverage, our farming correspondent or a regular voice at the Guild. However, his contribution was more far-reaching and his legion of interviews with some of the Island's most charismatic individuals will become a vital part of our archive as they explored a way of life that is now long gone from the Island.

There were two retirements from the Manx Radio board after lengthy periods of service. Mr Mark Grace resigned from his position as non-executive director of the company and, as I mentioned earlier, so did our previous chairman, Mr David North. I would like to take this opportunity of publically thanking them both for their invaluable contribution in taking the station forward and in shaping Manx Radio into the success it is today.

**William D Mummery, Chairman,
Radio Manx Limited**

21 July 2016

Radio Manx Limited

Directors' Report for the year ended 31 March 2016

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2016 which are prepared in accordance with the provisions of the Isle of Man Companies Acts 1931 to 2004. This year the company has applied Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" ("FRS 102"), see note 16 for a further explanation.

Principal activity

The principal activity of the company is the operation of a commercial radio station known as "Manx Radio" by virtue of a licence issued by the Communications Commission under the Broadcasting Act 1993.

Results and dividend

The company made a loss for the financial year of £48,713 (2015: profit £10,345) which has been deducted from reserves (2015: added to reserves). The directors do not recommend the payment of a dividend (2015: £nil).

Directors

The directors of the company holding office during the year and to date were:

D A Pugh
C R Guard
M N Grace – (Resigned – 16th July 2015)
D North – (Resigned – 17th December 2015)
D S Leeming
J N Marsom
M L Tyley
S P Roberts
W D Mummery – (Appointed – 16th July 2015)

Audit committee

The Audit Committee comprises of non-executive directors, namely Mrs S P Roberts (Chairman) Mr W D Mummery (16th July 2015 to 18th February 2016 and subsequently by invitation), Mr M N Grace (Resigned 16th July 2015) and Mr C R Guard and meets not less than three times per year.

Auditors

PricewaterhouseCoopers LLC, being eligible, has indicated its willingness to continue in office in accordance with Section 12(2) of the Isle of Man Companies Act 1982.

Secretary

The secretary holding office during the year and to date was Mr D A Pugh.

Registered office

The company's registered office is P.O. Box 1368, Broadcasting House, Douglas, Isle of Man, IM99 1SW.

By order of the Board

D A Pugh
Director

21 July 2016

Radio Manx Limited

Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable Isle of Man law.

Company law requires the directors to prepare financial statements for each financial year. The directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (FRS 102). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Acts 1931 to 2004. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the Isle of Man governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the board

D A Pugh
Company Secretary

21 July 2016



Independent auditor's report to the members of Radio Manx Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Radio Manx Limited which comprise the balance sheet as at 31 March 2016 and the profit and loss account for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with applicable Isle of Man law and United Kingdom Accounting Standards, , including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (FRS 102), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 15 of the Isle of Man Companies Act 1982 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion:

- the financial statements give a true and fair view of the financial position of the company as at 31 March 2016 and of its financial performance for the year then ended in accordance with United Kingdom Accounting Standards; and
- the financial statements have been properly prepared in accordance with the Isle of Man Companies Acts 1931 to 2004.

*PricewaterhouseCoopers LLC, Sixty Circular Road, Douglas, Isle of Man, IM1 1SA
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Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Isle of Man Companies Acts 1931 to 2004 require us to report to you if, in our opinion:

- proper books of account have not been kept by the company or, proper returns adequate for our audit have not been received from branches not visited by us; or
- the company's balance sheet and profit and loss account are not in agreement with the books of account and returns; or
- we have not received all the information and explanations necessary for the purposes of our audit; and
- certain disclosures of directors' loans and remuneration specified by law have not been complied with.

PricewaterhouseCoopers LLC
Chartered Accountants
Douglas, Isle of Man

21 July 2016

Radio Manx Limited

Profit and loss account for the year ended 31 March 2016

	Note	2016 £	2015 £
Turnover - continuing operations	2	1,141,786	1,136,769
Public service subvention		875,000	850,000
		2,016,786	1,986,769
Operating expenses		(2,065,442)	(1,976,316)
Interest payable and similar charges	3	(2,613)	(2,941)
Interest receivable		2,556	2,833
(Loss)/profit on ordinary activities before taxation	5	(48,713)	10,345
Taxation	6	-	-
(Loss)/profit for the financial year	12	(48,713)	10,345

The notes on pages 9 to 14 form an integral part of these financial statements.

Radio Manx Limited

Balance sheet at 31 March 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	7	1,541,644	1,587,049
Assets under the course of construction	7	13,602	-
		1,555,246	1,587,049
Current assets			
Debtors and prepayments	8	115,632	129,209
Cash at bank and in hand		119,565	106,195
		235,197	235,404
Creditors: amounts falling due within one year	9	(355,473)	(356,764)
Net current liabilities		(120,276)	(121,360)
Total assets less current liabilities		1,434,970	1,465,689
Creditors: amounts falling due after more than one year	10	(10,829)	(6,437)
Net assets		1,424,141	1,459,252
Capital and reserves			
Called-up share capital	11	459,002	459,002
Share premium	12	297,000	297,000
Revaluation reserve	12	635,616	635,616
Profit and loss account	12	(395,713)	(347,000)
Capital contribution reserve	12	428,236	414,634
Equity shareholder's funds	12	1,424,141	1,459,252

The financial statements on pages 7 to 14 were approved and authorised for issue by the board of directors on 21 July 2016 and signed on its behalf by:

W D Mummery
Director

D A Pugh
Director

Radio Manx Limited

Notes to the financial statements for the year ended 31 March 2016

1 Statement of compliance

The financial statements of Radio Manx Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland Section 1A (Small Entities), as amended in September 2015' ("FRS102") and in accordance with the Isle of Man Companies Acts 1931 to 2004.

2 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below. Details of the transition to FRS 102 are disclosed in note 16.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the revaluation of land and buildings. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Going concern

The financial statements are prepared on a going concern basis, having considered the level of government funding disclosed further in note 14.

Exemptions under FRS102

The company has taken advantage of the exemption under FRS102 paragraph 7.1B from preparing a statement of cash flow on the basis that it is a small company.

Turnover

Sales comprise the value (exclusive of Value Added Tax) of invoiced advertising, production and studio hire charges, sponsored programmes, sales of merchandise and engineering projects.

Tangible fixed assets

Interests in land and buildings are stated at valuation. Full valuations are made by independent professionally qualified valuers every five years, and in the intervening years the fair value is reviewed by the directors. The basis of valuation is explained in note 7. The cost of other tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Computers and related equipment/software	10-50%
Motor vehicles	25%
Fixtures, fittings and plant	8-20%

Radio Manx Limited

Notes to the financial statements for the year ended 31 March 2016(continued)

Depreciation commences when the assets are ready to use. Costs incurred on assets that are not yet ready to use are included in assets under the course of construction until the asset is completed, when the costs are transferred to tangible assets.

It is the company's policy to maintain its freehold property in a state of good repair in order to prolong its useful life. The directors consider that the life of the freehold property and its residual value is such that the depreciation is not significant. Accordingly, no depreciation is provided on the freehold property.

Finance leases

Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit or loss in proportion to the reducing capital element outstanding.

Pension costs

The employees of the company are members of the Isle of Man Government Unified Scheme. This scheme is administered by The Public Sector Pensions Authority. The assets and liabilities of the scheme are not held separately from other Isle of Man Government assets and liabilities. The contributions to the scheme are paid by the company in accordance with rates determined by the Isle of Man Government and are charged to profit and loss as incurred.

Government grants

The company receives an annual subvention from the Government which is included as income in the year it is received (see note 14).

Financial instruments

i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, and subsequently measured at amortised cost. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account.

Financial assets are derecognised when (i) the contractual rights to the cash flows from the asset expire or are settled, or (ii) substantially all the risks and rewards of ownership of the asset are transferred to another party or (iii) despite having retained some significant risk and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii) Financial liabilities

Basic financial liabilities, including trade creditors, other creditors and accruals, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, which is when the contractual obligation is discharged, cancelled or expires.

Radio Manx Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

3 Interest payable and similar charges

	2016 £	2015 £
Other interest payable and bank charges	2,613	2,941

4 Critical accounting judgments and estimation uncertainty

The company makes estimates and assumptions that affect the amounts recognised in the financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgments apart from those involving estimations, in the process of applying the accounting policies. Judgments that have the most significant effect on the amounts recognised in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

a) Critical judgments in applying the entity's accounting policies

Going concern

Management prepared these financial statements on a going concern basis. In making this judgment management considered the company's financial position, current budgets and forecasts and the level of government funding as set out in note 14.

Provisions for bad debts

Provisions are made up of debtors which are not deemed to be recoverable. Judgment is used by management to assess the recoverability, including the ageing profile of debtors and historical experience.

b) Critical accounting estimates

Revaluation of land and buildings

The revaluation of freehold land and buildings is an accounting estimate. The valuation is performed by professional surveyors and reviewed annually by the directors, taking into account current market conditions for such buildings.

Useful life of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 7 for the carrying amount of each class of asset.

Radio Manx Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

5 (Loss)/profit on ordinary activities before taxation

	2016 £	2015 £
(Loss)/profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation	118,110	112,448
Auditor's remuneration	10,500	9,700
Non-executive directors' remuneration*	27,486	30,281
Pension costs	135,612	128,205
Funding from IOM Government for refurbishment of Broadcasting House (Note 15)	(142,534)	(10,214)

* Mr D North resigned as Director and Chairman on 17th December 2015 and received remuneration of £6,787 (2015: £8,902). Mr W D Mummery was appointed as Chairman on 18th February 2016 and received remuneration of £856 (2015: £Nil). The other non-executive directors received £6,054 each (2015: £5,935 each) and the chairman of the audit committee received an additional £1,690 (2015: £1,655). Mr W D Mummery was appointed to the board and Mr M N Grace retired on 16th July 2015. The Directors remuneration and that of the Chairmen were allocated on a pro-rata basis. The remuneration also attracted National Insurance contributions as appropriate.

Remuneration of Manx Radio staff at 31st March 2016:

	2016 Number	2015 Number
Earnings between £50,000 to £74,999	3	3
Earnings between £75,000 to £99,999	1	1

6 Taxation

The Isle of Man Government announced a 0% rate of tax to apply from 6 April 2006. This rate is expected to remain in force for the foreseeable future.

Radio Manx Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

7 Tangible fixed assets

	Freehold land & buildings £	Computers & related equipment £	Fixtures fittings & plant £	Motor vehicles £	Total £
Cost or valuation					
At 31 March 2015	1,100,000	204,310	1,063,665	93,211	2,461,186
Revaluation	-	-	-	-	-
Additions	-	6,824	56,323	10,853	74,000
Disposals	-	(10,863)	(5,516)	(18,498)	(34,877)
At 31 March 2016	1,100,000	200,271	1,114,472	85,566	2,500,309
Depreciation					
At 31 March 2015	-	194,689	599,514	79,934	874,137
Charge for year	-	6,791	104,152	7,168	118,111
Disposals	-	(10,864)	(4,992)	(17,727)	(33,583)
At 31 March 2016	-	190,616	698,674	69,375	958,665
Net book value					
At 31 March 2016	1,100,000	9,655	415,798	16,191	1,541,644
At 31 March 2015	1,100,000	9,621	464,151	13,277	1,587,049

Land and buildings were valued at £1,100,000 on 24 March 2014 on an existing use valuation basis. The valuation was undertaken by Black Grace Cowley, Chartered Surveyors, in accordance with the RICS Appraisal & Valuation Standards for a fee of £975. M N Grace, a director of Radio Manx Limited up to 16 July 2015, is also a director of Black Grace Cowley.

The company's freehold land and buildings are subject to a first legal charge in favour of Isle of Man Bank Limited.

Included in motor vehicles are assets with a net book value of £15,893 (2015: £12,979) held under finance leases.

Assets under the course of construction of £13,602 (2015: £ Nil) consist of expenditure on fixtures, fittings and plant that has been incurred during the year but the assets are not yet completed, so capitalisation has been deferred until the assets are ready for use.

8 Debtors

	2016 £	2015 £
Trade debtors	65,749	95,903
Other debtors and prepayments	49,883	33,306
	115,632	129,209

Radio Manx Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

9 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	65,298	59,141
Other creditors and accruals	61,363	78,605
Deferred income	32,606	57,168
Subvention in advance	190,000	150,000
Finance leases	6,206	11,850
	355,473	356,764

A portion of the subvention for both 31 March 2016 and 31 March 2017 were received before the year ends and reported in Subvention in advance shown above.

10 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Finance leases	10,829	6,437
Finance leases are repayable as follows:		
In one year or less	6,206	11,850
Between one and two years	5,735	6,437
Between two and five years	5,094	-
	17,035	18,287

11 Called-up share capital

	2016 £	2015 £
Authorised		
460,000 ordinary shares at £1 each	460,000	460,000
Allotted, called up and fully paid		
459,002 ordinary shares at £1 each	459,002	459,002

12 Reserves

	Capital contribution reserve £	Share premium £	Profit and loss account £	Revaluation reserve £
At 31 March 2015	414,634	297,000	(347,000)	635,616
Revaluation in the year	-	-	-	-
Capital contributed in the year	13,602	-	-	-
Loss for the year	-	-	(48,713)	-
At 31 March 2016	428,236	297,000	(395,713)	635,616

Radio Manx Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

13 Controlling party

The Department of the Treasury of the Isle of Man Government is the ultimate controlling party.

14 Annual subvention

The company receives a public service subsidy termed “annual subvention”. The amounts received from the Isle of Man Government to 31 March 2016 are as follows:

Year ended 31 March	£
2011	961,050
2012	927,000
2013	850,000
2014	850,000
2015	850,000
2016	875,000

The level of funding for the year ending 31 March 2017 is £875,000 (2016: £875,000). The Select Committee into the future of Public Service Broadcasting confirmed that; “Tynwald is of the opinion that the Treasury should fund Manx Radio to the level of £850,000 which applies in 2014-15; and that any future public service broadcasting funding should be subject to periodical reviews based on reports to Tynwald and with Tynwald’s consent”.

Treasury has confirmed that to ensure they remain consistent with this principle, the level of subvention will be agreed as part of the overall Government Budget approved by Tynwald each year. The Government Budget due for approval by Tynwald in 2016 will therefore confirm the level of funding for the company for 2016-17, and also commit funding for the following year 2017-18.

15 Related parties

Operating expenses include an amount of £142,534 (2015: £10,214) in respect of repairs to the company’s property which has been paid by the Isle of Man Government.

Expenditure on assets under the course of construction of £13,602 (2015: £ Nil) have been paid for by the Isle of Man Government. These amounts will not be recharged back to the company and accordingly have been treated as a capital contribution.

16 Transition to FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements under the United Kingdom Generally Accepted Accounting Practice (“UK GAAP”) were for the year ended 31 March 2015. The date of transition to FRS 102 was 1 April 2015.

The only change in accounting between old UK GAAP and FRS 102 that impacted the company was the requirement under FRS 102 to accrue for holiday pay. Management has determined that the impact of the holiday pay accrual to be immaterial to the previously reported profit and loss account for the year ended 31 March 2015, and to the previously reported equity as at 1 April 2014 and 31 March 2014. Accordingly the comparative amounts have not been restated for this amount.

During the year ended 31 March 2016 the Board elected to change the holiday year from 31 December to 31 March to be coterminous with the company’s financial year end. As a result no accrual is needed for 31 March 2016 or future financial years.

radio manx ltd

annual report to tynwald

for the year ended 31 march 2016

from the directors of manx radio

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1. managing director's report

For all professionals to deliver their services effectively there is a clear need for the right 'tools of the trade'. As a broadcaster Manx Radio is no different.

For us there are three main 'tools' we require – premises in which we can prepare our broadcasts, studios to create our programmes and a universally accessible broadcast chain so that our transmissions can be clearly heard by our audience in the most appropriate and cost effective way.

We are fortunate in that we have recently been able to upgrade all our studios to replace obsolete transmission desks. Broadcasting House itself is well located, however, the building does not provide the facilities we require to efficiently carry out our business. Tynwald has already voiced its opinion on the most appropriate location for the station and the work we have subsequently carried out to remove dangerous stairways and to refurbish the external fabric of the building, has already begun to provide a more appropriate working environment for the staff. We currently have plans submitted to provide fit for purpose broadcast premises which will also provide safe access to the station during inclement weather for all and will allow for disabled access throughout the station. We are optimistic this work can commence in 2017.


However, our biggest concern lies with Isle of Man's ageing AM transmission network.

These transmitters, on which we rely for over 106 days of dedicated programming each year, are nearing the end of their life. Here in the Isle of Man we utilise this network to provide alternative programming such as, Tynwald and House of Keys Questions coverage, Radio TT, the Festival of Motorcycling, weekday breakfast show opt outs, Cyclefest and Manx language programming. Together they provide listeners with a valuable specialist service which is only available from Manx Radio. Importantly, they also provide us with a platform by which we raise some 15% of our commercial revenues.

For ten years our engineering team have been considering the various options available to us to improve the service to listeners and, where possible, provide cost savings. In November 2015 we submitted a business case to Treasury titled Isle of Man Transmission Solution. This document suggests a transmission solution for the whole Island and highlights the futility of replacing Manx Radio's AM network at a time when our neighbours (Ireland and the UK) are actively closing down their low quality AM networks. Consequently, AM receivers are becoming more difficult for listeners to buy. The paper further examines all the solutions available, discusses the social impact of change and makes costed recommendations for the future.

A robust, reliable and universally accessible transmission network is paramount to our success as it is the vehicle by which our large audience consumes us and enables us to maintain the commercial revenues that account for the majority of our income. Such a network can not be implemented over night. Various licences have to be applied for and the network needs planning before the construction of a new network can commence. A complex all-Island transmission network could take three to four years to complete. It is essential, therefore, Manx Radio's plan is carefully and promptly evaluated so that planning for this critical part of our operation can commence.

On the broadcast front, Manx Radio's commitment to the listener has never been greater and section 2 of this director's report gives a detailed analysis of our output and highlights the vast range and quality of programming we deliver each year. Additionally, we have introduced a number of new voices to the station. Christy de Haven is a key part of the Women Today presentation team and also provides compulsive Sunday listening with Sunday Soundtrack featuring guests from the Isle of Man's vibrant local music scene, often performing live on the show. There have also been two new additions to the news team - Tanya Humbles and our latest intern, Alex Bell. Countryside also welcomes a new presenter



with Kirri Kermode. Kirri had the impossible task of replacing John Kennaugh in the long-running Countryside programme. However, within a fortnight of her first appearance we were in receipt of a number of comments from listeners applauding her contribution.

The launch of our new website in May 2015 gave us the opportunity to deliver a number of additional features and significantly improve the site's navigation. Subsequently, we have seen growth of 42% in the unique number of users. Similarly, this level of growth has been witnessed in our facebook usage with the increase in 'Likes' to our suite of pages increasing by 43%. This growth is hugely pleasing and shows that for some, especially those away from the Island, these digital media provide an easy way of keeping in touch with the Isle of Man.

The government's public service subvention rose from £850,000 to £875,000 as of April 2015 and we show on page 7 of this report how these funds are utilised. Manx Radio's ambitious three year plan to increase commercial revenues significantly are progressing well and lead the company to believe that the subvention could be maintained at £875,000 for the four years to 2018/19.

Finally, I would like to take this opportunity to thank the whole team at the station. It's their year round contribution that makes Manx Radio such an exciting environment in which to work and delivers so much to the listeners we serve.

Anthony Pugh
may '16



2. programming

i. statement of programme policy and subvention allocation

The Manx Radio FM schedule for 1st April 2016 – 31st March 2017 is as follows:

TIME	MON	TUE	WED	THUR	FRI	SAT	SUN
00	SUNDOWN	LATE SHOW					SAT NIGHT LIVE
01	NIGHTRAX						
02							
03							
04							
05							
06	BREAKFAST SHOW					SATURDAY SUNRISE	DAYBREAK
07	MANDATE					CARNABY STREET	PRAISE
08	BREAKFAST SHOW						DAYBREAK
09	MORNING SHOW					RADIO CAFÉ	COUNTRYSIDE
10							MOGHREY JEDOONEE
11						SUNDAY OPINION	
12	TALKING HEADS (inc. Mandate 1.00 - 1.15)					SPORT PREVIEW	MANNIN LINE
13	WOMEN TODAY					SATURDAY SPORT LIVE	SUNDAY EXTRA
14	AFTERNOON SHOW						
15							
16	MANDATE PM BUSINESS SPORT AND HEADLINES					SPORT CLASSIFIED	SUNDAY SOUNDTRACK
17	AGENDA	COUNTRYSIDE	SHAIGHT LAA	PERSPECTIVE	SPORT PREVIEW		
18	GREATEST HITS				FOOTBALL FOCUS	SATURDAY NIGHT LIVE PART 1	CLAARE NY GAEL
19	TRIPLE GOLD						
20	TIME FOR BRASS	THE FOLK SHOW	THE OPERA HOUR	NEW COOL COUNTRY	SWEET AND SWING	SATURDAY NIGHT LIVE PART 2	SUNDOWN
21	LATE SHOW						
22							
23							

Where is News, Current Affairs and Weather

 is Sport

 is Community and Events

 is Specialist PSB

The schedule also includes 111 News Bulletins per week.



The above schedule ensures that our FM network alone provides a minimum of 40% of speech output on Weekdays (0600 – 1900) as follows:

- News, Current Affairs, Tynwald*and Weather
- Sport and TT*
- Community and Events Programming**
- Specialist PSB including Religion

* Although Tynwald and the TT are primarily broadcast on our Alternative AM Network, considerable content is re-versioned for use on the FM network.

** Also includes Traffic, Travel, Road Watch, What's On, Event promotion, Obituaries, Charity interviews, General interviews, Competitions, and Presenter links.

The schedule is augmented with specialist public service broadcasting outside of Weekdays and at Weekends. Additionally, the network provides event coverage to serve the population with a creditable, local service that increases the speech content significantly.

alternative programming

Manx Radio further augments its speech output through the provision of alternative programming to listeners via its AM network including:

- Tynwald broadcasts and House of Keys Question Time
- TT and Festival of Motorcycling
- Southern 100
- Manx Gaelic language programming

NB The speech content broadcast on AM is in addition to the minimum quota of 40% speech output broadcast on FM.

digital programming

Manx Radio's Digital offering via manxradio.com and its iPhone and Android apps offers an alternative route to listen to the station's programming and offers users the ability to Listen Again to selected programmes and to Podcasts at a time to suit their schedules and in a country of their choice. In addition, the station's suite of facebook pages and twitter feed offers the opportunity for easy and effective interaction with the station on a worldwide basis.

speech assessment

The speech content assessment is calculated by Manx Radio and is a manual assessment carried out at each change of programme schedule and on one annual 'sample' day. It is derived from the programme log (an audio recording of the day's output) and excludes any alternative programming transmitted on our alternative services.



public service broadcasting subvention allocation

The allocation of subvention to programming for the period 1st April 2015 to 31st March 2016 was as follows:

		2015/16		2014/15	
		£	%	£	%
1	News, Current Affairs, Tynwald & Weather	474,358	54.21%	445,415	52.40%
2	Sport and TT	99,608	11.38%	95,138	11.19%
3	Community and Events Programming	194,467	22.22%	199,487	23.47%
4	Specialist PSB including Religion	106,566	12.18%	109,960	12.94%
		875,000	100.00%	850,000	100.00%

NB It should be noted that the subvention of £875,000 only represents the partial cost of delivering these public service programme strands on Manx Radio. The remainder is met from the company's commercial activities.

ii. news, current affairs and weather

The speech content of Manx Radio is one of the key factors that helps identify the station as the island's National Public Service Broadcaster. It also sets the station apart from the vast majority of commercial radio stations in Great Britain.

Our news and current affairs output not only sit at the heart of our impressive Rajar figures it also drives the speech agenda across the station and in the wider community of the Isle of Man. This is a responsibility we take very seriously.

We produce one hundred and eleven local news bulletins each week, broken down as follows:

- Monday to Friday 17 each day 85
- Saturday 13
- Sunday 13

In the absence of a daily newspaper for the island we carry the responsibility of being the premier daily news provider. We can see clearly from the quarterly Rajar surveys that our 8.00am news bulletin is the single most listened to segment of radio on any station in the island.

This bulletin and the Mandate AM programme form the backbone of our daily news agenda and many of the items introduced here are expanded on in our other news and current affairs programmes during the day.

Since the last full reporting period we have increased our current affairs coverage with the introduction of Women Today in January 2015 and the Mandate Plus feature in the Breakfast show from 8.40am where the views and comments sent in by listeners during Mandate are aired and discussed by the presenter and producer of Mandate and the host of the Breakfast Show.

We currently broadcast twenty two and three quarter hours of current affairs programming each week compared to sixteen and a half hours in the last full reporting period:



• Mandate AM – Monday to Friday	5.0 hrs
• Mandate AM plus – Monday to Friday	1.0 hr
• Mandate at One and Mandate PM	2.5 hrs
• Talking Heads - Monday to Friday	6.25hrs
• Women Today	5.0 hrs
• Sunday Opinion	1.0 hr
• Mannin Line	1.0 hr
• Perspective	0.5 hrs
• Agenda	0.5 hrs

The increased production effort being put in to Mandate AM has given us the ability to engage even further with texts, Tweets ad emails coming in from listeners.

Increasing the speech content on the station has been widely praised by our listeners with some reassuring and unsolicited comments.

Here are some we received concerning the Mandate Plus segment:

Thanks for the explanation re Mandate. It's good that you can add your own remarks to the discussions.

Excellent Mandate Review! So interesting - thanks Alex & Chris :)

Liking this new talkie bit after the 8:30 news great idea.

Maintaining a balance between Isle of Man news and the world around us is always a challenge. The news team and their editor in particular are well aware that sometimes an international story will have a specific resonance with our audience here and when it does, we look to find as many appropriate connections and links between the Isle of Man and the wider world.

The subject of the EU Referendum in the UK has been of great interest and the issue of whether residents in the Isle of Man can vote has been vigorously discussed. When the celebrated IOM based actor John Rhys-Davies started to campaign on the issue of votes for residents in the Crown Dependencies it took a UK issue to the top of the local agenda.

During the commemoration of the 100th anniversary of the sinking of the Lusitania we were able to give the story a fascinating local angle as it was a Peel Fishing boat called The Wanderer that was first on the scene after the ship had been attacked. The seven crew of The Wanderer managed to save the lives of 150 people from the wreckage.

Having a newsroom that is adequately staffed to do the job and not constantly fire fighting is essential if Manx Radio is to continue to research stories and find connections and angles that may not be obvious at first glance.

iii. sport

Sport is also at the very heart of Manx Radio's output. The very first test transmission on Manx Radio was a broadcast of recorded commentary from the Southern 100 races of 1964 – predating the common held belief that our first transmission was of the TT.

The passion for road racing shows no sign of diminishing and the Classic TT and the Festival of Motorcycling are now firm fixtures on the sporting calendar.



Events covered during 2015/16 include:

- TT
- Pre and post TT races at Billown
- Southern 100
- Classic TT
- Manx Grand Prix.

To augment the racing commentary we also run a full event station for the TT over twelve days and for the Festival of Motorcycling (Classic TT and MGP) over eight days.

The thirst for updates on road racing via social media show no sign of slowing down and our fastest growing Facebook page is the Manx Radio TT page with a total of one hundred and twenty three thousand likes. Some photographs and posts routinely receive fifty thousand views and several hundred comments.

During the Manx Grand Prix and Classic TT we trialled the use of the Periscope App, offering live video feeds to members of the audience following us on social media. Almost instantly we had several hundred road racing fans join the feed from all over the world. We will be using this more often at future meetings where we are not restricted by TV and Video rights and we are looking to offer unique content such as interviews with some of the riders and team mechanics.

Aside from the sports bulletins in Mandate AM, Mandate at One and Mandate PM we offer dedicated programmes:

- | | |
|------------------------------|---------------|
| • Friday Sport Preview | 18.00 – 18.30 |
| • Football Focus (TX Friday) | 18.30 – 19.00 |
| • Saturday Sport Preview | 12.30 – 13.00 |
| • Saturday Live | 13.00 – 17.00 |
| • Saturday Sport Classified | 17.00 – 18.00 |

With a large contingent of athletes representing the Isle of Man in several disciplines taking part in the 2015 Island Games in Jersey last summer, we increased our sports coverage with five additional half-hour programmes presented each weekday evening live from Jersey by Tim Glover and Ed Oldham.

Once again the transmission budgets were kept to the bare minimum by utilising two iPhone Apps – Luci Live and iRig. These enable recorded and live reports to be sent back to Manx Radio from virtually anywhere in Jersey and meant that we only needed one fixed line circuit at the games HQ.

The current run of success being enjoyed by several Isle of Man cyclists has been well documented on Manx Radio. As more cycling events are being planned for the island, Manx Radio is working in partnership with the organisers to deliver extensive coverage of these exciting new additions to the Manx sporting calendar.

iv. community and events programming

Taking Manx Radio out of the studio and into the heart of the community is a key component of Manx Radio's programming and sets us apart from the other Island stations. This is hugely important on many levels.

When we are out and about we can reflect the many facets of Island Life whilst increasing our visibility.



Putting on an outside broadcast not only makes the station brand more visible but also helps members of our audience put a face to a name when it comes to our presentation and news team.

During the Period April 2015 and March 2016 we have mounted over forty outside broadcasts ranging from extended events coverage from the TT, the festival of Motorcycling etc to key set pieces like the IOM Budget OB from the heart of Douglas on Budget Day.

We enhanced our coverage of the Manx Music Festival (The Guild) in April 2015 with the addition of former Sheffield Plate winner, Michelle Jamieson to the reporting team. Michelle joined Judith Ley and John Kennaugh to add a youthful perspective to our coverage and was well received by the performers and our audience alike.

Here is just a selection of the outside broadcasts we have produced during the year:

- Gardeners' Question Time
- Several City Wing Destinations
- Live reports from the cruise ship Silver Explorer in Douglas Bay
- By-elections around the island
- The launch of the Motor Museum
- Parish Walk
- Douglas Carnival
- Southern Agricultural Show
- Tynwald Day
- Snaefell Electric Railway 120th Anniversary Concert
- Royal Show
- Island At War
- IOM Food and Drink Festival
- Carnaby Street live from the MV Ross Revenge – Home of Radio Caroline
- Douglas Fireworks Display –Synchronised music for radio listeners
- Douglas Christmas Lights
- Wedding Fair
- IOM Budget Programme

v. specialist psb including religion

In addition to the regularly scheduled current affairs and news programmes we broadcast a wide range of public service broadcasts.

Whilst some of these are targeted at a group with a particular interest, we always hope to attract those listeners who might like to dip in to these programmes, even if they are not strictly within the target group.

Countryside is a prime example of a programme that reaches out far beyond the farming community in the Isle of Man.

We were all deeply saddened by the death of our long-time farming correspondent and co-presenter of Countryside, John Kennaugh who died in September 2015. As a mark of respect we decided to rest the programme for the remainder of 2015 but having talked to his widow and other family members it became clear that they all wanted the programme to return with a new co-host to work with Simon Clarke.

We were delighted when quite independently the Kennaugh family and our production team suggested the same person to join the presentation team on Countryside. Kirree Kermode was no stranger to the programme as a guest but had not presented on the radio before. After a period of training and mentoring she became the full-time co-



presenter of the programme in February 2016 and has proven to be a wonderful asset to a very popular programme.

Kirree has been warmly embraced by the audience as indicated by this email to the station:

I always looked forward to our beloved John Kennaugh and Simon Clarke together on Countryside, and have to say, when John passed; we didn't think the programme could ever be the same without John.

However, whilst John could never, ever be replaced, we now look forward to Countryside once again, since the introduction of the lovely, vivacious 'Young Farmer' Kirree Kermodé! What a treat! Kirree is a natural, with her enthusiasm complimenting Simon's and between them they are taking Countryside to a whole new level and audience.

Our in-house recording sessions with local artists have gathered momentum. Not only do we feature these unique recordings as part of our scheduled programming but we now have eighteen live and local sessions recorded and available via manxradio.com for them to be listened to at a time to suit our users. These cover folk, rock, blues, opera, show tunes and include several original songs from Isle of Man artists.

Over the Christmas period Manx Radio always looks to produce a few seasonal programmes with a festive theme.

This year we invited four local female singers to our studios to record some festive and seasonal songs. These were broadcast over the holiday period as a feature called 'Christmas Belles.'

Judith Ley produced a series of four, half-hour programmes reflecting on the various aspects of Christmas, paying particular attention to some of the Manx traditions.

Having seen Women Today thrive as a new programme strand over the year we decided to augment the brand with a series of 'Younger Women Today' aimed at young people during the school holidays. This replaced the regular programme for the week leading up to Christmas and was presented by 18 year-old Michelle Jamieson and two 17 year-old co-presenters.

Then on New Year's Day we ran a one-off special called 'Old Men Today. This gave some of our older male presenters the opportunity to reflect and be generally grumpy about a whole raft of issues, albeit very tongue in cheek.

vi. meeting the station's fm speech quota

Before the advent of 'Women Today' and the introduction of Mandate Plus, we were delivering 44% speech on FM only between the hours of 6.00am to 7.00pm, Monday to Friday.

Since January 2015, that percentage has risen to 49%.

These percentages exclude commercials.

vii. alternative programming

Alongside our FM network, we also run the AM network on 1368 KHz as well as an extensive portfolio of programmes available on-line at manxradio.com.



AM1368 is currently used for the daily, Monday to Friday, one-hour opt out on the Breakfast Show to make way for Mandate on the FM network.

Two of our Manx language programmes are broadcast on this network, offering an alternative to the last hour of the afternoon show on Monday and Friday.

It is also used for all political broadcasts from Tynwald sittings or Keys Questions as well as major sporting events such as TT, the Festival of Motorcycling and local football cup finals.

These alternative programmes are not included for the speech quota analysis but during a busy week they will take the daytime level to over 60% speech when combined with the FM output and account for 106 days of additional programming per year.



3. audience research

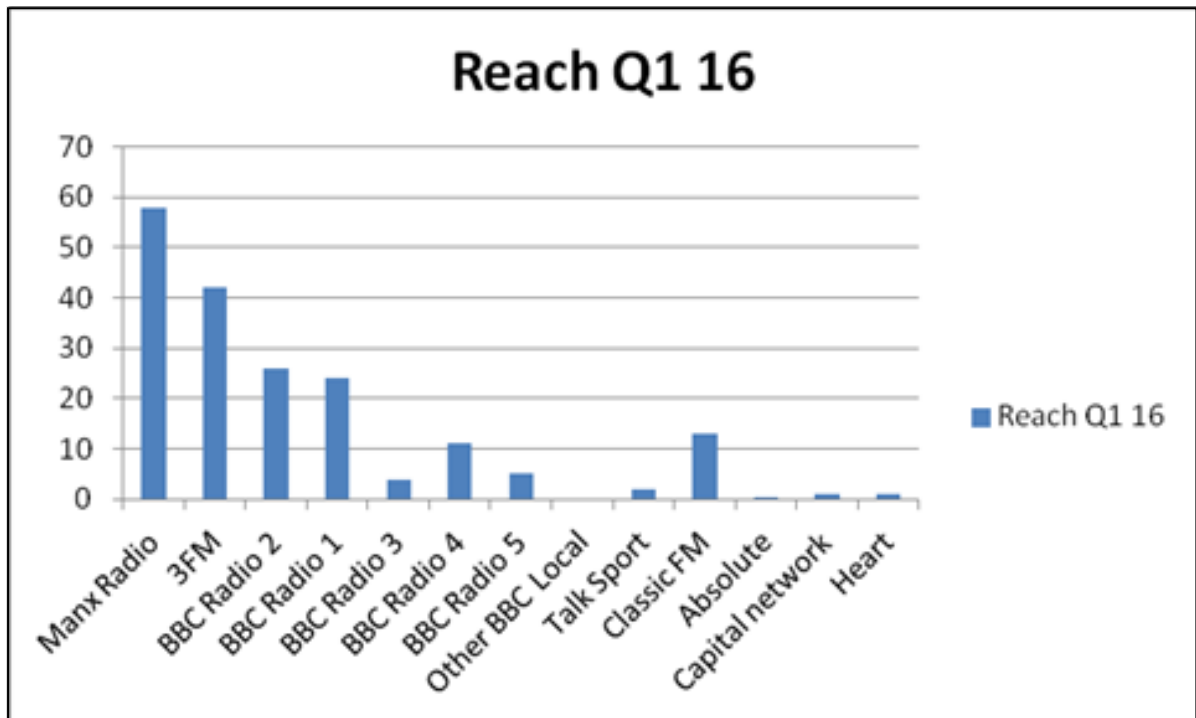
There is nothing that delights broadcasters more than seeing their weekly Rajar (Radio Joint Audience Research) figures increase quarter on quarter. In a similar vein, any reduction is, obviously, disappointing.

However, Manx Radio's audience figures for the past 12 months have really been quite exceptional with a peak Reach of 63% and you have to go right back all the way to December 2011 to find the last time the station celebrated a high of 58%!

	Manx Radio 2015/16				
	Q1	Q2	Q3	Q4	Q1
Monday - Sunday					
Weekly Reach	42,400	46,600	44,700	42,800	41,800
% Reach	59	63	61	59	58
Total Hours	421.1	490.1	502	494.1	471.5
Average Hours	9.9	10.5	11.2	11.5	11.3
Market Share	29.8	34	34.4	33	30.5

These figures, the first to fully reflect the station's schedule as determined in the relatively new Statement of Programme Policy, clearly indicates our audience has a need for quality speech output about the Isle of Man. It provides Manx Radio with tangible evidence that our schedule meets the need of our listeners.

This is clearly demonstrated in the chart below which shows that Island based radio stations continue to dominate listening here in the Island.



NB Energy FM does not subscribe to Rajar

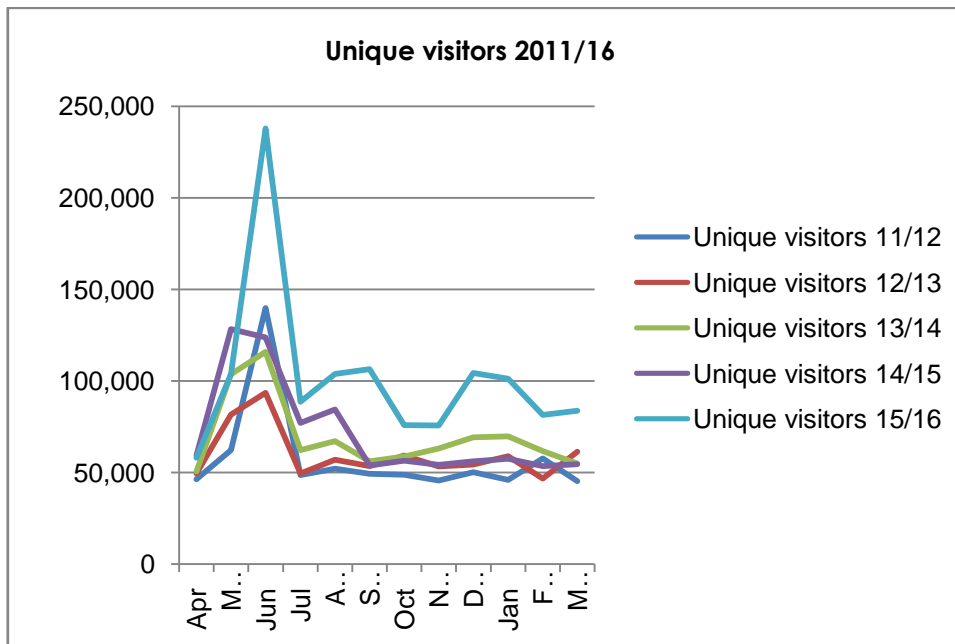


4. digital activities worldwide

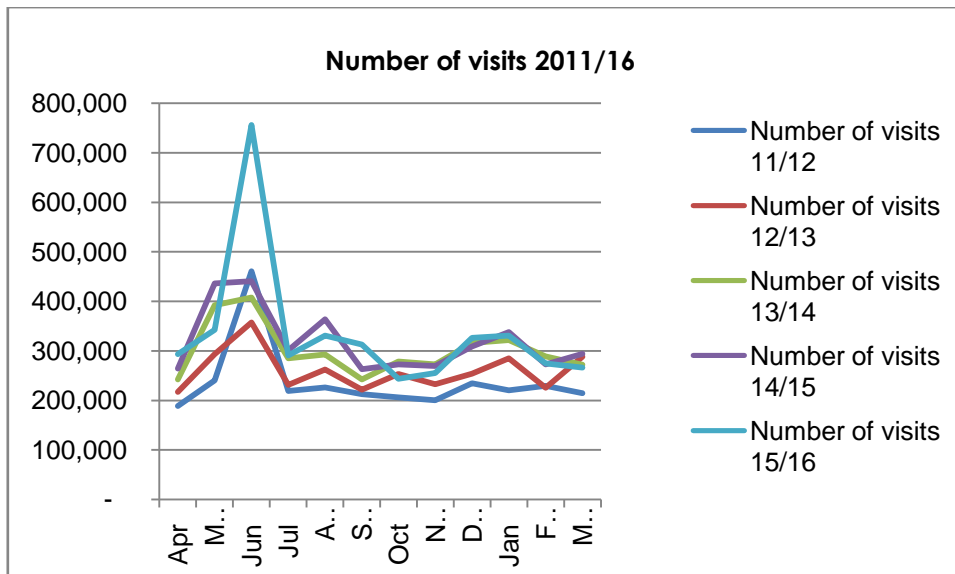
i. website

In May 2015 Manx Radio was proud to release a brand new website which significantly enhanced user navigation and functionality.

Eleven months on and the statistics tell an extraordinary story – unique users have increased by 42% year on year resulting in an average use of the website by over 100,000 users each month:



The number of visits has also grown by 6% year on year:



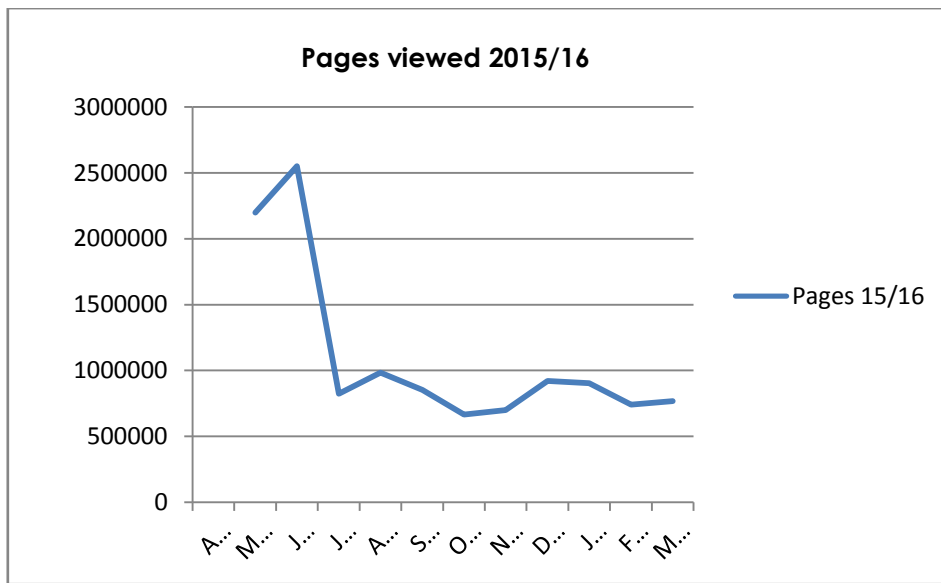
On the new site we continue to publish some 5,500 news stories annually and we also publish, in a timely manner, additional sports, business and Gaelic news. Our weather forecasts are updated automatically and our travel section includes, for the first time, instant updates of all twelve of the dot matrix road signs displayed around the Island as well as easy links to all travel information. This makes the Manx Radio travel site the most comprehensive in the Island.

Other new features include 'Live and Local' which showcases a unique and growing archive of sessions performed exclusively on Manx Radio by local musicians; a regularly updated photo gallery; a comprehensive Obituary section; the What's On diary that can be uploaded by event organisers and also provides them with free on-air announcements; access to 15 Isle of Man webcams and a live feed of our Facebook and Twitter feeds highlighting key interactions with the station.

The site is also compatible with PC's, Macs, Tablets, Android and i-phones ensuring that manxradio.com is equally accessible from our audience's place of work, their home or when they're on the move, irrespective of where they are in the world.

Of course, the website continues as a hub for all the information regarding Manx Radio's schedule, provides easy access to our broadcast output over the web worldwide and includes a provision for catching-up on previously broadcast programming.

All these features have helped attract over 12 million page views to the site in just 11 months:



Our website is used extensively across the world and In March 2016 the top countries, measured by usage, were Isle of Man, United Kingdom, United States, Spain, Ireland, Germany, France, Australia, Canada and Netherlands.

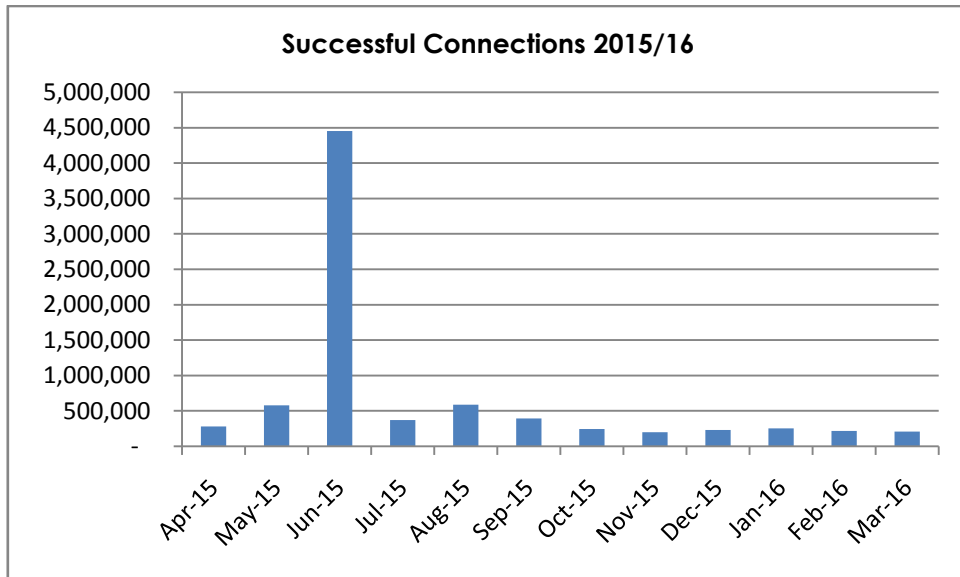
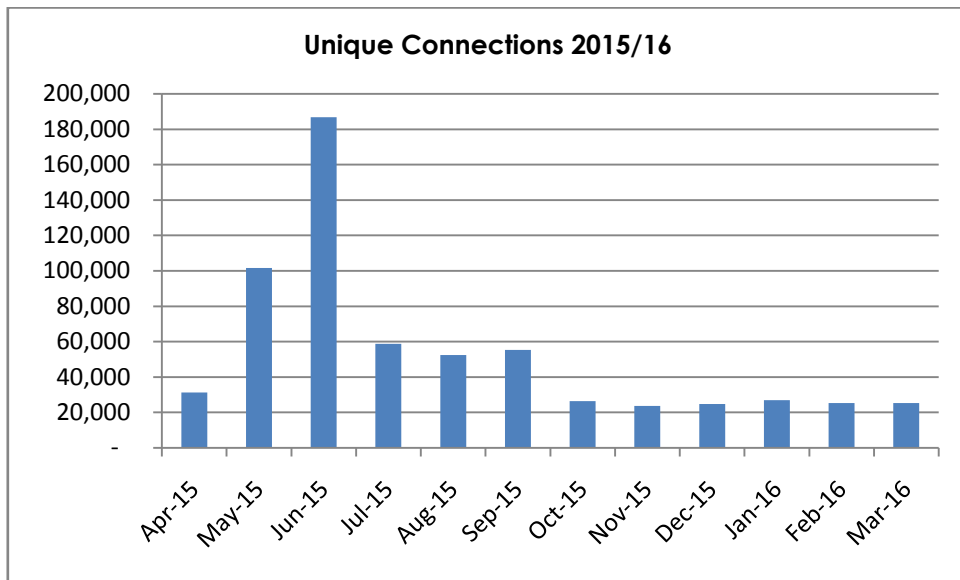
ii. audio streaming

Manx Radio's audio continues to be accessible to listeners irrespective of where they are in the world - we stream digitally through the Radioplayer on computers and via smart phones. Listeners are able to listen live to both our AM and the FM broadcasts, to selected programming via Listen Again and to the various podcasts produced by the station.

Whilst, as expected, our TT coverage continues to attract the largest audiences with around 180,000 unique users in the peak months, the streaming service also continues to be extremely popular for the remainder of the year bringing in, on average, 35,021 users every month.

Listening figures peak at a colossal 4,455,010 visits during TT and average a healthy 290,000 over each of the remaining months of the year.





iii. social media channels

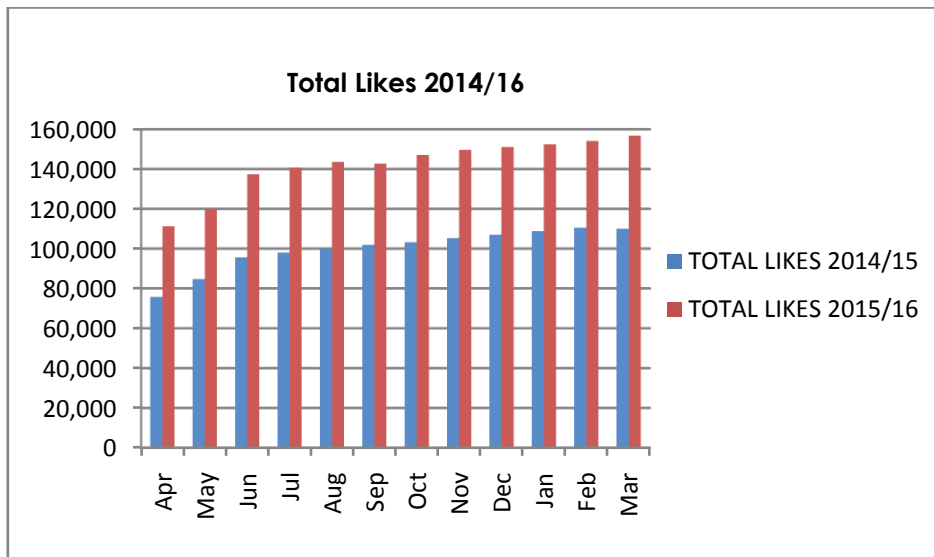
The Manx Radio Social Media channels are now a vital accompaniment to our broadcast services with more and more online users connecting with us through facebook, Twitter and our You Tube channel.

The main aim of our social media is for Manx Radio to be as accessible as possible and to provide opportunities for people to engage with the Manx Radio brand at every opportunity. Consequently, whether they are listening to us or not, they are still thinking about us every day and connecting with our news, our updates, and our photographs.

This year, Manx Radio has witnessed significant growth in all our programme and event focused social media pages showing that users want to interact with the station in this way when they are at home and on the move.

Below we have tabulated the facebook engagement with the station over a two year period and note that the number of 'Likes' has grown by a staggering 43% over the last year.





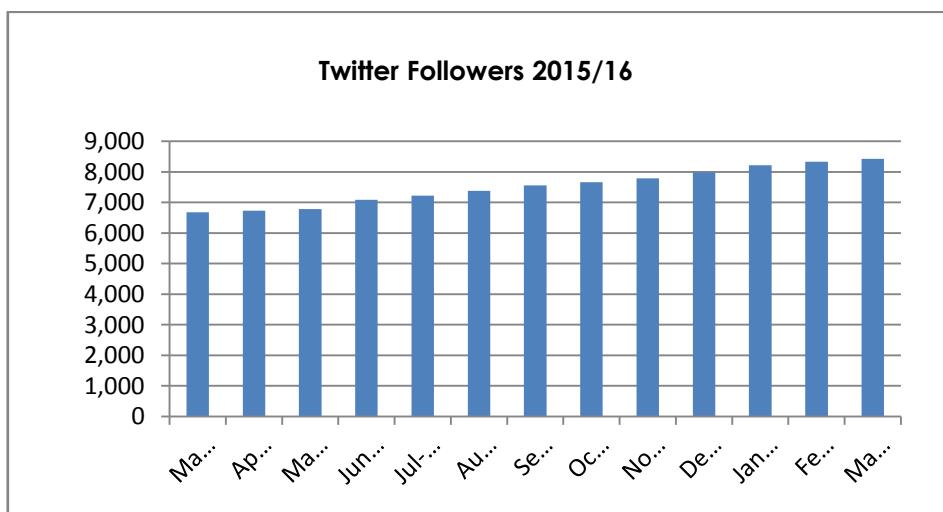
Whilst Manx Radio's listening figures remain exceptionally high, they have remained fairly stable for many years. However, the growth in our digital following, both online and via facebook, has grown considerably recording 43% and 42% growth respectively in just twelve months.

This indicates that whilst we believe there will be demand for our broadcast services for years to come, the opportunities for us to enlarge the community interacting with the station lies in the digital domain and points to opportunities in the future for growing our commercial revenues.

In last year's report we stated:

'our Twitter page has grown significantly over the last year. Twitter is still a new media to many on the Island, but Manx Radio prides itself on being one of the most active and most popular Twitter feeds emanating from the Isle of Man'.

We are now witnessing meaningful growth to the service each month showing that a significant number of people value this service and the number of Followers to our dedicated news feed is also growing. This shows there is a real need for timely updates about news and events from the Island and that Manx Radio is well placed to deliver this requirement. These are the detailed statistics for 2015/16:



iv. you tube

Manx Radio has progressed with the You Tube channel in this business year with videos from the business team, outside broadcasts and live performances.

Having only uploaded a small number of videos it is only to be expected that subscriber levels remain low, however, there is definitely an interest in quality and relevant programming. At the time of writing a video posted at the end of 2014 featuring Chris Williams' visit to Radio Caroline continues to be viewed and had clocked up an impressive 8,000 views.

It is our intention to significantly increase our video work next year, especially during the 2016 Election. This is essential if we are to retain our position as a leader in social media in the Island and remain both attractive and relevant to users of all ages. The challenge will be to achieve this without increasing our operating costs.



5. commitment to the commercial sector

key highlights of the year 2015/16

smartsocial

Our SMART Social management platform has continued to develop strongly in the market place with high levels of customer satisfaction being recorded. The platform has been augmented with additional features and freeware making it even more versatile and business focused for the end client.

smartsocial training

Our fundamental training course was augmented during the year with a new richer course on Social Media called SMART Social interactive. This one day course, dealing with both Face Book and Twitter in far greater detail than the free fundamentals course has, so far attracted over 50 people who have provided terrific feedback.

smart local focus

Our SMART Local Focus initiative was launched in August 2015 and has been well received by the market as an initiative to support greater spend within the community and to increase local purchasing. The product consists of two key elements:

1. Sponsors: They advertise on the station for a 9 day period around the 25th of each month in order to capture the 'pay day market' and to encourage spending in their establishments
2. Ambassadors: They do not currently advertise on the station but are prepared to promote the concept of Local Focus via their retail outlets and benefit through their association with the Manx Radio promotion

Local Focus was launched as a low cost initiative that has served the station well in the eyes of the community. Apart from its on air promotion its main driver has been the social media presence via facebook and Twitter. Its success has made us consider the development of the programme and we now have ambitious plans for Local Focus for the future.

audio design

At the start of the business year we re-launched our commercial production product as Audio Design. This was to provide greater focus and more gravitas to the product and to make it more attractive to clients. The proposition has been extremely successful and has worked well.

Alongside the Audio Design we have also run a 'conquest programme' to gain access to accounts where, although we currently obtain the airtime business, we have not traditionally attracted the commercial production business. Our strategy has worked effectively for three blue chip organisations in the last 12 months and will continue as one of our focuses into the new fiscal year.

amplify

Manx Radio partnered with Amplify, a global marketing organisation, to deliver a one week seminar sales programme in the Island in March. The sales team achieved an incredible sales result which will be carried into the new business year. The event was so successful that the product on offer sold out a day earlier than programmed.



There was also considerable praise from clients for the professional presentation and the quality of the product and service on offer.

staffing

Finding media sales people has become increasingly more difficult on the Island, particularly those with any radio advertising sales experience. This caused Manx Radio to lose momentum in Q3 '15, an important sales time for the station. Consequently, our ambitious plans for increasing our share of the media sales market in the Island, were halted temporarily as we only managed a small increase in business over the previous year. The Amplify sales seminar, detailed above, provided the necessary corrective action.

Our sales team is now back to full strength and the impact has had an immediate effect on the business.

national sales award nomination

Manx Radio's sales team was nominated for the 'Local Sales Team of the Year' in the Arqiva radio awards for its work. The team's success in growing the commercial income by 12.49% during 2014/15, their skill in creating specialist media products and their exceptional dedication to providing first rate client service for the Island market were key factors in their being nominated.

The awards were announced in May 2016 and Manx Radio's sales team were awarded the bronze award.

the manx radio dream catcher appeal

The Dream Catcher charity continues to support many good causes and had a particularly successful fundraiser with its annual 'Heroes in the Community' awards held in November. This year's event grossed over £30,000 for the charity and is now its major fundraising event for the year.

in association

Manx Radio's In Association programme is going from strength to strength with more demand each year from community event organisers for participation in this valuable programme.

Early planning has been key to the success of the programme and those organisers who approached the station many months prior to their scheduled event have benefitted most from the scheme.

During the year, we successfully secured the official media partnership for three more Douglas Council Events. This was a great achievement for the association programme and allowed our station to be out in the community at high profile events throughout the year including the Douglas Carnival, Fun Day, annual fireworks display and the Christmas Light switch-on. Not only was Manx Radio able to provide timely advertising for the events but it also provided live outside broadcasts, including interviews with participants and spectators, and also, for the firework display, a simultaneous broadcast of the display soundtrack.

The diversity of the programme is highlighted overleaf in the list of events supported:



Blackadder	Service Players
Big Wheel Blues	Big Wheel Blues
Slade	Private promoter
West End Summer School	Stage Ed
Southern Show	Southern Agricultural
Douglas Carnival	Douglas Development Partnership
Douglas Fun Day	Douglas Council
Royal Show	Royal Manx Society
Merchant of Venice	TNT Productions
IoM Beer Festival	Rotary Club of Douglas
Phantom of the Opera	Taylorian Productions
Food and Drink Festival	Department of Environment, Food and Agriculture
Carousel	Gilbert and Sullivan Society
Douglas Fireworks	Douglas Council
Frankenstein	TNT Productions
Douglas Christmas Lights	Douglas Council
Groudle Santa Trains	Groudle Glen Railway
Oklahoma	Manx Operatic Society
Easter Trains	Groudle Glen Railway

Manx Radio makes a considerable contribution towards the success of each event by providing valuable air time packages, organising competitions and, where appropriate, contributing outside broadcasts. All this is done to promote the local events and, in return, the station's brand is highly visible within the community.



6. engineering services

transfer of broadcasting infrastructure from dha to manx radio

Following on from the Select Committee report, and a public service broadcaster's need for transparency, Manx Radio initiated discussions with the Department of Home Affairs regarding the transfer of Manx Radio's transmitter infrastructure to Radio Manx Ltd.

When the current structure of Manx Radio was setup under Radio Manx Ltd in 1979, ownership of the transmission infrastructure was retained by the Broadcasting Commission. Subsequent delegation of functions moved ownership to the DHA. However, practical responsibility and all engineering work associated with the transmitter networks has always been undertaken by Manx Radio's engineering team and a formal Agreement and MOU exists between Manx Radio and the Department.

Discussions on the transfer are ongoing.

replacement of am transmission service

For almost 50 years Manx Radio listeners have benefitted from two transmission networks, AM and FM, offering considerable programming choice and coverage of important Island events. The AM service currently provides over 106 days of unique, alternative programming. This includes coverage of sittings of Tynwald and Keys Question Time, the TT, Festival of Motorcycling, S100, sport programming, budget review, and alternative morning and Manx language programming that is not available on our FM service.

However, as has been highlighted in previous reports, Manx Radio's AM service, transmitted from Foxdale, consists of a 50+ year old antenna system, tuning equipment and a backup generator and two transmitters, 25 and 35 years old respectively. Much of this equipment has significantly passed its planned working life and considerable expenditure is required to maintain and replace it. Due to the high costs involved, no maintenance has been carried out to the masts and rigging since 2000.

Furthermore, AM broadcasting is very old, low-quality technology, AM receivers are becoming less readily available and many organisations across Europe, such as the BBC and RTÉ, are actively closing down their AM services. Ireland (RTÉ) closed their AM service in 2008 to focus radio broadcasting on FM and developing DAB. We cannot, therefore, justify any further expenditure on AM when newer, more efficient, higher-quality technologies are already widely used elsewhere.

Realistically, the only two alternatives to the largely obsolete AM platform are FM and DAB. Yet, the FM band itself is being superseded in some countries and its closure under discussion in the UK in favour of DAB. However, a real advantage of DAB is that one transmitter network can carry many programme services and would provide a transmission platform for all the Island's broadcasters and for other, invited, broadcasters, thereby significantly reducing the overall running costs to Government in the longer term and providing improved listener choice.

Manx Radio has submitted a detailed business case to Treasury titled An Isle of Man Transmission Solution, which has been scrutinised by an independent transmission expert. The paper details the arguments for Manx Radio's second transmission platform, considers the alternative transmission options, costs them and offers a transmission solution for the Island which, over the lifetime of the replacement transmission network, offers considerable savings to Government.

The paper concludes that a DAB/DAB+ transmission platform is the most appropriate broadcast solution for the Isle of Man and proposes for the DAB/DAB+ network to be rolled out Island-wide in 2017/18, the AM service to be switched-off in December 2019 and in

2020 a steering committee should be set up to decide on a suitable switch-off date for FM on the Isle of Man.

redevelopment of broadcasting house and disaster recovery

The rolling programme of small capital works, put in place by Treasury in 2010/11 following the withdrawal of the original Broadcasting House redevelopment project, is now into its fifth year. The purpose of the programme was to maintain the property asset while addressing major deficiencies in the station's technical infrastructure and working environment, described at the time as possibly the worst in Government.

While there have been added practical challenges progressing the work as small schemes, good progress has been made over the years. Studio facilities have been updated, greatly improved emergency backup power has been installed and, most recently, replacement windows and renovation to the external fabric of the building has been completed.

The next phase of the programme is to improve the difficult and sometimes dangerous access to Broadcasting House, create disabled access to all parts of the building and provide associated disabled toilet facilities. There is also a pressing need to improve the working environment for news and programming staff that currently falls well below expected standards. These issues are all planned to be addressed by the creation of an extension that will allow for safe access from the roadside via a new entrance to the building. This scheme has been discussed with Treasury's capital projects team throughout the various stages of its development, is currently being considered by the Planning Authority and is included in the Pink Book as the final part of the Small Capital Works programme.

The other outstanding element of the programme is the creation of a disaster recovery and business continuity facility. Currently, Manx Radio only has the most elementary contingencies in place for the continuation of its broadcasts should Broadcasting House need to be evacuated. In this eventuality, the station's ability to fulfil its role under the Islands Emergency Planning procedures would be most difficult to maintain and the continuation of commercial contracts would be at risk jeopardising the station's commercial revenues and subsequent business operations.

Whilst a number of options have been considered, the preferred solution is to provide a disaster recovery facility at the TT Grandstand. This will enable us to re-engineer the old TT broadcast infrastructure as well as provide a flexible disaster recovery facility. Detailed planning for the scheme is scheduled to commence during 2017 but could be brought forward if circumstances permit.

new technologies

Radio is very much a technology business utilising some of the latest in computer and communication technologies. 4G continues to develop as a cost-effective asset for mobile reporting, while computer systems form the bedrock of studio audio play-out and business operations. Manx Radio does now maintain a perpetual archive of all broadcast audio on HDD storage, necessitating periodic upgrades and expansion of storage capacity.

During this last year, significant improvements have been made to upgrade both the central storage servers and to make use of virtualised server technology as a means of reducing energy and hardware costs. Additional data backup systems have been put in place with some off-site storage of essential business data. This will be developed in future years along with the proposed DR facility.



engineering commercial services

In addition to providing all of Manx Radio's technical support, the engineering team continues to offer its services to others on a commercial basis, contributing significantly to Manx Radio's income. Key contracts have been retained with Vodafone for first line support of their fibre-optic telecoms systems and many Island customer sites; with Arqiva supporting the ten digital TV sites, BBC's FM radio (Radios 1, 2, 3 & 4) at Carnane and the BBC DAB transmitters located at Carnane, Ramsey and Port St Mary.

Together with additional ad hoc work undertaken throughout the year for other organisations, the engineering income for 2015/16 was ahead of target at £133,215.

transmission statistics

	Target	Actual
% of continuous FM transmission	99%	100%
Carnane (97.2 MHz)		100%
Snaefell (89MHz)		99.96%
Jurby (103.7MHz)		100%
Ramsey (89.5MHz)		100%
Peel (89.5MHz) (from December 2014)		100%
% of continuous AM transmission	99%	100%
% of continuous web access	99%	100%

Throughout the year the only unplanned interruptions to FM occurred at Snaefell when a third party generator developed a fault during a planned electrical outage. As a result, the transmitter was off for a little over three hours. Transmissions from other sites remained unaffected. Typically, throughout the year, there were a number of short switching breaks and power reductions at the FM sites as a safety measure to allow for others working close to the high power broadcast antennae on the transmission towers. A number of other faults that occurred during the year were all covered by backup systems without interruption to the listener.

Our AM transmitter at Foxdale did experience a fault necessitating it being taken out of service for a day while the fault was identified and repairs undertaken. However, coverage was not affected as we were able to bring the aging backup transmitter into service.



7. **corporate** governance

The non-executive directors of the company in 2015/16 were:

David North – Chairman – resigned 17th December 2015

Charles Guard – appointed acting Chairman 17th December 2015 – 18th February 2016

Bill Mummery – joined 16th July 2015 – appointed Chairman 18th February 2016

Sally Roberts – Chair of the Audit Committee

Mark Grace – resigned 16th July 2015

i. audit committee

The Audit Committee met in July 2015, September 2015 and in March 2016. In March 2016 the requirement for three non-executive directors was met by the attendance, by invitation, of the newly appointed Chairman of the Board, Mr Bill Mummery. Currently, consideration is being given to the full board's optimum number of non executive directors following two retirements and only one appointment during the year.

Much of the work of the committee was focussed on the requirements of the draft Communications Bill 2015, the subsequent consultation and the proposed requirements of the new public service broadcasting licence to be issued under it. In addition the Committee watched over the progress of the business case entitled An Isle of Man Transmission Solution. Routine oversight of financial matters included the budget, capital expenditure, and the future course of Government's staff occupational pension scheme.

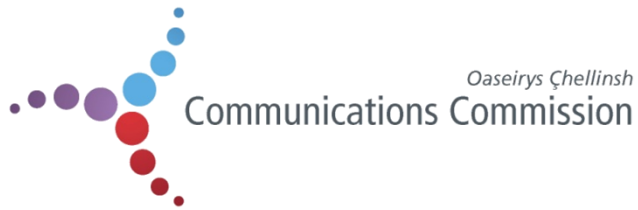
ii. remuneration committee

The Remuneration Committee, which consists of the company Chairman, two non-executive directors and the Managing Director as Secretary met twice in February.

Remuneration Committee consists of all the non-executive directors and is chaired by Mr Bill Mummery. Its main role is to oversee the terms of all senior management at Manx Radio to include pension rights and all compensation schemes.



8. the communications commission compliance report



MANX RADIO – STATEMENT OF COMPLIANCE 2015-16

The Communications Commission has no reason to believe that during the period under report Manx Radio did not comply with the terms of the licence under the Broadcasting Act 1993 granted by the Commission to Radio Manx Limited.

On behalf of the Commission.

A handwritten signature in blue ink that reads 'Carmel McLaughlin'. The signature is written in a cursive style and is positioned above a faint, light blue rectangular stamp.

Dr Carmel McLaughlin
Director

10th May 2016



89 • 89.5 • 97.2 • 103.7FM and 1368AM



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Radio Manx Ltd Directors: W D Mummery Chairman • DA Pugh • JN Marsom • DS Leeming • M Tyley • CR Guard • Mrs SP Roberts
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