



## Annual Report 2016/17



GD 2017/0033



***Radio Manx Limited***  
***Financial statements***  
***for the year ended 31 March 2017***

# ***Radio Manx Limited***

## ***Chairman's statement***

The diversity of Manx Radio's output and commitment to the strength of its Public Service Broadcasting remains a cornerstone of our programming as the Nation's Station. Our Broadcast Licence requires that we achieve 40% of speech content and this year we have delivered 43.6%. In my view we should value and be proud of the diversity and quality of our PSB output. That said it has to be recognised that the costs associated with this local content generation are significantly greater than those of a predominantly music only station.

As you'd expect, the old favourites that attract loyal audiences, are still there including Countryside, Sunday Opinion, The History Man and our Parish Walk coverage. However, just as we do every year, we also launched a raft of new programming; Spotlight – a weekly look at the Arts in the Isle of Man, Jumpin In – a brand new jazz show, and Nightshift – an opportunity for listeners at home and abroad to catch up on the best of Manx Radio's speech output overnight. In addition, we covered a ground breaking sport, music and food festival in Milntown - Cyclefest.

Our news and sports coverage continues to lie at the heart of our offering and Mandate remains the 'must listen-to' programme for everyone wanting to keep abreast of developments here in the Island.

In September 2016 a general election was held and we provided extensive coverage. We broadcast interviews with every candidate in short-form, long-form and on video. There were constituency debates, exit polls and in-depth election night coverage including live reports from each constituency count. In addition, a specially created website became the single most important destination for anyone wanting comprehensive election information by which to be fully informed. This content brought much praise from the electorate, reflecting the considerable resources that were committed to its development.

It is also gratifying to witness the growing use of our digital content and see the important role it is now playing in the lives of our audience - across all ages. We now attract an average of 115,000 unique users each month to manxradio.com who, between them, visited nearly 4.5 million times throughout the year viewing 13.5 m pages. We restructured our Facebook offering with the simple aim of increasing engagement and, whilst we can't offer comparative statistics this year, we're already witnessing huge increases in activity both on Facebook and, correspondingly, via Twitter. Our digital streaming of Manx Radio has also grown by 54% over the year, reinforcing the importance our multiplatform digital strategy plays in retaining and growing our audience. Clear evidence that the world is changing and our audience is, increasingly, both demanding and comfortable with consuming our output through these diverse multi channels.

It is this breadth of output, focused on the Isle of Man, delivered daily which really differentiates Manx Radio as the Island's Public Service Broadcaster.

Our turnover - continuing operations, grew by 5.7% year on year following a concerted effort by our committed team, however, this left us 5.9% behind our revenue budget. Operating costs for the year were within budget. Consequently we report a loss of £82,406 for 2016/17 up from £48,713 in the previous year.

Shareholder's Funds at the end of the financial year were slightly ahead of 31 March 2016 because of the benefit of a surplus from a revaluation of Broadcasting House and a capital contribution for the improvement works to that property.

# ***Radio Manx Limited***

## ***Chairman's statement (continued)***

The Government's contribution to our operating costs represents 42% of our total income. Historically this contribution has been referred to as a subvention. In my view, it would be more correctly identified as a partial contribution to the production costs of this diverse local content. By its nature, public service broadcasting should reflect those unique aspects of our Nation as perceived by the population and mandated through the PSB requirements embraced within our broadcast licence.

It is the fiscal tension created by these competing demands which, in the short term, remains challenging for all of us.

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

**13th July 2017**

# ***Radio Manx Limited***

## ***Directors' Report for the year ended 31 March 2017***

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2017 which are prepared in accordance with the provisions of the Isle of Man Companies Acts 1931 to 2004.

### **Principal activity**

The principal activity of the company is the operation of a public service broadcasting service and 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 £82,406 (2016: loss £48,713) which has been deducted from reserves (2016: deducted from reserves). The directors do not recommend the payment of a dividend (2016: £nil).

### **Directors**

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

D A Pugh  
C R Guard  
D S Leeming  
J N Marsom  
M L Tyley (resigned 31/10/2016)  
S P Roberts  
W D Mummery  
C Eaton (appointed 21/7/2016)

### **Audit committee**

The Audit Committee comprises non-executive directors, namely Mrs S P Roberts (Chairman), Mr C R Guard and Mr C Eaton 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. In accordance with the company's financial regulation regarding tenders, an audit tender process is currently under way for the audit of the financial statements for five years commencing 1 April 2017.

### **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**

**13 July 2017**

# ***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 Section 1A (Small Entities)" (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;
- 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**

**13 July 2017**

# ***Radio Manx Limited***

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

### **Report on the audit of the financial statements**

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#### **Our opinion**

In our opinion, Radio Manx Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland Section 1A (Small Entities)", and
  - have been properly prepared in accordance with the requirements of the Isle of Man Companies Acts 1931 to 2004.
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#### **What we have audited**

Radio Manx Limited's financial statements comprise:

- the balance sheet as at 31 March 2017;
  - the profit and loss account for the year then ended;
  - the notes to the financial statements, which include a summary of significant accounting policies.
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#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

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

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#### **Independence**

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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#### **Other information**

The directors are responsible for the other information. The other information comprises the Chairman's statement and the Directors' Report (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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#### **Responsibilities of the directors for the financial statements**

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland Section 1A (Small Entities)" and Isle of Man law, 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.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.



## **Independent auditor's report to the members of Radio Manx Limited (continued)**

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### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

This report, including the opinion, has been prepared for and only for the Company's members 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.

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## **Report on other legal and regulatory requirements**

### **Adequacy of accounting records and information and explanations received**

Under the Isle of Man Companies Acts 1931 to 2004 we are required to report to you by exception if, in our opinion:

- we have not received all the information and explanations we require for our audit;
- proper books of account have not been kept, or proper returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the books of account and returns; and
- certain disclosures of directors' loans and remuneration specified by law have not been complied with.

We have no exceptions to report arising from this responsibility.

**PricewaterhouseCoopers LLC**  
**Chartered Accountants**  
**Douglas, Isle of Man**

**13 July 2017**

# ***Radio Manx Limited***

## ***Profit and loss account for the year ended 31 March 2017***

	Note	2017 £	2016 £
<b>Turnover - continuing operations</b>	2	<b>1,207,149</b>	1,141,786
Public service subvention		<b>875,000</b>	875,000
		<b>2,082,149</b>	2,016,786
Operating expenses		<b>(2,163,858)</b>	(2,065,442)
Interest payable and similar charges	3	<b>(2,691)</b>	(2,613)
Interest receivable		<b>1,994</b>	2,556
<b>Loss on ordinary activities before taxation</b>	5	<b>(82,406)</b>	(48,713)
Taxation	6	-	-
<b>Loss for the financial year</b>	13	<b>(82,406)</b>	(48,713)

The notes on pages 9 to 16 form an integral part of these financial statements.

# **Radio Manx Limited**

## **Balance sheet at 31 March 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	7	<b>1,563,927</b>	1,541,644
Intangible assets	8	<b>40,727</b>	-
Assets under the course of construction	7	<b>22,318</b>	13,602
		<b>1,626,972</b>	1,555,246
<b>Current assets</b>			
Debtors and prepayments	9	<b>113,763</b>	115,632
Cash at bank and in hand		<b>97,604</b>	119,565
		<b>211,367</b>	235,197
<b>Creditors:</b> amounts falling due within one year	10	<b>(407,793)</b>	(355,473)
<b>Net current liabilities</b>		<b>(196,426)</b>	(120,276)
<b>Total assets less current liabilities</b>		<b>1,430,546</b>	1,434,970
<b>Creditors:</b> amounts falling due after more than one year	11	<b>(5,094)</b>	(10,829)
<b>Net assets</b>		<b>1,425,452</b>	1,424,141
<b>Capital and reserves</b>			
Called-up share capital	12	<b>459,002</b>	459,002
Share premium	13	<b>297,000</b>	297,000
Revaluation reserve	13	<b>710,616</b>	635,616
Profit and loss account	13	<b>(478,119)</b>	(395,713)
Capital contribution reserve	13	<b>436,953</b>	428,236
<b>Equity shareholder's funds</b>	13	<b>1,425,452</b>	1,424,141

The financial statements on pages 7 to 16 were approved and authorised for issue by the board of directors on 13 July 2017 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 2017**

### **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)' ('FRS 102') and in accordance with the Isle of Man Companies Acts 1931 to 2004. The company's registered office is P.O. Box 1368, Broadcasting House, Douglas, Isle of Man, IM99 1SW.

### **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.

#### **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 notes 4 and 15.

#### **Exemptions under FRS 102**

The company has taken advantage of the exemption under FRS 102 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 2017** *(continued)*

### **2 Principal accounting policies** *(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.

#### **Intangible assets and amortisation**

The Company has capitalised internally generated intangible assets. The amounts capitalised include external costs incurred for software development, and have been initially recognised at cost.

After initial recognition, measurement will be determined using the cost model, the asset will be measured at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation will commence when the intangible asset is available for use, using the straight-line method.

The useful economic life of the asset is deemed to be 3 years. Review of this period and amortisation method will take place when the asset is available for use.

#### **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 on the accruals basis (see note 15).

#### **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.

# **Radio Manx Limited**

## **Notes to the financial statements for the year ended 31 March 2017** (continued)

### **2 Principal accounting policies** (continued)

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.

### **3 Interest payable and similar charges**

	2017 £	2016 £
Other interest payable and bank charges	2,691	2,613

### **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 15.

# Radio Manx Limited

## Notes to the financial statements for the year ended 31 March 2017 (continued)

### 4 Critical accounting judgments and estimation uncertainty (continued)

#### b) Critical accounting estimates

##### Provisions for bad debts

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

##### 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 8 for the carrying amount of each class of asset.

##### Impairment of intangible assets

The company considers whether intangible assets are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units ('CGUs'). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

### 5 Loss on ordinary activities before taxation

	2017 £	2016 £
Loss on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation	116,384	118,110
Auditor's remuneration	10,500	10,500
Non-executive directors' remuneration*	27,471	27,486
Pension costs	134,652	135,612
Funding from IOM Government for refurbishment of Broadcasting House (Note 16)	8,717	(142,534)

\* The Chairman received remuneration of £9,156 (2016: £856). The other non-executive directors received £6,144 each (2016: £6,054 each) and the chairman of the audit committee received an additional £1,715 (2016: £1,690). The Director's remuneration and that of the Chairman were allocated on a pro-rata basis. The remuneration also attracted National Insurance contributions as appropriate.

Remuneration of Manx Radio staff for the year ended 31<sup>st</sup> March 2017.

	2017 Number	2016 Number
Earnings between £50,000 to £74,999	2	3
Earnings between £75,000 to £99,999	1	1

# Radio Manx Limited

## Notes to the financial statements for the year ended 31 March 2017 (continued)

### 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.

### 7 Tangible fixed assets

	Freehold land & buildings £	Computers & related equipment £	Fixtures fittings & plant £	Motor vehicles £	Total £
<b>At 1 April 2016</b>					
Cost	1,100,000	200,271	1,114,472	85,566	2,500,309
Accumulated depreciation	-	(190,616)	(698,674)	(69,375)	(958,665)
<b>Net book value</b>	<b>1,100,000</b>	<b>9,655</b>	<b>415,798</b>	<b>16,191</b>	<b>1,541,644</b>
Opening net book value	1,100,000	9,655	415,798	16,191	1,541,644
Revaluation/additions	75,000	13,502	50,165	-	138,667
Disposals	-	-	-	-	-
Charge for the year	-	(7,589)	(102,515)	(6,280)	(116,384)
<b>Closing net book value</b>	<b>1,175,000</b>	<b>15,568</b>	<b>363,448</b>	<b>9,911</b>	<b>1,563,927</b>
<b>At 31 March 2017</b>					
Cost	1,175,000	213,773	1,164,637	85,566	2,638,976
Accumulated depreciation	-	(198,205)	(801,189)	(75,655)	(1,075,049)
<b>Net book value</b>	<b>1,175,000</b>	<b>15,568</b>	<b>363,448</b>	<b>9,911</b>	<b>1,563,927</b>

Land and buildings were valued at £1,175,000 on 31 March 2017 on an existing use valuation basis. The valuation was undertaken by Black Grace Cowley, Chartered Surveyors, in accordance with the RICS Appraisal & Valuation Standards.

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 £9,911 (2016: £15,893) held under finance leases.

Assets under the course of construction of £22,318 (2016: £13,602) 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.



# **Radio Manx Limited**

## **Notes to the financial statements for the year ended 31 March 2017** (continued)

### **8 Intangible assets**

	Development costs £
<b>At 1 April 2016</b>	
Cost	-
Accumulated depreciation	-
<b>Net book value</b>	<b>-</b>
Opening net book value	-
Additions	40,727
Charge for the year	-
Impairment in year	-
<b>Closing net book value</b>	<b>40,727</b>
<b>At 31 March 2017</b>	
Cost	40,727
Accumulated depreciation	-
<b>Net book value</b>	<b>40,727</b>

### **9 Debtors**

	2017 £	2016 £
Trade debtors	<b>89,944</b>	65,749
Other debtors and prepayments	<b>23,819</b>	49,883
	<b>113,763</b>	115,632

# Radio Manx Limited

## Notes to the financial statements for the year ended 31 March 2017 (continued)

### 10 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	111,782	65,298
Other creditors and accruals	70,883	50,774
Deferred income	69,392	43,195
Subvention in advance	150,000	190,000
Finance leases	5,736	6,206
	<b>407,793</b>	<b>355,473</b>

A portion of the subvention for both 31 March 2017 and 31 March 2018 was received before the end of each year and reported in subvention in advance shown above.

### 11 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Finance leases	5,094	10,829
Finance leases are repayable as follows:		
In one year or less	5,736	6,206
Between one and two years	3,042	5,735
Between two and five years	2,052	5,094
	<b>10,830</b>	<b>17,035</b>

### 12 Called-up share capital

	2017 £	2016 £
<b>Authorised</b>		
460,000 ordinary shares at £1 each	460,000	460,000
<b>Allotted, called up and fully paid</b>		
459,002 ordinary shares at £1 each	459,002	459,002

### 13 Reserves

	Capital contribution reserve £	Share premium £	Profit and loss account £	Revaluation reserve £
At 31 March 2016	428,236	297,000	(395,713)	635,616
Revaluation in the year	-	-	-	75,000
Capital contributed in the year	8,717	-	-	-
Loss for the year	-	-	(82,406)	-
<b>At 31 March 2017</b>	<b>436,953</b>	<b>297,000</b>	<b>478,119</b>	<b>710,616</b>

# **Radio Manx Limited**

## **Notes to the financial statements for the year ended 31 March 2017** *(continued)*

### **14 Controlling party**

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

### **15 Annual subvention**

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

<b>Year ended 31 March</b>	<b>£</b>
2012	927,000
2013	850,000
2014	850,000
2015	850,000
2016	875,000
2017	875,000

The level of funding for the year ending 31 March 2018 is £875,000 (2017: £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 for 2017/18 which was approved by Tynwald in February 2017 confirmed the level of funding for the company for 2017-18, and provided provisional projections for the following two years to 2019-20, subject to annual approval by Tynwald vote.

### **16 Related parties**

Operating expenses include an amount of £nil (2016: £142,534) 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 £8,717 (2016: £13,602) 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.

**radio manx** ltd

**annual report to** tynwald

**for the year ended 31 march** 2017

**from the directors of manx** radio

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## 1. managing director's report

The world around us continues to change.

Thirty five years ago mobile personal communication was the prerogative of just a few pioneering individuals. By the late 90s the first smartphones, with more advanced computing capabilities than regular mobile phones, began to make an impact but they only really gained mainstream popularity in 2007 with the introduction of Apple's iPhone.

According to statista, a statistics portal, 'by 2018, over a third of the world's population is projected to own a smartphone, an estimated total of almost 2.53 billion smartphone users'.

Today, the mobile phone is clearly the device of choice and it should, therefore, come as no surprise that broadcasters, one of the most prolific providers of content, are having to rethink their production strategies.

The Canadian Broadcasting Corporation was one of the first to realign their content production spend from television and radio to mobile first, followed by the web, radio and TV. This massive change came about as it understood that its consumers, who universally have access to mobile phones at home, at work and on the move, are looking to consume their content via the devices they have with them - their phones.

Manx Radio has also looked to realign its efforts to encourage maximum consumer use of our content. Whilst we know our radio output is listened to more than that of any other radio station heard in the Island (see page 13), our listening figures show that fewer people are consuming us in the traditional way. However, people are still consuming **our** output, but, increasingly, via their phones and the internet and often for shorter periods of time. We know this because our web usage continues to grow year on year, as does the interaction with our Facebook, Twitter and Instagram feeds. The amount of listening to Manx Radio via mobile phones also continues to grow. Indeed, on TT Senior race day 2017 there were almost 850,000 successful connections to our audio commentary that day alone – up from just over 700,000 in 2016.

This change in consumption habits is clearly impacting Manx Radio. No longer is it good enough to lead with a news story on a radio bulletin that might not be scheduled for another three quarters of an hour. The information has to be available on our website on our facebook page and, if appropriate, heralded via Twitter, as soon as it happens. All this additional work to meet audience demand needs us to rethink how we will deliver our content in the future and it makes us challenge the organisational structures that have served us so well in the past.

So in 2017 we will be introducing more and more content specifically for our digital users. In the Autumn we will be releasing radio visualisation which will augment our on air broadcasts with content specifically designed to be visually appealing for computer and mobile phone users and especially appealing to those younger content users for whom the mobile phone is the centre of their universe.

However, radio listening in the Isle of Man remains strong with 93% of the population listening to a radio station of their choice at some time each week. Traditional radio listeners shouldn't, therefore, feel disheartened. Manx Radio will still be delivering the unsurpassed range of Island centric programmes on which our reputation has been built. We will also continue to introduce new programming strands to continually refresh our schedule and we will further nurture the stalwarts of our schedule to deliver the backbone of our output which has been so important to our listeners for such a long time.

It's inevitable, radio will change, but the dedication of our staff, determined to deliver well researched, balanced and, yet, entertaining content, to our listeners, will certainly continue. It is the staff's ability to create timely, relevant and compelling content, which brings the audience

back to Manx Radio day after day and is what differentiates Manx Radio as the Isle of Man's public service broadcaster.

I would like to take this opportunity to thank the team here at Manx Radio for their dedication in providing our audience with the very best public service broadcasting, across all the various platforms, throughout the year.

**Anthony Pugh**  
**june '17**

## 2. programming

### i. statement of programme policy and subvention allocation

The Manx Radio FM schedule for 1<sup>st</sup> April 2017 – 31<sup>st</sup> March 2018 is as follows:

TIME	MON	TUE	WED	THUR	FRI	SAT	SUN
00	SUNDOWN	LATE SHOW					SAT NIGHT LIVE
01	CARNABY STREET	NIGHT SHIFT REPEAT SERIES FROM 1AM EVERY DAY					JUMPIN' IN JAZZ / SWEET 'N' SWING
02		WOMEN TODAY CLARE NY GAE	WOMEN TODAY TIME FOR BRASS	WOMEN TODAY THE FOLK SHOW	WOMEN TODAY THE OPERA HOUR	WOMEN TODAY NEW COOL COUNTRY	
03		PRAISE	AGENDA	COUNTRYSIDE	SPOTLIGHT	PREMIER / SHAIGHT LAA	
04	NIGHTRAX						DAYBREAK
05							
06	BREAKFAST SHOW					SATURDAY SUNRISE	
07	MANDATE					CARNABY STREET	PRAISE
08	BREAKFAST SHOW						DAYBREAK
09	MORNING SHOW					RADIO CAFÉ	COUNTRYSIDE
10							TALKING HEADS (inc. MANDATE AT 1 - 1.00 - 1.15)
11	SUNDAY OPINION						
12	WOMEN TODAY					SATURDAY SPORT LIVE	MANNIN LINE
13							AFTERNOON SHOW
14	MANDATE AT 5 -NEWS, BUSINESS, SPORT, TRAVEL AND HEADLINES	AGENDA	COUNTRYSIDE	SPOTLIGHT	PREMIER / SHAIGHT LAA	SPORT PREVIEW	
15							GREATEST HITS
16	TIME FOR BRASS	THE FOLK SHOW	THE OPERA HOUR	NEW COOL COUNTRY	JUMPIN' IN JAZZ / SWEET 'N' SWING	SUNDAY SOUNDTRACK	
17							LATE SHOW
18						SATURDAY NIGHT LIVE PART 2	SUNDOWN
19							
20						SATURDAY NIGHT LIVE PART 2	SUNDOWN
21							
22						SATURDAY NIGHT LIVE PART 2	SUNDOWN
23							
TIME	MON	TUE	WED	THUR	FRI	SAT	SUN
	NEWS, C/A, TOPICAL SPEECH	COMMUNITY & EVENTS	SPECIALIST PSB MANX, ARTS, CULTURE & MUSIC	SPORT			

The schedule also includes 128 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) categorised 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 in various weeks.

### **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
- Radio Caroline occasional broadcasts

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 smartphone apps offers an alternative route to listen to the station's linear programming. It also offers users the ability to Listen "On Demand" to selected programmes, to Podcasts and exclusive digital only speech, entertainment and visual content at a time to suit their schedules and in a country of their choice. In addition, the station's social media presence on Facebook, Twitter and Instagram 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 additional programming transmitted on our alternative services.

**public service broadcasting subvention** allocation

The allocation of subvention to programming for the period 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017 was as follows:

		<b>2016/17</b>		<b>2015/16</b>	
		<b>£</b>	<b>%</b>	<b>£</b>	<b>%</b>
1	News, Current Affairs, Tynwald & Weather	486,047	55.55%	474,358	54.21%
2	Sport and TT	89,397	10.22%	99,608	11.38%
3	Community and Events Programming	188,025	21.49%	194,467	22.22%
4	Specialist PSB including Religion	111,531	12.74%	106,566	12.18%
		<b>875,000</b>	<b>100.00%</b>	<b>875,000</b>	<b>100.00%</b>

**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 subsidised by the company's commercial activities.

**ii. news, current affairs and weather**

Manx Radio's unique mix of speech and community content, on air and online, is one of the key identifiers of the Island's National Public Service Broadcaster and media provider. We also produce a wide range of content that isn't available from the vast majority of commercial radio stations in Great Britain, and certainly not available elsewhere on the Island.

Our news, current affairs and community output is not only key to a large and loyal audience reflected in our Rajar (Radio Joint Audience Research) figures, it also drives the speech agenda across the station and into 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

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. However, in this age of digital proliferation, it's not good enough for Manx Radio to simply continue as the Island's premier news broadcaster, our audience demands the same information to be available on all our digital channels as well – often before it is broadcast on the radio.

This 8.00am bulletin and the Mandate AM programme form the backbone of our daily news agenda and many of the items introduced here are developed in our other news and current affairs programmes during the day.

We currently broadcast twenty five hours of current affairs programming a week all produced here in the Isle of Man:

- Mandate - Monday to Friday 5.0 hrs
- Mandate at One and Mandate at Five 3.75 hrs
- Talking Heads - Monday to Friday 8.75 hrs
- Women Today 5.0 hrs
- Sunday Opinion 1.0 hr
- Mannin Line 1.0 hr
- Agenda 0.5 hrs

Manx Radio's focus is to deliver Isle of Man news to our audience. However, we are aware, for many of our audience, we are their prime source of news and so, maintaining a balance between Isle of Man news and the world around us, is always a challenge. This was particularly the case during the UK Brexit debate where, even though Isle of Man residents did not have a vote, the outcome is bound to have a profound impact on the Island. The news team and their editor in particular, are well aware that sometimes an international story will have a specific resonance with our audience and when it does, we have a duty to investigate how it impacts on us here in the Isle of Man.

Having a newsroom that is adequately resourced to meet all the demands of our schedule and our licence, yet still allows us the opportunity to investigate deeper into stories and issues of concern to our audience, remains a challenge for us on a daily basis. Together with the additional tasks of keeping our website, Facebook and Twitter feeds up to date, our newsroom is always busy providing what our listeners have come to expect from their National Public Service Broadcaster.

Our regular two-way weather updates direct from the Ronaldsway Met Office are another aspect of our daily output which differentiates us from our competitors and, in a nation whose daily life is so impacted by the weather, is essential listening for so many in the Isle of Man.

### iii. sport

Sport lies at the very heart of island life and is reflected in Manx Radio's commitment to coverage of a wide range of sporting activities, events and competitions both on and off island.

Our most high profile sporting coverage has to be the in depth commentary and analysis we provide for Island motorsport fans. Over decades we are proud to have built up an enviable reputation for this compelling coverage and know that fans, at home and abroad, turn to Manx Radio for this exceptional coverage.

Events covered during 2016/17 include:

- TT
- Pre and post TT races at Billown
- Southern 100
- Festival of Motorcycling including the Classic TT and Manx Grand Prix.
- Manx International Rally
- Rally Isle of Man

Our coverage isn't limited to just race and practice commentary, we also run a full event station for the TT over 12 days and for the Festival of Motorcycling (Classic TT and MGP) over 8 days.

Since the last report our commitment to the digital domain through the website and social media has been overhauled, and during these motorsport events we have consciously increased our use of social media to provide a better service for Island residents as well as reach a wider worldwide audience and fan base. Consequently, the number of dedicated followers on the Manx Radio TT Facebook page now number over one hundred and thirty seven thousand!

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

- |                              |   |
|------------------------------|---|
| • Friday Sport Preview       | 18.00 – 18.30 (moved to 17:30 – 18:00 in Jan '17) |
| • Football Focus (TX Friday) | 18.30 – 19.00 (moved to 18:00 – 18:30 in Jan '17) |
| • Saturday Sport Preview     | 12.30 – 13.00                                     |
| • Saturday Live              | 13.00 – 17.00                                     |
| • Saturday Sport Classified  | 17.00 – 18.00                                     |

Our core sports coverage provided by our news team is supplemented by reports from regular freelance correspondents who are authorities in the field of Island football, rugby, hockey, cricket, golf, table tennis, and more.

In May 2016 we provided large scale coverage of the inaugural Cyclefest event based at Milntown House in Lezayre. Blessed with good weather the event not only attracted over one thousand cyclists who took to the courses in and around Ramsey and further afield, but also hundreds of Island families who spent the weekend enjoying the festival and its associated attractions in the grounds of Milntown. Our coverage was provided, not only at the event with commentary and programming, but around the Island with detailed commentary of the Battle of Sky Hill and the 80 mile Gran Fondo course. Additionally, in the run up to the event, we provided publicity in the form of promotion, sports coverage and competitions to draw the public's awareness to this important new event.

#### **iv. community and events programming**

Manx Radio always seeks opportunities to broadcast from within our community so that we can promote and reflect the rich tapestry of local events to as many people as possible. We strive to actively reflect these essential landmarks in the Manx calendar to the whole Island thereby supporting their long-term success. It also enables us to engage directly with our audience and, at the same time, raise the station's profile in the hope that we can, ultimately, grow our audience.

These outside broadcasts not only play their part in increasing the visibility of Manx Radio within the community, it also provides the audience an opportunity to put a face to familiar names and interact directly with some of their favourite radio personalities. In addition, many of Manx Radio's presenters give freely of their time in attending a number of events and charitable fundraisers across the Island.

Once again we provided comprehensive coverage of the Island's largest music and performance event; The Manx Music Festival. Our dedicated presenter, Judith Ley, provided twice daily updates from the Villa Marina, as well as a dedicated evening programme featuring recorded highlights of a number of the award winning performances. These are always hugely appreciated by both performers and audience alike.

Indeed, during the period under review (April 2016 to March 2017) we mounted well 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 outside broadcast from the heart of Douglas on Budget Day and the special sitting of the House of Keys in Castletown to mark the 150<sup>th</sup> Anniversary of the island's first popular elections.

The following is just a short selection of the outside broadcasts we have produced during the year:

- The Isle of Man General Election 2016 – numerous locations & broadcasts
- Local Authority Election Coverage
- Douglas Fireworks Display – including synchronised music for radio listeners
- Parish Walk
- Remembrance Sunday service from St Thomas' Church & Douglas Promenade.
- A number of sponsored off island programmes for Citywing
- Southern Agricultural Show
- IOM Budget Programme
- Tynwald Day – Live from St Johns
- The Royal Manx Agricultural Show
- Island At War
- IOM Food and Drink Festival
- Wedding Fair – Empress Hotel

In addition, we also performed a number of commercial outside broadcasts, allowing businesses in the local economy to market their services to the largest possible audience.

To many, it is our daily, Isle of Man produced, community programming that brings them up to date with events in the Island. This now totals thirteen hours per week and since last year we have introduced an increased focus on arts, creativity and culture within our Island Life Series:

• Countryside	0.5 hrs
• Spotlight (arts, creativity & culture)	0.5 hrs
• Rotating series currently - The Vault	0.5 hrs
• Sport	6.0 hrs
• Football Focus (during the season)	0.5 hrs
• Manx Gaelic Broadcasting	5.0 hrs

Excitingly, as we consider our community programming so distinctive we have also initiated a brand new Nightshift service which repeats a large portion of our speech content and cultural broadcasting overnight. This allows listeners on Island, who may work unsocial hours, the opportunity to catch up on this essential listening. It also allows us to promote the Isle of Man and its culture overseas to listeners online who access the content in different time zones around the globe.

#### **v. general election coverage**

Providing informed, unbiased and trusted election coverage to the Manx electorate lies at the heart of Manx Radio's Public Service remit. The unique and comprehensive cover we produce provides the electorate with an unrivalled one-stop-shop to allow them to make an informed decision on the suitability of the various candidates.

Our coverage began on 27<sup>th</sup> June when we launched our election website. This was continuously updated to feature information about the new constituency boundaries, candidate profiles, questionnaires and manifestos/election literature, audio and video candidate interviews, constituency debates, election themed programmes and a full results service. For the first time, we also included a section featuring historical election results going as far back as the General Election of 1986.

On air coverage prior to the closure of nominations consisted of Mandate interviews with every candidate totalling approximately four hours (also filmed in conjunction with Manx Telecom's MTTV), approximately twenty hours of full length candidate interviews and two hours of Election "Any Questions" programming.

Once nominations had closed, we provided election coverage across our output to attract the largest audience possible. This coverage included twelve, hour long, candidate constituency debates together with an additional 10 hours of coverage including especially produced profiles on each constituency, recordings at each requisition meeting, analysis of candidates and their manifestos, in depth analysis during Sunday Opinion and a feature on Women Today focusing on engaging voters.

On polling day we produced over seven and a half hours of live election coverage. This included early analysis of Manx Radio's exit polls, detailed reports from all constituency counts with live results and a round table discussion programme featuring informed guests providing analysis and comment as the results unfolded. To make our results available to as many people as possible we digitally published a comprehensive web blog together with live Twitter and Facebook feeds and this proved to be enormously popular with listeners both in the Island and from those further afield with an interest in the outcome of the election.

We also produced over six hours of specific post election on air coverage analysing results, discussing reaction, interviewing successful and unsuccessful candidates. We also covered the

election for Chief Minister and took an overview of the island's financial position at the start of the new term.

We are pleased to report that our comprehensive election service also attracted much praise from listeners and online users.

Manx Radio also produced over four hours coverage of April's local authority election.

**vi. specialist public service broadcasting including religion**

Our public service remit extends beyond our regular programming of current affairs, cultural and community programming as we produce and broadcast a wide variety of public service content.

These specialist programmes, even though they are as designed to be accessible to a mass audience, are specifically targeted at an audience that has a passion for the subject matter and the programmes have, over the years, grown loyal followings.

The Island Life series, which is transmitted Monday through Friday, continues to be our opportunity to showcase our unique content on air covering a range of topics from politics and farming to sport, Manx Gaelic, Arts and Culture. Following a programme schedule change at the beginning of 2017, when we extended Mandate at 5, we brought the Island Life series forward to start at 5:30pm to allow them to be enjoyed by a larger audience during the 'drive time' slot.

In recent years, whilst our coverage of Island arts has been extensive, it hasn't featured in a dedicated programme in the same way we devote airtime to topics such as sport, language & culture. With support from the Isle of Man Arts Council, we initiated a new arts and creativity programme for the Island Life series, entitled Spotlight. This took to the airwaves in March 2017 and is produced and presented by station newcomer, Sarah Hendy. The programme focuses on the important role that creative endeavour plays in the vibrant social fabric of the Island and showcases the scale of the Island's creative industries. We are delighted this relatively new programme is already creating a good reaction from listeners.

Each Christmas we aim to offer listeners a mixture of seasonal programmes and one-off specials to provide a greater variety of entertainment over the festive season.

Our Christmas 2016 schedule featured highlights such as a radio drama in the form of A Christmas Carol produced by local theatre groups; Christmas in Days Gone By produced in conjunction with the IOM Alzheimer's Society; Merry Movie Music Classics; Christmas Day Praise with Judith Ley; Michelle Jamieson at the Musicals; Rock 'N Roll Classics; James Davis in Conversation with...; Festive Bloopers; Gone but not Forgotten with David Callister; and Politics by the Fireside with John (Moss) and James (Davis). Additionally, not forgetting sports fans, there was live coverage of the Boxing Day Cup Final as well as the traditional Sports Review of the Year.

Our Christmas programme schedule was well received by listeners:

***"Manx Radio has really been at its best during the Christmas - New Year period" - Phil***

Manx Radio is also committed to offering the widest choice of musical styles possible to our audience. These are featured in niche interest, specialist music programmes which reflect the vibrant music scene in the island. Each weekday evening we present a different traditional music programme at 9pm such as Brass Bands, Traditional Folk music, Opera, Country and Big Band. In early 2017 we also re-introduced a Jazz programme Jumpin In presented by brothers Howard and Chris Caine.

Additionally, we offer rock on a Saturday night, a specialist 60s programme every Saturday morning in Carnaby Street with Chris Williams, a Friday night showcase of 70s, 80s & 90s music in Triple Gold with Paul Corkish and sessions, and a focus on local contemporary music, on the Sunday Soundtrack with Christy DeHaven.

These specialist music programmes are also available digitally on demand following broadcast and a number of them feature in our recently launched "Night Shift" series commencing at 1am every day.

**vii. meeting the station's fm speech quota**

On our 'test day' on 16<sup>th</sup> February 2017 we delivered 43.59% speech solely on our FM network and this excluded all commercials.

**viii. alternative programming**

Manx Radio is committed to delivering choice to our audience.

Alongside our FM network, we continue to run the AM network on 1368 KHz to provide complementary programming. In addition we now provide exclusive programming digitally online via our website and social media feeds to meet the audiences demand for evermore online content.

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.

Our two Manx language programmes are also broadcast on this network, offering an alternative choice of listening for those fluent in Manx and for those looking to improve their Manx language skills.

The AM network 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.

This programming output is not included for the speech quota analysis. During a busy week it can take the daytime level to around 60% speech when combined with the FM output.

### 3. audience research

In last year's annual report we said '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'.

There is no disputing that our Rajar figures for Q2 2016 were hugely disappointing and marked the first time the station's Reach had gone below 50% - even if it was only for two research periods.

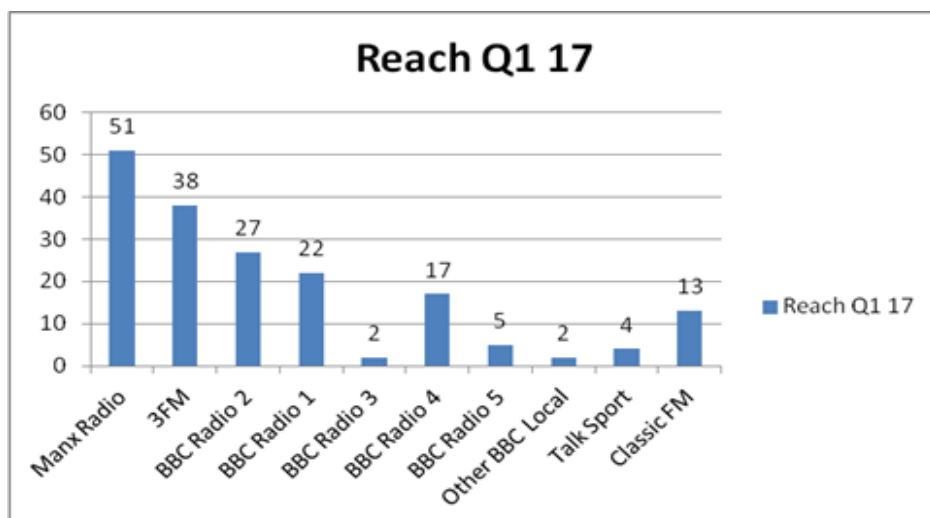
We've identified a number of factors that will have played their part in adversely affecting the data. In Q2 2015 we experienced a peak in weekly reach of 63% following the launch of the new programme Women Today. However, Manx Radio's coverage of Brexit in the run up to the UK referendum did not, possibly, reflect the real interest in the subject displayed by the Isle of Man public, so listeners went elsewhere to seek this information. It is these extreme swings that were the main contributor to the large drop in audience that quarter as the Rajar figures are averages over a whole 12 month period.

We are pleased, however, that the audience figures have shown growth and it reflects that our audience is now returning to us.

	Manx Radio 2016/17				
	Q1	Q2	Q3	Q4	Q1
Monday - Sunday Weekly Reach	41,800	35,500	35,400	37,400	37,400
% Reach	58	48	48	51	51
Total Hours ('000's)	471.5	348	347	400.6	410.2
Average Hours	11.3	9.8	9.8	10.7	11
Market Share	30.5	23.9	24.6	28.2	28.7

Whilst 93% of the Island's population listen to some radio each week, many interact more regularly with us through our website, Facebook and Twitter feeds. They consume the information we publish via digital media and do not necessarily listen to as much of our radio output. This trend is likely to continue.

However, it is still pleasing that Manx Radio continues to be the most listened to radio service in the Island by a long way. This reinforces the fact that the information carried by Manx Radio continues to attract the highest number of listeners in the Island.



NB Energy FM does not subscribe to Rajar

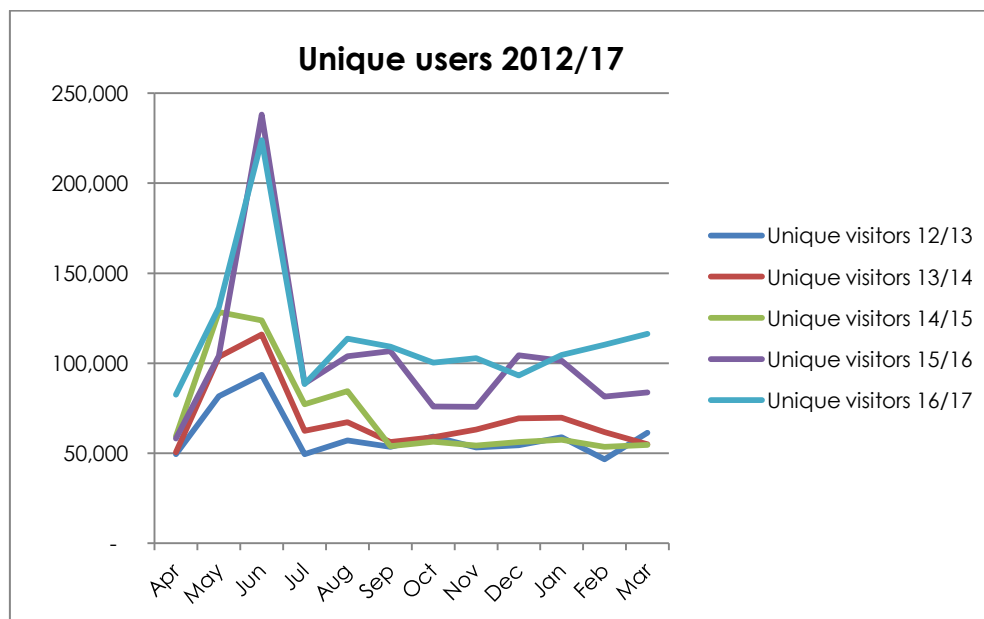


## 4. digital activities worldwide

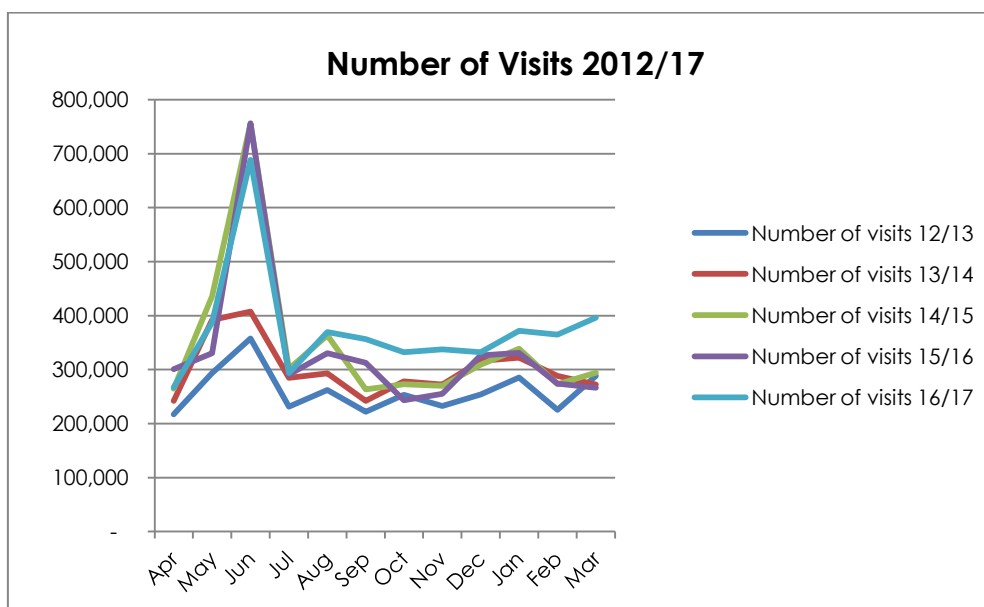
### i. website

Following the release of Manx Radio's new website in May 2015 we are delighted to report that the usage of our website continues to grow.

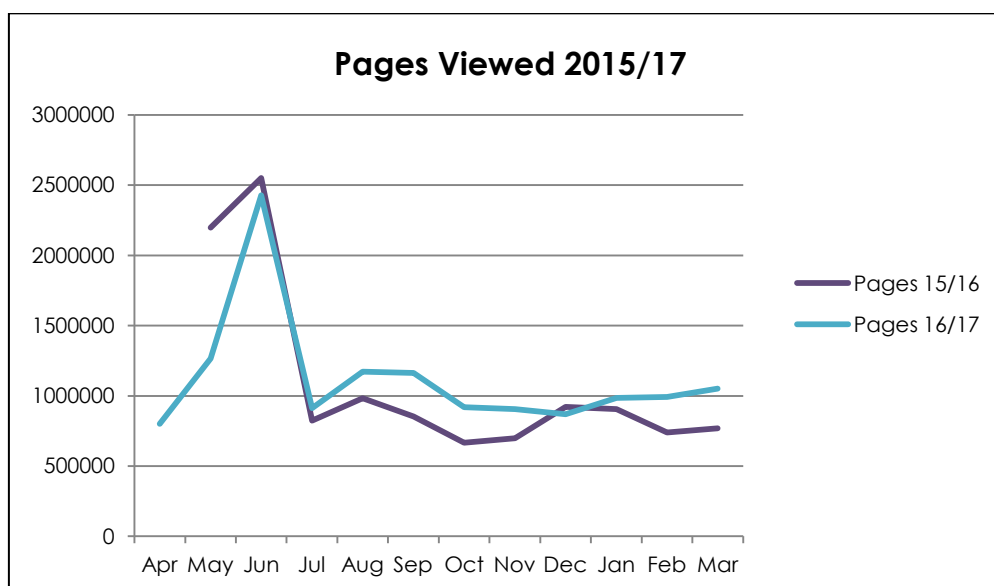
The number of unique users has grown by 12.6% over the last twelve months, the number of visits to the site by 11.1% and the number of pages visited up by 11.2%. The number of unique users over the last five years to manxradio.com is as follows:



The number of visits has also grown from 4.018 million to 4.498 million over the year and demonstrates an increase in demand year on year over the last five years:



The number of pages visited also continues to grow but we only have comparable statistics from the period from May 2015 as shown:



In the run-up to the 2016 election period we created a dedicated election micro-site to draw the electorate's attention to the comprehensive cover Manx Radio provided.

The site included audio and video interviews with all the candidates, comprehensive information about them including their manifestos and information on each constituency.



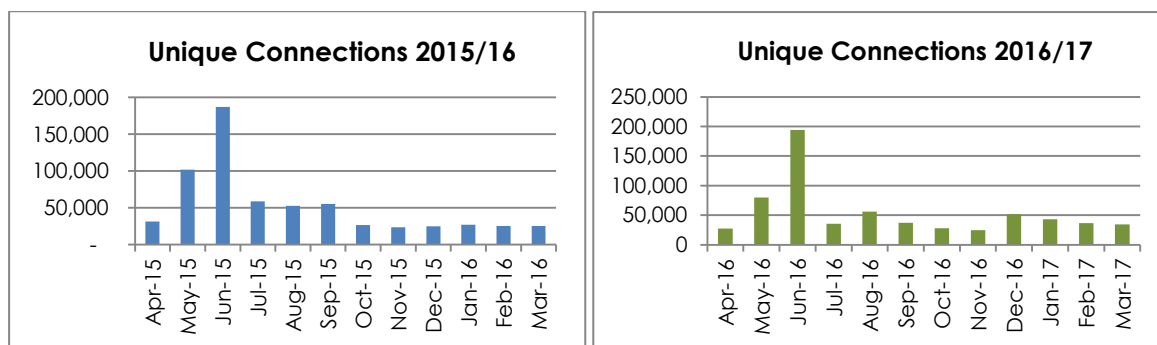
On election night itself the site was updated with the results of Manx Radio's exit polls as soon as the polling stations closed and with the results themselves as they were released.

The station received numerous compliments for providing a website that drew together all the election information in one easy to use site.

## ii. audio streaming

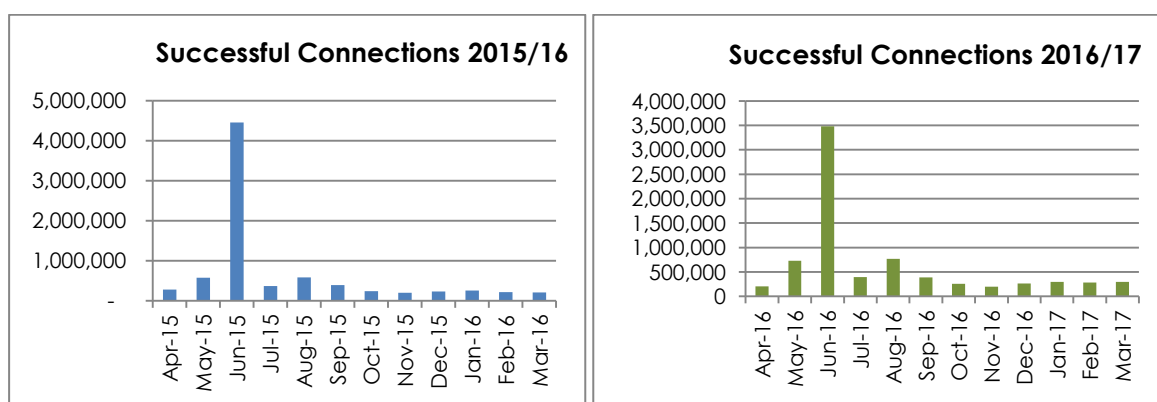
As in recent years, our TT coverage continues to draw the largest number of listeners to Manx Radio's audio streaming service. This can be accessed worldwide through our digital Radioplayer stream on computers and via apps on iPhone and Android smart phones.

The number of unique connections has again witnessed significant growth with average numbers up 54% to 54,002 from 35,021 in 2015/16, as detailed in the charts overleaf:



However, whilst continuing to remain impressive, the number of Successful Connections during TT was down from a peak of 4,455,010 in 2016/17 to 3,480,195 this year.

Nevertheless, the monthly average was up by 217% at 631,330 compared to 290,000 in 2015/16 and showed a considerable uplift in those tuning in to our Festival of Motorcycling coverage during August 2017.



These charts continue to show the importance of delivering our output to the audience across the appropriate and right platforms. It also shows how digital listening around the world is becoming increasingly important to listeners.

### iii. digital strategy - social media

Social media is now a vital tool for a media organisation such as Manx Radio. We use it not only to transmit content to our digital audience, but also to drive users to our website and traditional radio broadcasting.

This digital arena is one that will expand exponentially as the demand for digital content from smart phone users increases.

With this at the forefront of our mind, we launched a new digital strategy in October 2016, to re-focus our social media and digital offering to our audiences. The aim was to offer better engagement to people who may not interact with us in the traditional broadcast sphere but wish to access our content via social media and the web.

The Government's recent social attitudes survey showed that the majority of the Island's population now turn to the internet for news, proving that whilst we focus heavily on the efficiency of our traditional linear news broadcasting via the radio, the time has come to offer parity between on air and online. This introduces a paradigm change for broadcasters and a need to accept that it is equally acceptable to break stories online ahead of the broadcast.

As part of this drive we created the new Breaking News logo. We use this to illustrate that we have confirmed the initial thread of the story and are in the process of developing it by talking to witnesses, have a reporter on their way to the scene or looking to talk to those with a background to the story. By accompanying our initial story outline with a "more details to follow" tag it enables us to break the story at an early stage of its development. Some of the stories to receive this treatment include the election of a new Chief Minister and a fire at Hills Meadow.



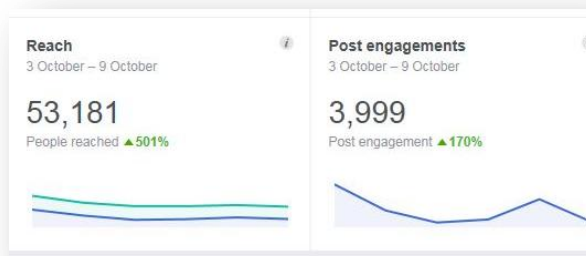
Providing more user friendly access to Manx Radio's facebook presence has been another core focus during this period.

In September 2016 the station had 26 Facebook pages and 5 twitter feeds. This has had the detrimental effect of diluting the company's brand and minimising the impact of our presence as our posts weren't being viewed by the maximum audience.

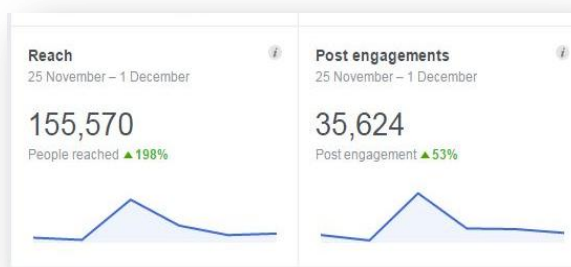
Following a promotional campaign, we permanently closed the majority of our Facebook pages in mid October leaving just the Manx Radio, Manx Radio TT, Manx Radio Praise and Manx Gaelic pages. We now have a single Manx Radio Twitter Feed and an official Manx Radio YouTube Channel as well as an Instagram account. As a consequence of this action, we are unable this year to provide comparison statistics for our social media activity, but this will be provided in future years.

All of our news feeds, programming posts, videos and photographs are now channelled through the main Manx Radio Facebook page, utilising hashtags to identify programme feeds, news and #iom stories. As a consequence, we have seen our levels of engagement grow significantly in all areas.

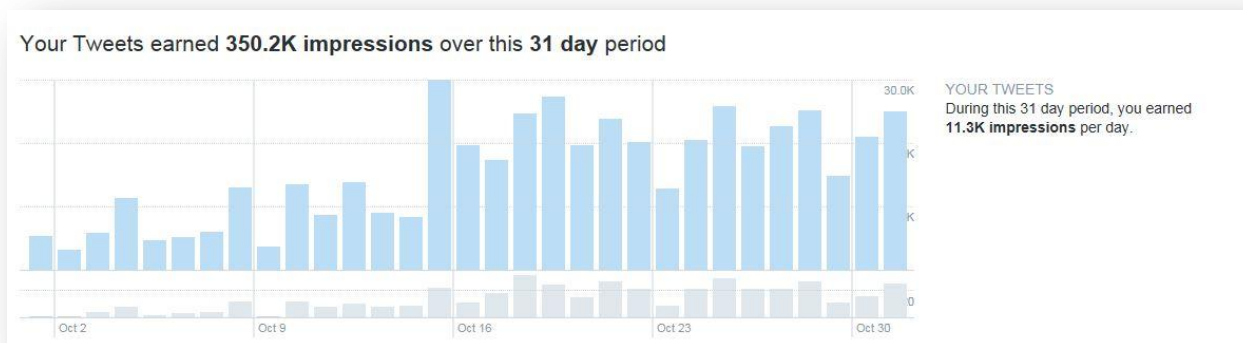
Prior to the implementation of the new digital strategy our typical Facebook engagement was as follows:



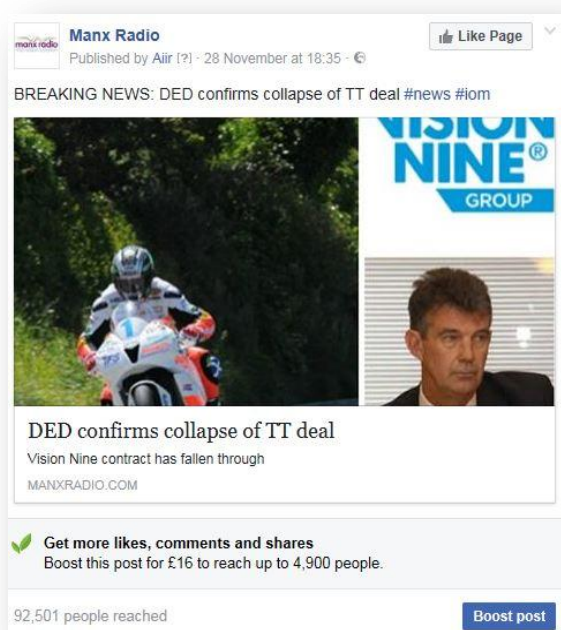
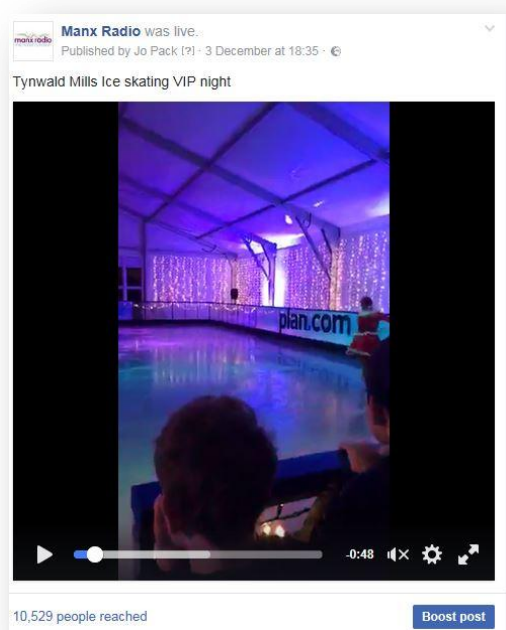
By 2<sup>nd</sup> December 2016, post our strategy implementation, we had been able to drive up our average Facebook engagement as follows:



Additionally, the graph below clearly shows the immediate impact our strategy had on our Twitter engagement following implementation on October 14<sup>th</sup>:



Aside from the success of also delivering Breaking News quicker via our Facebook page and use of hashtags, the reach of our posts has been steadily growing; significant examples include:



Since the implementation of this strategy we have seen significant growth in the levels of engagement online in our news feeds and the level of community and entertainment content. Additionally, the number of likes on the main Manx Radio Facebook page has continued to grow from 17,580 at launch to 19,280 at year end (31<sup>st</sup> March 2017).

#### iv. youtube and visual content

Manx Radio continues to explore the potential offered in the creation and provision of visual content online in its role as a media provider. We have utilised our YouTube channel to showcase videos from outside broadcasts, produced video trailers for significant broadcast and commercial competitions and launched an online video series entitled 'The Garage' with Chris Kinley focussing on personal interviews with road racers. The first episode reached an online audience of 205,000 on Facebook alone.

Kinetic content such as video is increasingly becoming the driver for the audience online and via social media. With mobile connection speeds increasing on an ongoing basis our audience is expecting more of this type of content from Manx Radio and it is an area that Manx Radio is actively looking to develop in the coming months. (See page 23).

## 5. commitment to the commercial sector

### key highlights of the year 2016/17

Manx Radio went into the new business year at a record level of pre-sold sales - £632,536. This was due to the outstanding success of the Amplify sales programme held in Q4 of 2015/16 and set the station on an excellent footing to meet the stiff targets that had been set.

In Q2 we suffered from the loss of an excellent Business Development Executive who had been a key part of our growth strategy and we faced the difficult task of recruiting a new key member of staff. It's always difficult recruiting media sales staff in the Isle of Man as there are very few individuals with sector experience and so the recruitment process was prolonged. Eventually, it was decided to provide training for an individual who showed tremendous potential but had no relevant sales experience.

Inevitably, this had a major impact on our ability to meet our targets throughout the year but our hunch worked well and we now have a full complement of fully trained sales personnel going into 2017/18.

Over the past 3 years the Manx Radio business team has been hugely proactive in their quest for revenue growth, but they've had to face a number of hurdles over the period. Nevertheless, Manx Radio has witnessed impressive advertising revenue growth and shows sector growth that outstrips average UK growth:



Manx Radio is constantly seeking new sources of commercial revenue but, try as we may, the £1m mark for advertising and sponsorship remains particularly difficult to exceed. We have only just managed to get back there having last witnessed this level of commercial revenue in 2008/09. This is due to the limited size of the Island, the licensing of two additional radio stations and the growth in ever more advertising opportunities for local businesses.

### smart social

As expected, our SMART Social management platform has reached a plateau in sales. Manx Radio was first to market with a management solution for Manx businesses and since then many more players have entered the arena. As the product was never a strategic one, due to the fact that it was managing a 3<sup>rd</sup> party platform, it is not something that we have been pouring more resources into and has been sold on an 'as and when required' basis.

### smart local focus directory

The local focus directory is a home grown development, being an innovative new style of interactive directory driven by radio. The web based platform is a full populated business directory with every business on the Island given a 'line entry' for free. We launched it to the business community at the very end of the 2016/17 financial year.

The opportunity is for businesses to 'upgrade' to a full page for their business giving them a mini web site within the directory that interacts fully with Manx Radio. Traffic is driven to the site via manxradio.com and on air promotion from the station's presenters.

Whilst the product was not launched to the public until the start of the 2017/18 business year, pre sales saw twenty four businesses sign up providing the company with significant new off-air revenues.

We've also witnessed significant interest in the product from a major UK radio group providing us with the opportunity to 'white label' the directory off-Island.

## **tt**

Revenues derived for Radio TT continued to remain flat whilst the cost of sales continued to rise as expected.

The event station, created some years ago now, specifically to bring extra revenue to Manx Radio, no longer delivers on that promise and indeed is heavily subsidised by the station. With the Department of Economic Development now securing all the major sponsorships associated with the event, there remain very few opportunities available to us to grow sales within the Island marketplace.

The consequence is that the Manx Radio Board has had to seriously consider whether Manx Radio can really afford to deliver this event station for the TT into the future.

## **in association** programme

The Manx Radio In Association programme supported 31 events this business year. Many events, both small and large, benefited from over £250,000 of advertising airtime in return for brand recognition for Manx Radio at the events. Just some of the organisations to benefit from this initiative include the Villa Marina & Gaiety theatre, Royal Show, Southern Show, IoM Food & Drink festival and the Service Players.

This is an extremely important programme both for our Island community and for Manx Radio itself as it not only supports important public events it helps keeps an awareness of Manx Radio in people's minds.

## **media** partnerships

Manx Radio was the media partner for the ISLExpo event held in May 2016. This was a major undertaking for the station including promotion of the event both on-air, digitally and live. The support for the event culminated in a full day's live programming from the Villa Marina.

The ISLExpo showcased the best of the Islands businesses and the best of what Manx Radio can deliver to support the Islands business growth.

## **the manx radio dream catcher** appeal

The Dream Catcher charity continued to support many good causes here in the Isle of Man. The committee decided not to hold the 'Heroes in the Community' annual ball this year and to 'rest' the event until 2017/18 before returning on a bigger scale.

During the year a part time (20 hours per week) fundraiser was employed to coordinate the efforts of the charity across the year. This has worked well so far and has raised the awareness within corporate and public domains.



## **6. engineering services**

### **replacement of am transmission service**

Throughout the year, Manx Radio continued to progress work on a future strategy for broadcast transmission platforms for the Isle of Man. As 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, 26 and 36 years old respectively. Much of this equipment has significantly passed its planned working life and considerable expenditure is required to maintain and replace it.

AM broadcasting is old, low-quality technology, AM receivers are becoming noticeably 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.

Additional work has been undertaken by Manx Radio in investigating further options for reducing the cost of setting up and running a DAB+ network for the Isle of Man and replicating some of Ofcom's pioneering work developing low-cost small-scale DAB, which has been used to help roll out local DAB across the UK. Manx Radio believes an Island-wide DAB+ network can be achieved for a cost effective sum and would provide opportunities for income generation and break-even as soon as 2022/23. Over the life of the transmission network we predict major savings for government.

On behalf of Treasury, the Communications Commission engaged UK transmission specialist Jack FitzSimons, to review Manx Radio's business case and proposals. The FitzSimons report was largely supportive of Manx Radio's strategy and business case, agreeing that DAB+ is the obvious replacement for AM, but based timescales on the life-expectancy and cost of maintaining the legacy AM infrastructure.

A structural integrity survey of the two AM transmission towers was subsequently commissioned from a specialist UK company, which confirmed the immediate need for maintenance to replace corroded step bolts on the masts, replace the guy wires, paint the masts and provide foundation treatment. Initial estimates show the work would cost well in excess of £100k if the towers are to be kept safe and operational over the coming years.

Treasury decision is to continue with the legacy AM technology and undertake the initial phase of essential structural maintenance on the Foxdale towers.

### **redevelopment of broadcasting house**

Work continued throughout the year with our Treasury-appointed project team on the minor capital work programme to address serious deficiencies at Broadcasting House. This work is driven by the need to improve accommodation for some of the staff, improve workflows throughout the building, provide safe access to Broadcasting House for pedestrians and ensure disabled access, as detailed in forthcoming legislation, is available.

Our design team has identified that the most cost-effective solution is to create an extension to address the difficult terrain and provide level, safe, access to the station. Planning permission has been granted following an appeal from neighbours.

While the scheme was being progressed as part of the ongoing programme of Tynwald-approved minor capital works, the architects and project team advised that, to achieve better value for money, the final stages should be progressed as a single build and refurbishment contract - albeit falling across a number of financial years. This larger single scheme is intended to complete the agreed programme of work and ensure Broadcasting House is compliant with disability regulation, is fit for purpose and supports Manx Radio's vision for the future.



The scheme is now being considered by Treasury's SACIC and we are optimistic that we can proceed to completion shortly.

### **new technologies**

For Manx Radio to continue to fulfil its public service remit and to optimise commercial opportunities, the station must continue to provide relevant content as well as being available on the platforms demanded by our audience.

In recent years, the explosive growth of Internet-based social media, fuelled by Smartphones and mobile data connectivity, has provided additional platforms for delivering on-demand mixed media content. Currently, over 19,000 users 'like' Manx Radio's Facebook page and around 140,000 users 'like' Manx Radio's TT Facebook page. Our web site has also seen the number of Unique Users grow by 12.6% in 2016/17 now reaching 1,376,205 during the year. Along with Government's 2016 Social Attitudes Survey reporting that 73% of people now use the Internet for news, as compared to Radio at 71%, the evidence for the value of Manx Radio's internet services is irrefutable.

To meet the demand and opportunities presented by these platforms, Manx Radio is planning to increase the level of video content through a concept known across the industry as Radio Visualisation.

Radio Visualisation is about enhancing existing services by making visual elements of programming accessible and shareable on social media and Internet-based platforms. The content should aim to reflect all elements of programming and include news, entertainment and education within its scope. There is a real opportunity to make Manx Radio's website a hub for IOM related video but much of the initial content is likely to be short edited video, delivered primarily through social media channels. To borrow a mantra from the BBC, our audience should be able to: Listen, watch & share radio.

Manx Radio is currently installing an automatic camera system in Studios 1 & 2 as the first phase of its Radio Visualisation strategy. The system integrates with existing equipment already used in Manx Radio's studios and will automatically record guests and in-studio activity, enabling the quick and simple posting of short edited highlights to social media platforms.

While supporting and maintaining existing income streams, opportunities exist to generate commercial revenue direct from Radio Visualisation and has already, prior to its launch, attracted a commercial sponsor. In addition to sponsorship around the Internet presence and video hub concept, opportunities exist for pre-roll commercial content to be added to video clips.

### **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 customer sites in the Island; and 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.

With the addition of ad hoc work undertaken throughout the year for other organisations, the engineering income for 2016/17 was ahead of target at £134,016.

## transmission

Transmission performance statistics for 2016/17 are:

	Actual	
% of continuous FM transmission across all sites		99.99%
Carnane (97.2 MHz)	99.94%	
Snaefell (89MHz)	100%	
Jurby (103.7MHz)	100%	
Ramsey (89.5MHz)	100%	
Peel (89.5MHz)	100%	
% of continuous AM transmission		99.99%
% of continuous web access		99.99%

## fm network

During the early hours of the 13<sup>th</sup> January, lightning damaged equipment and a telecom circuit feeding the main **Carnane** transmitter, resulting in this site being off for five hours. The service was restored by 07:30am. Other sites remained operational on back-up systems.

## am service

In October, also following a lightning storm, the main **Foxdale** transmitter shut down and the 36 year old backup transmitter failed to start. The service was, however, restored by Manx Radio's engineering team within half an hour. There have been a number of failures of the backup transmitter, when called into use during planned maintenance, which highlights the risk of relying on such old equipment. Planned outages at Foxdale were arranged for two days in October for antenna maintenance work and for a structural integrity survey of the towers to be undertaken.

## website

There were three occasions throughout the year when the performance of Manx Radio's website was significantly degraded, although never totally offline. The first two issues related to problems experienced by a third-party service provider that provides FTP services for the site. This created a temporary loss of news pictures and minor functionality. The third problem occurred during election night when additional servers, intended to come on line to meet increased demand, failed to start. This resulted in the website running very slow and unresponsive for a couple of hours. The service provider that hosts the website rectified the issues and assures us that the underlying problem has been addressed.

## 7. **corporate** governance

The non-executive directors of the company in 2016/17 were:

Bill Mummery - Chairman  
Charles Guard  
Sally Roberts- Chair of the Audit Committee  
Chris Eaton - appointed 21<sup>st</sup> July 2016

### i. **audit** committee

The Audit Committee met in July 2016, October 2016 and in March 2017. The requirement for 3 non executive directors was satisfied by the appointment of Mr Chris Eaton to the board of directors. The Audit Committee members at 31 March 2017 were Mrs Sally Roberts FCCA (Chair), Mr Charles Guard and Mr Chris Eaton LLB (Hons), C Dir.

The role of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities. Oversight of the company's relationship with its auditors is a principal duty as is the review of the financial management and internal control processes.

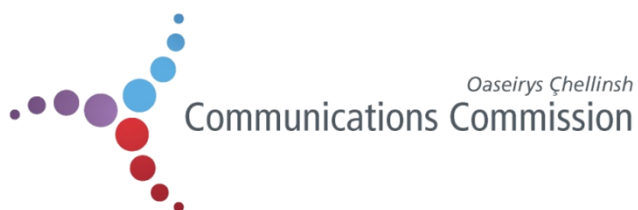
During the year the Audit Committee has overseen the proposal for a more modern Articles of Association and has provided guidance on a revised risk management reporting process in addition to carrying out its defined responsibilities.

### ii. **remuneration** committee

The Remuneration Committee, which consists of the company Chairman and three non-executive directors met twice in March. The Managing Director, who is the Company Secretary, is secretary of the committee.

It is chaired by the Chairman of the Audit Committee, Mrs Sally Roberts and its main role is to oversee the remuneration terms, which include pension rights and compensation schemes, of the senior management of Manx Radio. The remuneration of the non-executive directors is agreed at the company's AGM by the shareholder.

## 8. the communications commission compliance report



### MANX RADIO – STATEMENT OF COMPLIANCE 2016-17

The Communications Commission partially upheld 1 formal complaint during the period under report, in that under Section 2.14 of the Programme Code a complainant was not offered a right of reply. We note that an apology has been issued and the complainant has since been offered a right to appear on air.

On behalf of the Commission.

A handwritten signature in blue ink, reading 'Carmel McLaughlin', is positioned below the text 'On behalf of the Commission.'.

Dr Carmel McLaughlin  
Director

21 April 2017



89 • 89.5 • 97.2 • 103.7FM and 1368AM

**manxradio.com**

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