



An application for
the Edinburgh Radio Licence

Executive Summary

Catering for local tastes and interests & Broadening choice

- Extensively researched programming which addresses the significant market gap for a station for those aged 45-64, with considerable appeal to all those 35+.
- A music policy which meets the proven demand for gold music and specialised music programming.
- A locally unique commitment to in-depth local news coverage, with a minimum 60% local news guaranteed.
- Extensive information, discussion, debate, entertainment and listener interaction as befits the nation's capital.
- A champion for local causes, opportunities and talent.

Dem and support

- A programme policy devised as the result of five discrete pieces of research.
- A great new radio service for a large, and growing, mature audience.
- An extensive list of over 300 supporters representing all aspects of Edinburgh life as a result of five years of consultation.
- A Supporters Forum of almost 100 prominent individuals committed to ensuring the success of the station.

Ability to maintain the service

- A strong Board of Directors representative of Edinburgh with a long-term commitment to the city supported by media partners Em ap Performance and The Scotsman.
- Demonstration of commitment with a five-year campaign to bring a new and exciting local station to Edinburgh including three trial broadcasts.
- A realistic business plan, combining prudent expenditure with achievable local sales and backed by a top-performing national sales team.

GENERAL INFORMATION

(a) Name of Applicant, Address, Telephone and Fax Nos., E-mail address

This must be a single legal entity: either a body corporate or a named individual person. If the former, a copy of the certificate of incorporation must be included with the application.

Edinburgh Radio Ltd
117 Hanover Street
Edinburgh
EH2 1DJ
castlefmedinburgh@yahoo.co.uk
tel: 0131 661 0068

(b) Main Contact (For Public Purposes)

Please nominate at least one individual to deal with any press or public enquiries, stating:

Name:Ian McAteer
Telephone (daytime):0131 661 0068
Address:Castle FM
PO Box 23353
Edinburgh
EH2 1WJ
E-mail address:castlefmedinburgh@yahoo.co.uk

(c) Main Contact (For Ofcom Purposes)

Please nominate one individual to whom questions of clarification and/or amplification should be sent:

This information has been submitted in confidence.

(d) Proposed Station Name (if decided)

Castle FM (Castle FM Ltd is a wholly owned subsidiary of Edinburgh Radio Ltd)

(e) Brief Description of Programme Service

Provide a one-sentence statement summarising the type of programme service or format proposed.

A stylish mix of gold music, relevant news and information, and lively speech and debate, aimed primarily at those aged 45-64, with a distinctive Edinburgh focus.

SECTION 105 (A):

ABILITY TO MAINTAIN PROPOSED SERVICE

1. Ownership and control of company which will operate the licence

(a) Board of Directors

(i) Provide the name, occupation, other directorships, other media interests, background and relevant media experience of each director (executive and non-executive), including the proposed chairperson.

The Board of Edinburgh Radio Ltd (trading as Castle FM) has already been working together for more than five years. Its collective expertise will allow Castle FM to function as an effective business entity from day one. Support from shareholders, particularly Em plc, will be important, but the individuals described below combine exceptional business expertise, local knowledge and media experience. Their commitment and talent has already advanced the idea of an Edinburgh radio station to application stage. They are now ready to deliver that station in the form of Castle FM.

Name Andrew Neil (Chairman)
Occupation Publisher
Other Directorships None
Other media interests Publisher - Press Holdings
Presenter - BBC TV political programmes

Background and relevant media experience

Andrew Neil is one of the UK's foremost newspaper editors and political broadcasters. Born in Scotland, he graduated with an MA in Political Economy and Political Science from the University of Glasgow. Recently awarded an honorary doctorate from Napier University Edinburgh, he was elected as Lord Rector of the University of St Andrews in 1999.

He has enjoyed a distinguished career in the print media, as correspondent and editor of The Economist, in both the UK and US, and for 11 years, as editor of The Sunday Times. Simultaneous to this, he presided over high-profile launches, including Sky Television which brought multi-channel TV to Britain. In 1999 he launched The Sunday Business, now The Business, which quickly became a critical and circulation success. Since 1996, he has been publisher of Press Holdings, the owners of The Business in London and The Scotsman, Scotland on Sunday and Evening News in Edinburgh.

As a broadcaster, he has made regular appearances on both sides of the Atlantic, anchoring and interviewing for topical and political programmes. He is now one of the BBC's leading political presenters on programmes including The Daily Politics (BBC2) and This Week (BBC1).

As a business consultant, he has been involved in European digital development, as well as advising on the acquisition and development of a number of publications. He is much in demand as a lecturer in British and European politics and economics, and he has addressed the world's major IT companies on the impact of information technology on business.

Andrew is a highly effective chairman with an extraordinary ability to cut to the heart of important issues and ensure their successful resolution. He brings unrivalled and wide-ranging journalism experience and a keen commercial drive.

Background and relevant media experience

Sheena is one of Scotland's most respected and cherished broadcasters. Born in Fife, she graduated from Edinburgh University and took post-graduate studies at Bristol University.

Sheena's career in journalism started as a teenager with Mayfield Radio, a non-commercial hospital radio station in Edinburgh. After graduating, she joined BBC Radio Scotland, working as a reporter, presenter and producer, before moving to Scottish Television in 1981, where she made documentaries, arts and books programmes and presented the national news programme Scotland Today.

In 1986, Sheena began her immensely successful freelance career which has included presenting programmes as diverse as Channel Four News, BBC Radio 4 World At One and BBC World Service International Question Time. Her current work encompasses live and recorded broadcasts on TV and radio on national and international affairs, domestic politics, arts and media and topical debates and interview programmes. Her press work has included writing for The Guardian, The Independent, the Daily Express and the New Statesman, and currently includes a weekly column for the Scottish Sunday Express. She also chairs non-broadcast debates and conferences, as well as doing a variety of corporate work.

In 1995, she won the first ever Women in Film and Television Current Affairs Award, and was given an honorary doctorate by her alma mater the University of Edinburgh in 2000, with further doctorates in later years being granted by the universities of St Andrews and Glasgow.

Throughout her media career, Sheena has been a significant supporter of the arts in Scotland. She has served on the Edinburgh Festival Council, and has been a board member for Scottish Ballet, Scottish Opera and Edinburgh's Traverse Theatre, the board of which she chaired for 7 years. She is currently a member of the Advisory Councils for Arts and Business and the Talbot Rice Art Gallery in Edinburgh.

Sheena brings particular expertise in news, current affairs and the arts. She adds in portanant profile and credibility to the group, and is the director w ith particular responsibility for the Castle FM Supporters Forum . Sheena will contribute to the station's sum m ertaining school for aspiring broadcasters and will be an occasional contributor and broadcaster on air.

NameRoy M cGregor (Non-Executive Director)
 OccupationCompany Director
 Other DirectorshipsM cGregor Young Ltd
 Cheshire Vehicle Windows Ltd
 Alert Safety Technologies Ltd
 Camuts Ltd
 The Muirfield Partnership
 Other media interestsNone

Background and relevant media experience

Roy is a former banker who has a proven track record as a successful businessman. Born in Aberdeen he was educated at Hawick High School & Perth Academy and at the age of 15 he joined TSB.

Roy enjoyed an extremely successful 35 year career with the bank during which he held a number of senior executive posts. He led the bank's marketing and business development before becoming Retail Director responsible for TSB's 500 strong branch network covering all Scotland and North of England (from Shetland to Sheffield). He was part of the senior core team responsible for the bank's flotation, before moving into various troubleshooting roles, eventually becoming Chairman and CEO of the Group's national estate agency business. Here he turned a number of loss-making companies into profit before merging them with Lloyds Bank Black Horse Agencies prior to the combined business being sold.

Roy left Lloyds TSB to set up his own consulting business specialising in company turnarounds and international retail banking. He became a well known Business Angel, and built a portfolio of investments in a range of young and emerging businesses in the central belt including those in advertising, PR, e-commerce, design, clothing, manufacturing, IT, public transport, tourism and leisure, mechanical engineering and new technologies. As a banking consultant, he has worked in Greece, Cyprus, Turkey, Malaysia and mainland Europe.

Roy is chairman of M cGregor Young Ltd, the UK's leading manufacturer of glazing systems for commercial vehicles and public transport. He is also chairman of Alert Safety Technologies Ltd, an award winning development company created to bring to market a revolutionary emergency escape device for railway, bus and buildings. He is director of Camuts Ltd, an advisory service for the car buying public, and owner of Muirfield Consulting.

Roy's charity activities included serving for four years as Chairman of Rehab Scotland, a group helping to rehabilitate people with physical and mental disabilities into the community.

Roy's wide business experience over a range of industry and service sectors coupled with his high ranking financial expertise is invaluable to Castle FM. He is the kind of director that every board needs: someone who asks the difficult questions. He is a shrewd investor who is relentlessly focused on the commercial success of his enterprises, largely by ensuring their products distinctiveness.

NameGus Mackenzie (Non-Executive Director)
 OccupationManaging Director, Key 103
 Other DirectorshipsPiccadilly Radio Ltd
 Other media interestsNone

Background and relevant media experience

Gus is one of commercial radio's most dynamic and successful managing directors with an exceptionally wide range of media experience. Born, bred and educated in Glasgow, he began his career working with Rex Stewart Advertising followed by a successful sales career with Thomson Yellow Pages. He moved into press in 1978 with Scottish and Universal Newspapers before being appointed Advertising Manager of the Evening Express with The Press and Journal Group.

A move to London followed as General Sales Manager of Universe Publications where Gus expanded his media portfolio to include newspaper publishing, magazines and national directories. He returned to Scotland in 1989 to manage the Bus Advertising Division of Primelight Ltd and was promoted to Sales Director the following year.

In 1992 Gus was part of a successful management buy-out of the Bus Division which went on to launch Metrobus Advertising Ltd. After a difficult start up, the business took off and became the largest in the UK with a 30% market share. In 1995, Gus took a year out to travel and returned to the commercial arena in 1996 to take up a post as National Sales Manager with Thomson Directories.

In 1999, Gus joined Independent Radio Group as Managing Director to launch a new radio station in Dundee, Discovery 102. Despite having to change the name six months after the launch, Discovery proved to be a great success. The newly-named Wave 102 achieved a first RAG reach figure of 24%, one of the most successful launches in commercial radio. After the Wireless Group took over in 2000, Gus was appointed joint Managing Director for both Wave 102 and 96.3 QFM in Paisley. A successful re-brand and relocation of QFM into Glasgow followed.

An approach by Emip in Autumn 2001 led to Gus taking up a position as Managing Director of Hallam and Magic in Sheffield. Hallam now ranks as one of the best stations performing in the Group: during Gus's tenure audience and revenue figures grew substantially. The naming of the Hallam FM Arena in Sheffield, spearheaded by Gus, has been recognised as one of the most significant marketing successes in commercial radio. Gus has recently been appointed Managing Director of Key 103 in Manchester, Emip's biggest station outside London, where he is continuing to implement his winning management formula.

Gus contributes his immense experience in radio and media management. He will be particularly involved in mentoring Castle FM's Managing Director and will provide the gateway to support from Emip.

NameEric Milligan JP (Non-Executive Director)
OccupationConvener of the Lothian & Borders Police Board
Other DirectorshipsNone
Other media interestsNone

Background and relevant media experience

Eric Milligan is one of Edinburgh's most respected and best known personalities, and is widely acknowledged as one of the finest ambassadors of the city. Born in the capital, Eric was educated at Tynecastle High School and Napier College.

Eric entered the world of politics in 1974 when he became a councillor for Edinburgh District Council. He quickly moved up the political ladder, becoming a councillor on Lothian Regional Council from 1978 and taking up various positions including Chairman of the Finance Committee and Convener of the Region.

In 1996 Eric was elected Lord Provost of Edinburgh and secured a second term in office in 1999. He is also Lord Lieutenant of Edinburgh.

In 1999 Eric was awarded an Honorary Degree from Napier University followed a year later by an Honorary Fellowship of the Royal College of Surgeons. He is Director and Chairman of the Edinburgh Festival Society, the Edinburgh Military Tattoo and a Director of the former Royal Yacht Britannia. A keen sports fan, Eric can be found cheering on the Scotland rugby team at Murrayfield and regularly attends Tynecastle Park in the city to watch Heart of Midlothian football club. He is also Honorary Sponsor of the American Scottish Foundation and was recently appointed Chair of Scotland's 'First Impressions Task Force'.

Eric offered Castle FM his support from the earliest days, and joined the board in February 2002. A listened-to and trusted local figure with an exemplary record in public life, Eric has an invaluable role in linking with local community, and keeps the board on track with what matters to Edinburgh.

NameAndrew Murray (Non-Executive Director)
 OccupationManaging Director
 Other DirectorshipsAzur International Ltd
 Azur Developments Ltd
 West Coast (Glasgow) Ltd
 Castle FM Ltd
 Other media interestsNone

Background and relevant media experience

Andrew is a successful businessman with a proven ability to make things happen. Schooled in Edinburgh at Blackhall Primary and Broughton High School, Andrew trained in the aluminium industry in Manchester and Coventry rapidly rising to the position of Sales Manager at the tender age of 19 whereupon he was headhunted to join a breakaway company.

At the age of 21, his ability was such that his brother, David Murray, approached him to set up a new aluminium stockholding company, Multi Metals Limited, a subsidiary of the Murray International Group. In the subsequent 20 years Andrew was instrumental in developing the company into one of the largest privately owned stockholders of aluminium in the UK, with a turnover approaching £20 million. Andrew then led a multi-million pound management buy-out of the company to form MCG Holdings, of which he became Chairman.

Andrew is a passionate Harley Davidson motorbike fan. He fulfilled a life time ambition by jointly opening West Coast Harley Davidson 5 years ago, which has established itself very firmly as the leading Harley dealer in Scotland. A self-confessed 'petrolhead', he has recently set up another motoring venture, Azur International, a car company specialising in the top end of the market, creating and sourcing customers' dream cars.

Andrew is Castle FM's deputy chairman. As a respected local businessman, he is an important link to the commercial community generating significant revenue for Castle FM's RSLs. He is a practical and enthusiastic person and is a key driving force behind Castle FM's bid. Andrew steps effortlessly into the chair when Andrew Neil is unavailable, and co-ordinates the efforts and talents of his colleagues effectively.

(ii) If there are firm plans to appoint any further directors, provide information (with details of any specific individuals in mind). This information may be submitted in confidence.

In due course, the board will appoint Castle FM's Managing Director.

b) Proposed Investors and Shareholding Structure

Summary of Castle FM shareholder involvement

Castle FM initially comprised investments from individuals based in Edinburgh, who started to lobby and campaign for an Edinburgh radio licence as far back as 1999. The company's strategy included involving appropriate media partners in due course, and this statement sets out the approach taken to choosing those partners.

In July 2003 the Castle FM board decided that its plans to provide Edinburgh with its own local radio station would benefit from the inclusion of an established major media partner to support the campaign with radio expertise. Having hosted several presentations by major groups, the board decided to invite Em ap Performance to become shareholders in the venture. Castle FM was impressed by Em ap's strong performance in the radio sector, their commitment to backing local teams, and their national sales delivery. Em ap has been responsible for constructing the approach to research, overseeing the research process and the production of the application.

In July 2004 an approach was made to Castle FM by The Scotsman Publications Ltd. The Scotsman had been contacted by a number of bidders for the licence and its board had become sufficiently interested in the licence to seek an involvement in a new Edinburgh station. Deciding to reject the approaches that had been made to it, The Scotsman instead approached Castle FM. After careful consideration the board decided to offer The Scotsman 10% of the unallocated equity and an agreement between both parties was reached in August 2004. The Scotsman adds considerable weight to Castle FM's campaign with a reputation for substance, authority and credibility.

Full details of the proposed shareholding structure should be provided, including:

- (i) Names and addresses (the latter may be submitted in confidence) of all existing or proposed shareholders.
- (ii) Total number, class/classes of shares and issue price of shares (specify voting, non-voting, preference, other etc.).
- (iii) All voting shareholders and holders of 5% or more of non-voting shares and loan stock should be named. State the number, class/classes and price of shares to be issued to each investor.

The addresses for individual shareholders have been submitted in confidence and can be found in appendix one.

Name	No of shares	% holding	£ investment	% £
Andrew Neil	250,000	10%	250,000	10%
Andrew John Douglas Murray	250,000	10%	250,000	10%
Gifford William Bruce	250,000	10%	250,000	10%
Roy McGregor	250,000	10%	250,000	10%
Dr Sheena Elizabeth McDonald	150,000	6%	150,000	6%
Elizabeth Margaret Kerr	100,000	4%	100,000	4%
Eric Milligan JP	100,000	4%	100,000	4%
Sir Angus MacFarlan Macleod Grossart	100,000	4%	100,000	4%
Sir Tom Farmer CBE KCSG	100,000	4%	100,000	4%
Ian McAteer	100,000	4%	100,000	4%
The Scotsman Publications Ltd	250,000	10%	250,000	10%
Em ap Performance Ltd	499,999	20%	499,999	20%
Unallocated	100,001	4%	100,001	4%

All shares will be issued at par and are voting shares.

(iv) Outline any shareholders agreements or arrangements which exist.

A shareholders agreement exists between nine individuals, Em ap Performance Limited, The Scotsman Publications Ltd and Edinburgh Radio Limited. The individuals acquired between 4,000 -10,000 shares each. Em ap Performance holds 19,999 of issued shares and The Scotsman Publications holds 10,000 shares.

Shareholders cannot dispose of shares without prior approval of 75% by value of the remaining founder shareholders. 75% of shareholder approval is required in order to amend Articles of Association, to change rights attaching to shares, for any application to list on the Stock Exchange, for the payment of a dividend, the raising of any indebtedness in excess of £100,000, for the creation of any charge in relation to the indebtedness, to acquire an asset in excess of £25,000 and to apply for any other radio licence.

The agreement will terminate immediately if the shares are listed on a securities market, or if only one shareholder remains holding shares in the company.

(v) Where a corporate body other than a current Ofcom licensee will be providing 30% or more of the required funding, details should be given of its directors and main shareholders, and of its activities.

Not applicable

(vi) Ofcom may request additional information (e.g. a banker's letter, statutory/management accounts) regarding the shareholders, or any other providers of finance, listed in the application.

All funding has been confirmed to Edinburgh Radio Ltd and copies of the relevant documents are on file and available for inspection by Ofcom.

(c) Involvement of the Applicant in Specified Activities

Details are required of the involvement by the applicant and its participants (including shareholders or other subscribers of more than 5% of the applicant's total funding requirements) in any of the activities listed below, and the extent of the interest.

- (a) Advertising agencies;
- (b) Newspapers;
- (c) Other broadcasting interests;
- (d) Bodies whose objects are wholly or mainly of a religious nature;
- (e) Bodies whose objects are wholly or mainly of a political nature;
- (f) Local authorities;
- (g) Other publicly-funded bodies.

* Applicants should note that this information is required for the purposes of checking compliance with the ownership rules, and is not relevant to an applicant's ability to maintain its proposed service.

Andrew Neil	(b) Publisher-Press Holdings (c) Presenter-BBC TV
Sheena McDonald	(b) Newspaper columnist (see CV) (c) Television & Radio presentation (see CV) (g) Various arts organisations (see CV)
Em ap Performance Ltd	(c) Em ap Performance Limited owns 100% of the shares in the following companies: Box Television Limited Em ap Metro Ltd (A) Em ap Pop Ltd (A) Glasgow 5 Magic FM Limited Kewang Radio (West Midlands) Limited Kiss FM Radio Limited Magic 105.4 Limited Metro Radio Limited Piccadilly Radio Limited Radio Aire Limited Radio City (Sound of Merseyside) Limited Radio Hallam Limited Red Rose Radio Limited TFM Radio Limited Viking Radio Limited Em ap Performance Limited owns 27% of the shares in Scottish Radio Holdings plc Em ap Performance Limited owns 50% of the shares in CE Digital Ltd Em ap Performance Limited owns 51% of the shares in Radio South West Limited Em ap Performance Limited owns 100% of the shares in Em ap Digital Radio Limited Em ap Performance Limited owns 100% of the shares in Box Television Limited
The Scotsman Publications Ltd	(b) The Scotsman Publications Ltd publishes The Scotsman, The Edinburgh Evening News and Scotland on Sunday and The Business

2. Financial and business plan

(d) Overall Financial Strategy

Establishing the Proposed Service

Economic and social factors¹

The demand for a new adult radio service dedicated to those who live, work or identify with Edinburgh rather than Central Scotland or East Central Scotland has been growing for several years. This is hardly surprising. Edinburgh is a fiercely proud, determinedly independent city which regards itself as the major city of Scotland - the capital city, the centre of Scottish finance, a world player in financial markets, Scotland's major tourist attraction, and home to arguably the world's finest arts and entertainment festival. The city is not just part of a region and a new radio service that identifies with those convictions and aspirations will be successful.

In the five years that Castle FM has campaigned for a new licence in Edinburgh, we have undertaken a careful assessment of the economic characteristics of the local market place. The conclusions we have reached identify, as illustrated on page 29, that an economically sustainable gap exists in the market for a locally resourced and programmed radio station targeting the older end of the market.

Turning first to the area which Castle FM will target, it is obvious at every turn that Edinburgh is a buoyant city:

- Although the population of Scotland as a whole is set to fall below 5 million, Edinburgh's total population is set to grow from 454,472 (2001) to 470,841 (2016).
- Within this Edinburgh's labour market is set to grow, from 296,667 (2004) to 319,590 (2014). Edinburgh has the highest percentage of population economically active (66%) of nine major UK cities.
- Edinburgh is a commuter city; over 30% of the working population travel in from outside, and all travel and transport trends show significant increases.
- Between 1991 and 2001 Edinburgh was one of the UK's fastest growing cities, with a 7% population increase, compared to declines in Glasgow, Liverpool and Manchester. Only Leeds at 5% growth comes close.
- Average gross weekly earnings in Edinburgh are 12% ahead of the rest of Scotland and 3.5% ahead of the rest of the UK.
- In terms of 'income and wealth' Edinburgh used to rank 111th out of 408 British local authorities in 1999, but by 2002 had risen to 87th.
- Edinburgh ranks in the top 20 of 45 European cities for growth prospects over the next five years.
- Edinburgh's unemployment rate, at 2.5%, is below both Scottish and UK averages.
- Edinburgh is Europe's second largest banking centre with a market value in excess of £60 billion.
- Edinburgh is HQ to two of the world's top banking groups, RBS (5th largest) and HBOS (18th largest). RBS has demonstrated its commitment to Edinburgh with the building of a brand new HQ complex near the airport.
- Edinburgh's airport, with over 7 million passengers p.a. is growing by c12% p.a., making it one of the UK's fastest growing airports, outstripping growth of 7% at Glasgow.
- House prices have been growing in excess of 20% p.a. ahead of the rest of Scotland.
- Edinburgh's retail sector is strong, with, for example, a new Harvey Nichols store in the city centre. Edinburgh now ranks in the UK's top ten for 'most sought after retail locations'.

¹ Sources used in this section: Scottish Neighbourhood Statistics, City of Edinburgh Council, Companies House, National Statistics April 2004, 2001 Census, New Earnings Survey, Civil Aviation Authority, Focus 2003, ESPC, Cambridge Econ

- The only existing commercial radio station with anything like an Edinburgh focus, Radio Forth, has consistently produced operating profits in excess of £1 million p.a.
- Edinburgh is a thriving tourism centre. Voted 'Best City in the UK' two years running by Condé Nast Traveler magazine, Edinburgh is home to the world's largest arts festival and the world's biggest ticketed street party at Hogmanay.
- Devolution, and Edinburgh's new Parliament building, has created a new political focus in Edinburgh.

The above indicators augur well for the economic, cultural and social prospects for Edinburgh, and indicate that a new radio station focused on the City (as opposed to the greater Central Eastern Scotland region) is a highly viable commercial enterprise. They also give a flavour of the potential programming of a new station.

Audience and demographic factors

When considering the viability of the target audience (which is explored in more detail subsequently) it is immediately obvious that the older age group in Edinburgh is poorly served by commercial radio. According to RAJAR², over 60% of all BBC listening in the area by over 45s is to stations based in London. Given that 80% of Scots³ consider themselves Scottish rather than British, and the loyalty to other home-grown media (such as newspapers), there is clearly a lack of appealing and locally relevant radio choices for this age group.

Population trends support Castle FM's thinking on the demographic targeting of a new station for Edinburgh. Like the rest of the UK, the city's population is rapidly ageing. For example the 25-44 age group numbered 134,717 in 1991. Although it rose to 144,531 in 2001 and is forecast to grow to 150,251 in 2006, it will then decline back to 137,358 in 2016. Therefore whilst there is a short-term opportunity in this age group (which as we shall see below is already well served by commercial radio) we do not see this as the key opportunity.

In contrast, the 45-64 group was 90,514 in 1991, grew to 97,453 in 2001, and is forecast to grow to 130,577 in 2016. At 33% growth, this sector of Edinburgh's population represents the fastest growing group, and by far the most significant demographic shift. When combined with our analysis of the current commercial radio provision (see page 28) this demonstrates clearly the demand for a station that meets the needs of an ageing population.

² All RAJAR data referred to in this application is based on Q1 2004. Where initial research used earlier data (for example in establishing Market Gap), it was subsequently verified and updated against the Q1 2004 results.

³ Government General Household Survey, quoted in article in The Guardian, 18 Dec 02

Maintaining the Proposed Service

The success of the station is dependent on the management team achieving the following key objectives:

- Establishing a high profile amongst the target audience.
- Establishing a distinctive local radio product in Edinburgh which is the station of choice for the 45-64 age, and which has appeal to all those 35+.
- Providing local and national advertisers with a significant audience which is complementary to that provided by other local stations.
- Thereby generating a reliable revenue stream upon which to build a strong and sustainable business.
- Positioning the station as a key corporate citizen, committing significant time to public service broadcasting, providing a vehicle for the recruitment, training and development of outstanding staff members, offering opportunities and training for local talent and raising funds for local charities.
- Generating a return on investment for shareholders.

A high profile

Marketing the Castle FM brand effectively is the first step in delivering our business plan. Emma's recent successful launch of Kerang 105.2 in the West Midlands has provided us with relevant recent intelligence on launch planning. In addition, we have a considerable asset in our advisor and shareholder, Ian McAteer, Managing Director and founder of Edinburgh-based The Union, one of the UK's leading regional agencies, who will plan and co-ordinate our marketing activity in association with our Managing Director. Ian is a respected figure in the Scottish marketing community. He is Chairman of the Scottish IPA, a fellow of the Marketing Society in Scotland and has worked in advertising and marketing in Scotland since 1992.

Our marketing proposals will include a wholly integrated communications plan. Awareness will be built through highly creative TV and outdoor promotion, with taxi and bus advertising. Specific targeting of our core audience will be achieved using targeted direct mail and email/ SMS techniques. Our target group will also be reached through less conventional community magazines, posters in cafes, bars, clubs and gyms combined with a strong PR programme. Guerrilla marketing aimed at key events and locations, rugby internationals, The Royal Highland Show, Edinburgh Festival, shopping centres etc, will further enhance and reinforce our message. Our goal will be to create instant ubiquity and build a strong local empathy with the community; with the ultimate objective of driving high levels of trial listening.

In all, we have planned a significant budget of £500,000 for pre-launch spend, with a further £250,000 committed in year one to allow for significant follow-up. Our marketing budgets in years 2 and 3 are £100,000 and £75,000 respectively. This compares favourably with the level of marketing spend invested in the year to April 2004 by Forth One & Two (£65,000), Beat 106 (£38,000) and Real Radio Scotland (£392,000)*. Budget will also be made available for sponsorship and events within local arts. This will enable Castle FM to showcase new talent and bring diverse audiences to the station: poets, reading, concerts, etc.

A Distinctive Local Radio Product

For almost five years Castle FM has been developing and researching plans for the new radio service. This has involved three RSL broadcasts each of four weeks, testing various programme mixes. Our research programme has involved auditorium music, focus group and quantitative research. We have also undertaken an extensive monitoring of local commercial services and the economic and population trend analysis previously outlined.

All of this led to the conclusion that Edinburgh will best support a carefully programmed new service aimed mainly at the 45-64 age group.

Our proposal is for a sparkling new service led by Gold music, coupled with stimulating speech elements and a substantial news service serving Edinburgh rather than a wider Scottish region. The news selection and speech elements would be targeted specifically to the interests of that older age group.

⁴ Source - Mediainvest

A Significant Audience

Our gap analysis of the Edinburgh radio landscape identifies a clearly underserved audience, the 45-64 market, for whom we have developed a clear programming proposition (see programming philosophy page 26). By researching this proposition, and studying the audience performance of recently launched services in Wales, the Midlands and Yorkshire, we have projected a weekly reach of 19% by year five, with average hours of 11.9. More details of our audience projections can be found on page 21). These projections are backed up by a survey of 301 radio listeners in Edinburgh, which indicated that the Castle FM format has the potential to reach 28% of the population of the area. Our service will be complementary to existing local radio services offering advertisers the opportunity to reach a demographic in which there is a growing interest.

It is a dawning reality on most retailers and brand owners that the so-called 'mature market' is increasingly going to be where profitability will be found. The older 45+ consumer has greater disposable income and a very different set of attitudes compared with their counterparts twenty years ago. A wide range of market sectors such as financial services, FMCG, home furnishings, tourism, travel and leisure, home entertaining, computing and automotive, will need to appeal to this discerning audience in order to maintain and grow profitability. Media owners, advertising agencies and market consultants are finding more and more of their customers are seeking help in reaching this age group.

A Reliable Revenue Stream

Our revenue model has three key drivers:

- our audience projections;
- our shareholders' experience of launching radio stations elsewhere; and
- our shareholders' knowledge of the Edinburgh and national advertising markets.

These have led us to conservative projections, based on Em ap forecasts and knowledge of recent launches. The approach we have taken to volume is modest: we assume 630 minutes per hour in year one, 648 in year two and 666 in year three for the day parts 0600 to 2400. This equates to inventory uptake of 55% in year one, increasing to 57% by year three. We have made no forecast for any revenue in the period 2400-0600. Our spot rate is derived from the predicted reach, average hours and cost per thousand shown in the financial model.

When considering the ratio of revenue between local and national, we have drawn from Em ap's experience in similar cities such as Newcastle, Leeds and Sheffield. On this basis, and given the appeal of a city such as Edinburgh to national advertisers, we have forecast a revenue split of 50:50 in Year one, increasing to 60:40 in favour of national advertising by Year three. This is in line with the historical performance of Em ap big city stations.

National revenue will be sold by the Em ap Advertising national sales team representing all 19 existing Em ap analogue radio stations. It is anticipated that, as with Kenang 105.2's launch in the West Midlands, this will result in Castle FM benefiting from national agency share deals from day one.

A high calibre local sales team will deliver local revenue reliably. The targets we have set them are straightforward and achievable. Our distinctive and popular programming proposals will support our revenue streams.

Our local sales team will be supported and assisted by our Board's extensive local network of business contacts covering every aspect of Edinburgh business life. As evidence of this all three Castle FM RSLs were self-funding, with an impressive list of local and national advertisers, giving us real confidence that the new station will get the support of the local market.

The immediate post-launch period, when no RAJAR figures are available, represents a challenge for new radio stations. We have drawn on Em ap's recent experience of launching Kenang 105.2, by predicting prudent sales inventories, allowing us to offer volume guarantees to customers who advertise on the station based on anticipated weekly reach. This approach also offers an incentive to advertisers during the launch phase.

A Key Corporate Citizen

The board of Castle FM are respected and well known figures in Edinburgh. They will ensure that Castle FM plays a positive role within the local community. Our Corporate Social Responsibility Strategy is clear:

Castle FM will commit significant amounts of airtime to public service broadcasting. Local news, community and other local information will be prioritised.

Our business plan includes a substantial recruitment and staff development budget, recognising the need to invest in our people.

Castle FM recognises that discovering and developing new talent is an essential part of the station's future. To this end, we propose to establish The Castle FM Summer Training School for Aspiring Broadcasters. Timed to coincide with the end of the summer academic term, this four-week course would teach basic radio skills to those wishing to pursue a career in radio. The course will be aimed primarily at potential journalists and other programme staff, reflecting Castle FM's focus on a high quality news and information service. It would be of greatest appeal to graduates, although exceptional school leavers would also be accepted. There would be no cost to students. It is anticipated that around a dozen students would be selected to participate in the course each year. Castle FM will provide administration, tutors, guest lecturers (such as Andrew Neil, Sheena McDonald, and station staff), studio facilities for advanced course work, and publicity to aid recruitment. Our academic partners such as Heriot Watt University have already confirmed their participation.

The board recognises the power and influence of local media as a force for good in our society. It therefore commits to raise funds for good causes. This will result from the conversion of the Castle FM Supporters Forum (see page 48 for more details), which is chaired by former Scotland rugby captain, Gavin Hastings and includes many prominent city figures, to a charitable trust. The members of the forum are already committed to supporting this trust.

A Return On Investment

Since 1999 the Castle FM team has invested in its belief that 'Edinburgh deserves and can sustain its own radio station, tailored to the tastes and interests of local people'⁵. This application is a culmination of this assertion and the information collected in the intervening period.

The financial model underpinning our proposal is adequately funded, appropriately prudent and reflects the long term nature of our commitment. Particular attention has been given to identifying where operational efficiencies can be made in order to invest significantly in key areas such as marketing.

As established citizens of Edinburgh, the local shareholders are committed to the long term success of the station, and their long-term involvement in it. Em ap and The Scotsman are similarly committed to an enduring involvement in Scottish media. Put simply, there is no quick exit strategy. The long-term business plan has been designed to generate steady growth, thereby ensuring that, within a reasonable period, there will be an adequate return for investors.

⁵ Castle FM publicity material 2001

(e) Funding

Detail the sources of finance that will be used to fund the licence, under the following headings:

- (i) Share capital
- (ii) Loan stock
- (iii) Leasing/HP facilities (capital value)
- (iv) Bank overdraft
- (v) Grants and donations
- (vi) Other (please specify)

Where relevant, provide information on:

- (i) Loan terms (e.g. interest rate, repayment terms, redemption/conversion terms);
- (ii) Assets leased.

All of the funding identified above should be confirmed to the applicant.

Explanation should be provided if this is not the case.

See appendix two

(f) Financial and Audience Projections

The purpose of this section is to allow the applicant to demonstrate its understanding of the market.

The forecasts should be based on reasonable assumptions, that are logically applied and justifiable.

The applicant should provide financial projections on an annual basis for the licence. The projections must include:

- (i) Profit and loss accounts

Submitted in confidence see appendix one

- (ii) Balance sheets

Submitted in confidence see appendix one

- (iii) Cash-flow forecasts

Submitted in confidence see appendix one

The period covered is at the discretion of the applicant, but should be justified. The forecasts should be supplied on an Excel spreadsheet or similar, with any accompanying guidance notes. They may be submitted in confidence. This section must include a full listing of the underlying assumptions on which the financial projections are based, relating such assumptions clearly to other parts of the application (e.g. proposed format, audience projections) The applicant should detail how revenue figures were derived, distinguishing between local, national and sponsorship revenue. The applicant should also address the following issues:

(i) The target audience for the proposed service;

Castle FM will primarily target those aged 45-64. It will have particular appeal to women and will be enjoyed by all those 35+.

(ii) Projections for listenership ratings over the first three years of the service;

We have based our audience projections and business plan on the Forth One TSA (£101,000). Castle FM will meet the demand for an Edinburgh-focused station serving the wider commuter area, within which listeners look to the capital city as their cultural, working, social and shopping centre.

In order to produce realistic audience projections for the first five years of the licence period RAJAR analysis was undertaken.

We analysed the first three years' performance of three recently launched stations, Real Radio (Wales), Real Radio (Yorkshire) and Saga 105.7 (West Midlands) all targeting similar age groups to that proposed by Castle FM (see below).

Fig. 1

	Year 1		Year 2		Year 3	
	Weekly reach %	Av. weekly hours	Weekly reach %	Av. weekly hours	Weekly reach %	Av. weekly hours
Real Radio (Wales)	18%	12.0	22%	10.9	25%	12.0
Real Radio (Yorkshire)	11%	10.0	14%	10.4	14%	9.0
Saga 105 (West Midlands)	9%	11.4	11%	9.7	12%	11.8
Average	13%	11.1	16%	10.3	17%	11.0

The three stations have been averaged and the results down-weighted by a further 10% given that Castle FM will be launching in a slightly more competitive environment. The numbers for years four and five have been generated by introducing a 10% year on year increase (see above).

Fig. 2

Castle FM	Year 1	Year 2	Year 3	Year 4	Year 5
Weekly reach (000)	132	154	165	193	212
Weekly reach %	12%	14%	15%	17%	19%
Av. weekly hours	10	9.3	9.9	10.8	11.9
Total weekly hours (000)	1320	1432	1633	2084	2522

These projections compare favourably to the audience potential of the Gold Form as identified by The Continental Research.

Fig. 3

Propensity to listen to Castle FM	Very likely	Fairly likely	Total (very+fairly)	Might	Unlikely	Definitely not	Don't know
All 35+	28%	31%	59%	22%	9%	9%	1%
45-65	39%	29%	68%	16%	8%	6%	1%

Source: Continental Research

Castle FM will primarily target those aged 45-64, but will also have some appeal to all those 35+. Further analysis of the RAJAR results for these stations suggest that only a small proportion of the Castle FM audience will be under 35, we expect those aged 35 and over to account for around 85% of listeners.

(iii) The expected impact of the proposed service on existing services, in listenership terms

Commercial radio performs less well among our 45-64 target audience than in younger demographics. Our research has shown a clear demand for the Castle FM proposition within this age group, and it is therefore our ambition that Castle FM will succeed in winning a greater share of older listening for commercial radio. Castle FM recognises that, if commercial radio is to grow its share of advertising as the population ages, it must produce products that have appeal to listeners as they grow older. We will be a new, highly local gold brand on FM that will go some way to achieving this, at least locally.

The Continental Research suggests that Castle FM will take 71% of its listening hours from existing stations. Of this 64% will be from commercial stations and 36% from the BBC services. Forth One and Radio 2 will suffer the greatest losses followed by Real Radio, Forth Two and Radio One. The two charts below show how this research charts the impact of Castle FM on the market at the end of year 1. A detailed explanation of the calculations is included in appendix three.

Market share by station (RAJAR Q1 04)

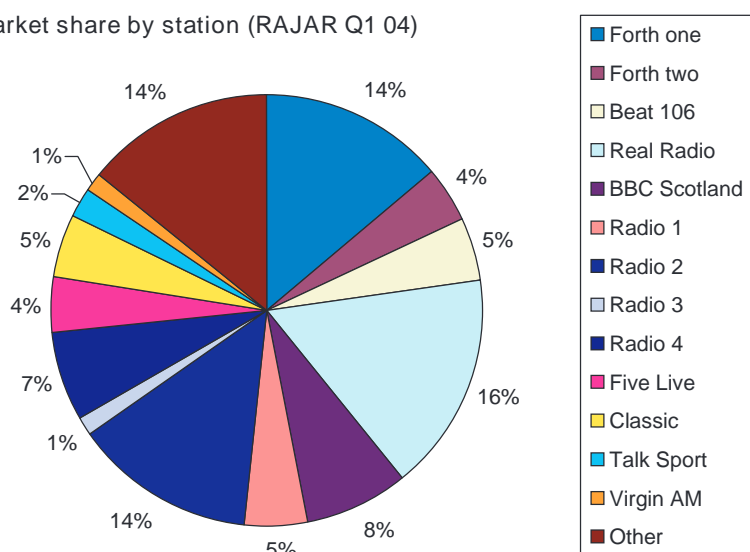


Fig. 4

Expected market share by station with Castle FM

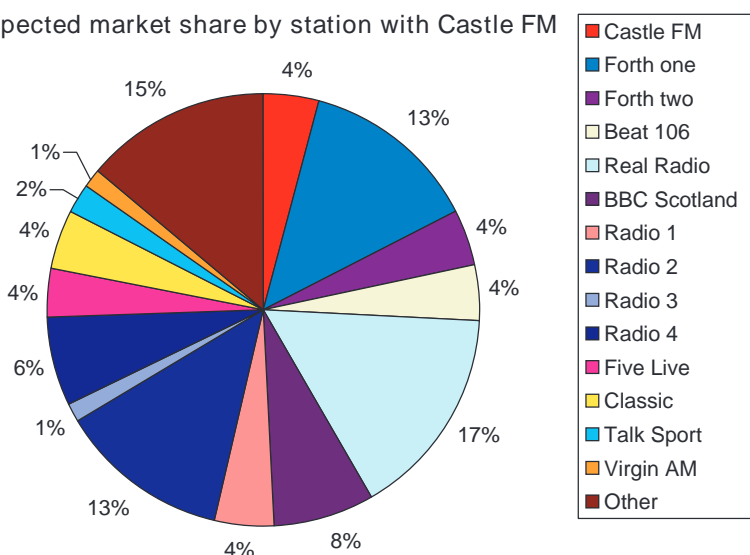


Fig. 5

3. Transmission proposals

(g) Transmission Proposals

(i) Provide details of the transmission site, or sites, you propose to use, under the following headings:

The transmission system will be sited at the existing Craigkelly site, which is a major transmission site for East Central Scotland. Craigkelly currently carries both analogue and digital radio and television services including the existing Edinburgh and regional radio services. It consists of a free standing 125m mast, upon which the antenna we propose is located.

(a) Name and National Grid Reference of site;

Site NameCraigkelly

NGRNT 233 872

(b) Height of site above Ordnance datum (in metres);

Site Height182m Above Ordnance Datum

(c) Height of transmitting aerial above ground level (in metres);

Antenna Height...118m Above Ground Level

(d) Radiated power in either or both planes of polarisation, and aerial radiation pattern (if no aerial radiation pattern is submitted, it will be assumed without exception to be omnidirectional).

The applicant should confirm whether he believes that his intended mast aperture will be available, and whether, where required, planning permission can be obtained. Where appropriate, evidence to support this belief should be provided. Details of any negotiations which have been entered into with the site owner(s) should also be provided.

The information provided above must take into account any requirements set out in Section 2 of this Notice. In the event of minor non-compliance, Ofcom may revisit an applicant's proposals with a view to modest adjustment following award and closer scrutiny. Significant non-compliance may render the application liable to disqualification.

Total Maximum Power (erp) 10.0kW (5.0kW HP + 5.0kW VP)

The existing antenna which Castle FM proposes to utilise is installed at the stated aperture, the radiation pattern of which is shown on Fig. 6. Therefore there is no requirement for planning permission.

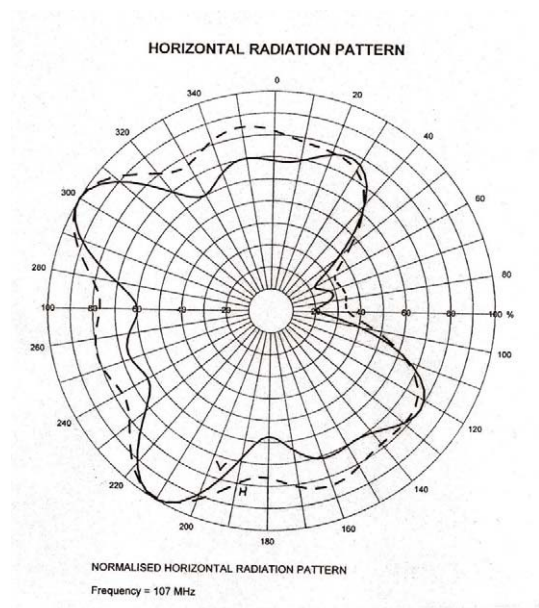
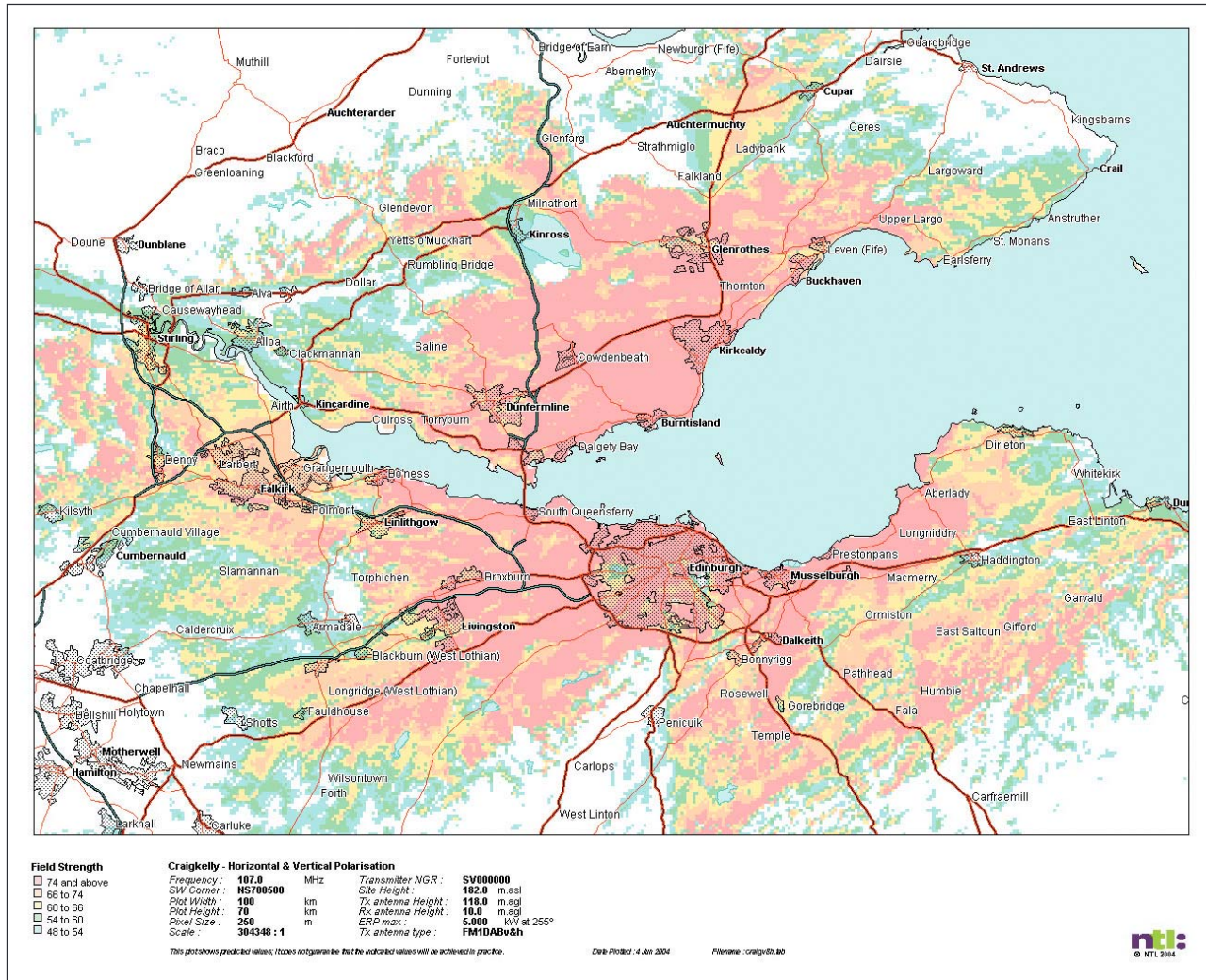


Fig. 6

Castle FM has held detailed discussions with ntl, the site owner, who has assured us that it is able to supply, install and maintain the equipment required to broadcast Castle FM for the budgetary figure disclosed in the financial projections.

(i) Please provide a detailed computer predicted map (in colour) of the coverage anticipated using the transmission site(s) and parameters described above.

Fig. 7



(ii) Describe proposed arrangements for transmission provision (installation, maintenance and repair).

The transmission equipment will be supplied by ntl as part of a service agreement under which they will provide, operate and maintain the transmission system for the duration of the licence. ntl will ensure that the system complies with the engineering code originally published by the Radio Authority and any other relevant requirements.

The system will typically consist of:-

- 4kW FM transmitter with dual power supply and multi-redundancy amplifier
- Dual Drives and automatic changeover
- RDS Encoder with serial control from the studio
- System controller with CD back up
- Omnia or Orban processors in both the main and reserve feeds
- Telemetry system linked to the transmission providers continuously manned monitoring centre
- System base codec providing a 256k Kbps stream (main) and SDN (reserve) link to the studio site. APTX coding will be utilised.

(iii) What is the anticipated time-lapse between the award of licence and start of broadcasting? Applicants should note that failure to commence broadcasting the service within two years of the date on which the licence is awarded is likely to lead to the offer of a licence to the successful applicant being withdrawn. In these circumstances the licence would be advertised afresh and a new competition would be held to award the licence.

It is anticipated that the station will launch nine months after the licence award.

SECTION 105 (B) AND (C):

CATERING FOR TASTES AND INTERESTS/BROADENING CHOICE

(a) Programming Philosophy

(i) This sub-section of the application should take the form of a statement setting out the applicant's overall programming philosophy and vision for the radio service.

From the beginning, Castle FM's ambition has been to deliver a radio station for the people of Edinburgh, run and owned by Edinburgh people. The long-held view of the board, that the city's residents demand and deserve a station focused on their needs, not overshadowed by those of wider East-Central Scotland, or the city's larger neighbour to the west, has been borne out by the research undertaken during this application process.

Castle FM will provide a stylish mix of golden music, relevant news and information, and speech, aimed primarily at those aged 45-64, with a distinctive Edinburgh focus. Our research also demonstrates that the service will have a strong appeal to all those 35+, and will be of particular interest to women. This group of listeners is currently frustrated that it has no one station which provides its information needs in an appropriately mature setting.

"If they gave you more information on what was on, say. If you go to such and such a place this is on during the day. In the morning, a lot of it's just banter between a boy and a girl anyway, and the nonsense they're talking about. How much they're drinking tonight, or the lassie they're picking up."

Female focus group respondent

Speech output on Castle FM will be significant, grown-up, informative, intelligently presented and cleanly delivered. Accounting for at least 20% of daytime output, it will focus on providing news, information and comment for those who live and/or work in Edinburgh, or who look to the city as the centre of their life. In a unique proposal, 60% of the daytime news output will be dedicated to Edinburgh news. Event information, voluntary service announcements and traffic information will also focus exclusively on the city, rather than East-Central Scotland or Scotland in general. Castle FM will also provide the city's only daily phone-in programme enabling listeners to air their views about matters of importance in Edinburgh.

Castle FM will play a tested range of songs popular amongst the target audience that are currently unplayed on existing stations. The daytime mix will include favourite hits from the last fifty years from artists such as Elton John, Frank Sinatra, Madonna, Simon & Garfunkel, Celine Dion, The Beatles and Diana Ross. During the evenings the output will cater for local tastes in less generally popular categories like Classic Rock and Soul from artists such as Fleetwood Mac, The Rolling Stones, Ray Charles and Luther Vandross. The output will also meet local people's demand for a wider range of musical genres with regular specialist music programmes, including weekend shows featuring Jazz and Big Band music.

Castle FM will sound relaxed, approachable and clutter-free. This will give it particular appeal to those in the target age group, who find little of interest in the more aggressive, less mature style of other commercial stations. This style will permeate all aspects of programming including presentation, news and commercial production.

(ii) The strategies which the applicant proposes to implement in regard to:

- catering for the tastes and interests, general or particular, of persons living in the area;
- broadening the range of local commercial services available in the area
- the provision of local material if any;
- the proportion of locally-made programming, if any should be set out in this section.

Castle FM will cater for the tastes and interests of those living in the area by providing a thoroughly researched and targeted product which includes the following key elements:

- A service specifically designed for 45-64 year olds, with appeal to all those 35+
- A rich variety of golden music
- Live and locally produced news during the daytime with news about Edinburgh comprising at least 60% of all bulletin content
- Extensive information about Edinburgh events particularly for those aimed at a mature audience
- A relevant weather and travel information service
- A daily weekday late night phone-in
- Specialist Jazz & Big Band programmes
- Opportunities for local talent

Overview

Castle FM was founded on the belief that Edinburgh deserves and can sustain its own radio station, tailored to the tastes and interests of local people. Castle FM first began campaigning for an Edinburgh licence to be added to the working list in 1999. In the five intervening years we have operated three trial broadcasts and sought the views and opinions of hundreds of those who live and work in Edinburgh. Our unique history, strong local board and extensive programme of research led us to believe that no other group is better placed to understand the tastes and interests of those living in the area.

The information collected over this five year period, together with an analysis of RAJAR data indicated there to be a substantial gap in the market for an Edinburgh-centric service aimed broadly at the 35+s, and in particular those aged 45-64. Figs 8 & 9 (overleaf), which are based on RAJAR Q1 2004, illustrate the point particularly well.

The first (Fig. 8) is a chart of the radio market as a whole, illustrating size and position of all the significant stations. It clearly illustrates that only the BBC focuses on the older end of the market.

The Radio Forth TSA Radio Landscape

(RAJAR Q1 2004 % Reach Profile)

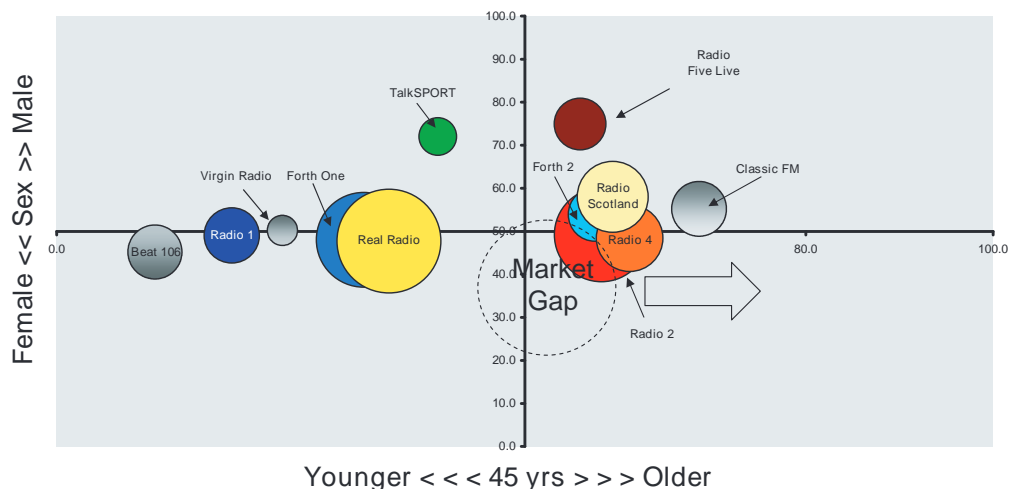


Fig. 8

Note: The horizontal axis examines the percentage of a station's audience which is above or below the age 45. For example, Radio Four is at 60%, this means that 60% of the Radio Four audience is above the age of 45. The vertical axis relates to the station's male/female ratio. For example, Radio Five Live sits at around 70% in the male quadrant, meaning 70% of its listeners are male. The size of the bubble represents the station's relative market share based on total hours.

This second chart (Fig. 9) shows only the local commercial stations. Beat 106 clearly serves the younger end of the market with Forth One and Real Radio appearing to be battling for the same demographic group. Only Forth Two is a significant commercial performer in the older end of the market, but its audience is relatively small, male biased and the service is only available on AM. These two diagrams clearly indicate that a station targeting the older end of the market with a female bias is likely to be successful.

The Radio Forth TSA Radio Landscape (local commercial)

(RAJAR Q1 2004 % Reach Profile)

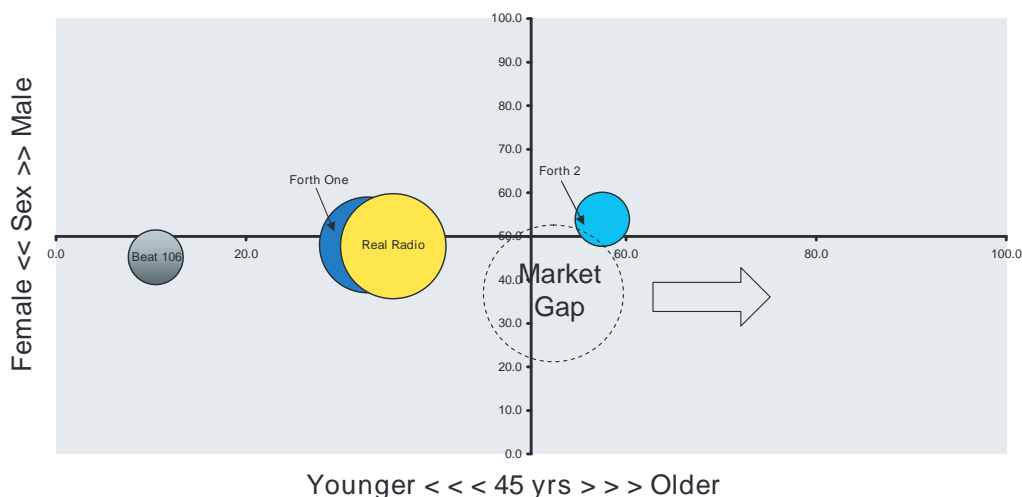


Fig. 9

Having identified this market gap, the need was to discover how we might best cater for the tastes and interests of those 35+ in general, and of 45-64 year olds in particular. In April 2004 we began an extensive programme of research and a more formal local consultation process. A full account of our approach to research is contained in the next section and full data tables and reports are contained in the appendices three, four, five & six. This process gave us insights which enabled us to:

- Understand the favoured genres of music
- Explore the nature and amount of speech content preferred by the target audience; and
- Test two broad format types⁶

Then, in order to refine the product still further, we commissioned a number of focus groups and full Auditorium Music Research.

In order to fully appreciate and understand the programme content of the existing commercial operators in the area, Castle FM also carried out an extensive monitoring exercise. The information gained was combined with programme schedules and format descriptions from all the local commercial services and the extensive first-hand knowledge that the Board have of the area's local radio stations. This information has assisted in the design of the Castle FM format.

After carefully studying the findings of the research a format was designed which proved popular with the target group. The service will clearly cater for the tastes and interests of those living in the area, and will contribute significantly to the broadening of choice. The format is also broad enough to generate a significant number of weekly listening hours and therefore, unlike some of the more specialist formats, is clearly financially viable.

Music

Tastes & Interests

The Continental Research indicates that our target group enjoy and listen to a wide range of music. They feel their musical tastes are expanding and they listen to some current music as well as hits from the past. However it is the classic and melodic hits, particularly those from the 60s and 70s, which chiefly defines this group musically. They also enjoy Soul & Motown, to a lesser extent Classic Rock and some specialist genres like Big Band and Jazz.

Castle FM will reflect these tastes and interests in its output. Fig. 10 below illustrates the principal musical tastes and interests of those aged 45-64, and all those aged 35+. It then demonstrates the proportions of each genre to be included in the Castle FM daytime output.

Fig. 10

Type of music	Like to listen (35+)	Like to listen (45-64)	Castle FM daytime output
Classic Hits	74%	80%	70%
Hits from the 60s	71%	80%	25%
Hits from the 70s	65%	70%	20%
Soul & Motown	65%	68%	15%
Melodic Hits	59%	65%	50%
Hits from the 50s	50%	53%	10%

Note: The columns do not add to 100% because many tracks fall into more than one category.

Source: Continental Research

⁶ A 'Nostalgia Format' and a 'Gold Format' were tested. Details of these formats can be found in appendix three. As will be explained on page 43, the 'Gold Format' proved more popular with the target audience, and Castle FM's programming proposition has therefore been based on it. In this, and subsequent sections we refer to the tastes of listeners who preferred the 'Gold Format', thereby indicating the tastes of those likely to enjoy listening to Castle FM.

The popularity of this music was reinforced by the Dipstick Focus Group respondents, who felt that a station playing Castle FM's proposed mix of music would appeal to those aged 45-64. Participants liked the sound of the station and the majority would listen if such a station were to be licensed.

"The music is appealing, if I was in the car on my own, that's the kind of music I'd like to listen to, it's nice and relaxing, it's not head banging. It's my age group music."

Female focus group respondent

Current Provision

Castle FM monitored the daytime (0600-1900) music output of Forth One, Forth Two, Real Radio and Beat 106 over a period of five days in June 2004. Our objective was to capture the core daytime inventory of existing stations.

The combined daytime output of these stations featured just 1,075 different tracks in 2,725 avals (total number of tracks played). Just 18 tracks accounted for 20% of the total inventory and more than 25% of the tracks appeared on more than one of the stations. Only 5% of tracks were from the 60s, 10% from the 70s and 15% from the 80s. Songs released within the last two months accounted for 42% of the total output and 60% of the total inventory was devoted to material released since the year 2000 (see Fig. 11 below).

Existing local commercial station output by era

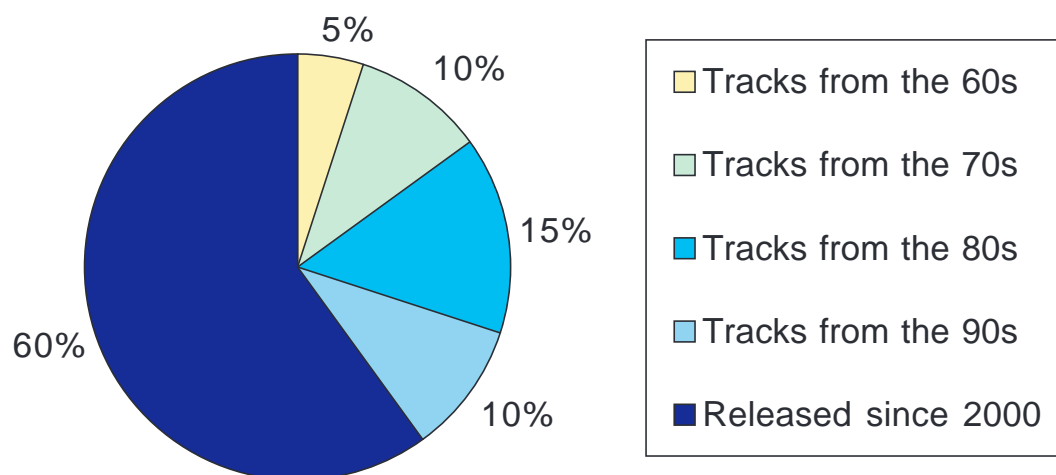


Fig. 11

It is clear that the existing services are all operating with small playlists, that they rely heavily on songs from the last four years, and that there is a considerable amount of crossover. Full monitoring data tables are included in appendix six.

Broadening Choice

In order to ensure the Castle FM inventory would meet tastes whilst also being as different as possible, we commissioned Auditorium Music Research which took place in Edinburgh on August 2nd 2004. Music programming experts from Emap selected 567 tracks to test, based on the response to The Continental Research. None of the tested tracks appeared on any of the four existing stations during the period monitored.

The overall popularity of the tested tracks exceeded our expectations and more than 400 qualify for inclusion in the core inventory. Tracks from the 60s and 70s proved the most popular, but it is clear that this age group appreciates a broad range of music from the last 50 years. The success of this test clearly demonstrates that there is a great deal of popular material from the last 50 years which is not regularly featured on any of the existing local commercial stations in the area. A full list of the tracks tested is provided in appendix four.

Castle FM will begin transmissions with a core daytime inventory of at least 1000 different tracks. In order to achieve this library, we will conduct further auditorium tests pre-launch. Additional material will also be featured on an occasional basis and during the evening, at weekends and during specialist music programmes. Monitoring and subsequent auditorium music tests will be undertaken twice yearly to ensure that our mix of gold music remains distinctive from other local commercial services.

The table below illustrates a summary of the five-day music monitoring exercise alongside the proposed Castle FM percentages, clearly a very different format.

Existing music provision by era / Castle FM output

Fig. 12

Era	Existing services %	Castle FM
50s	0%	10%
60s	5%	25%
70s	10%	20%
80s	15%	20%
90s	10%	15%
00s	18%	5%
Current	42%	5%

Where appropriate, Castle FM will schedule music by local artists. This is likely to be of particular relevance in the weekend evening Jazz programmes, when Edinburgh's wealth of vocal and instrumental jazz talent can be showcased.

News

Our research indicates that our target audience wants a new station for Edinburgh to broadcast news on a regular basis, with a focus on the city itself, and in a style not currently available on commercial radio. News about Edinburgh and Scotland in general are the types most in demand.

Amount

Castle FM will meet listeners' tastes and broaden choice with a news schedule which includes hourly news bulletins of at least five minutes' duration during peak-time, and one daily extended news bulletin of at least ten minutes. Our Continental Research demonstrated that around half of four potential listeners want all types of news⁷ at least hourly. Castle FM will transmit more local news bulletins than either Forth One or Forth Two, offering local bulletins at least every hour 6am to 12 midnight during the week and from 6am to 6pm at the weekend.

Type

News about Edinburgh is heavily demanded by those surveyed, particularly those in the primary target. 74% of those aged 45-64 and 71% of all those 35+ require news about Edinburgh at least every hour.

Our monitoring of existing stations revealed a significant lack of news about Edinburgh. On June 9th only 8% of the total number of news stories broadcast by Forth One, Forth Two, Real Radio and Beat 106 between 0600 and 1900 were about Edinburgh. Even on Forth One and Forth Two, the stations covering East Central Scotland, Edinburgh stories accounted for only 11% and 16% of the total news output.

⁷ International, UK, Scotland, regional and Edinburgh news.

In order to confirm that these findings were typical two further monitoring exercises were carried out⁸. The combined results reveal that, on average, Edinburgh news content accounts for only 15% of the day time weekday news broadcasts. Forth Two included the most (averaging 24%) and Beat 106 the least (just 4%). These results are not surprising as both Beat 106 and Real Radio serve all of Central Scotland and Forth One & Two serve all of East Central Scotland.

In contrast, Castle FM will serve those who live and work in Edinburgh and its news content will reflect this. A weekly average of 60% of day time news items on Castle FM will be Edinburgh area news. The remainder will contain a mix of Scottish, UK and international news, all of which are demanded at least hourly by more than 50% of those preferring the Gold Form at.

"I'd want a local station for local news, for the Edinburgh area."

Male focus group respondent

Style & Topics

Castle FM news will be mature, informative and designed specifically to appeal to the target audience. We will talk, not shout at the listener. The pace of delivery will be slower, and more measured than that of existing local commercial services. Audio bulletins will focus on the people involved in the story, not the reporters who are at the scene. A listener will feel the new reader is a friend, perhaps someone they would feel comfortable meeting in the pub to talk about the issues of the day affecting their city.

As suggested in the Dipstick Focus Groups, news will vary throughout the day avoiding what is perceived as excessive repetition by existing providers. It will be concise but also comprehensive. Although it is not our intention to mimic the BBC, the Dipstick Focus Group research indicates that listeners to BBC Radio Scotland in particular will find our news content appealing. Castle FM news will focus on the issues affecting people in the greater Edinburgh area. According to our Auditorium Questionnaire (see appendix four) these are health (44%), crime (38%), jobs/employment (34%), roads/transport (20%) and education (8%). It is also worth noting that 44% of respondents to the Auditorium Questionnaire feel these issues (and more) are not currently covered by commercial radio.

"The Evening News manages to get quite a bit of detail into a few columns. If your presenters could present in a similar way. Getting the hot-spots, making it quick but clear, concise but let me know what's happening."

Male focus group respondent

Edinburgh is the UK's second largest financial centre and tens of thousands of Castle FM's target listeners work in financial services. This will be reflected in news bulletins which will have regular updates of market indices, particularly from the Edinburgh exchange. Each weeknight the 6pm news bulletin will include closing prices from all exchanges and major company news with a bias to Scottish companies. This feature will be produced in the station from reports available from RN City Report, the Financial Times online service and PA Scotland.

Similarly political news in the city that houses the Scottish Parliament will also focus on the decisions made at Holyrood. This will provide an alternative approach to the inevitable England/Wales bias in the UK-wide news provided by television and national radio. For example, we know how frustrating Scots find the focus on south-of-the-border education and health, when Scotland's systems and infrastructure are completely different in their make up.

Castle FM will provide sports news and information, but will not compete for commentary rights or devote time to a sports phone-in. Sport is well catered for by other stations serving the area and the inclusion of more is seen as unnecessary. According to our research, 42% of 45-64 year olds preferring the Gold Form at only require sport at peak times or less, this figure rises to 64% of women aged 45-64. Female Focus Group attendees do not see sport as a priority at all.

⁸ On July 13th & 22nd

Resources

Through an arrangement with our shareholder, The Scotsman Publications Ltd, our news team will benefit from the resources of The Scotsman and Edinburgh Evening News. In addition to access to archive material, specialists from the papers' team will occasionally be used to provide expert comment on matters such as health, education, crime, politics or fashion. Castle FM will have access to a wide variety of experienced journalists who will contribute to the general output. Access to these resources will not compromise the editorial policy or independence of Castle FM, which will, at all times, remain with the station.

Other speech

Travel information will be provided hourly during the daytime output in line with demand and from those in the target group. Focus will also be given to Edinburgh's bus and train services in anticipation of the introduction of congestion charges within the next few years. A service of this level is not provided by any of the existing commercial stations, who all supply travel information only at peak times. Weather information will also feature hourly at the end of each news bulletin.

Castle FM will also provide a comprehensive event news and listings service. Edinburgh is a vibrant and culturally diverse city with hundreds of entertainment venues and our research shows that event information rates higher than sport with those preferring the Gold Form at 61% of 45-64 year olds and 61% of all those 35+ would like to hear local event news every couple of hours or more often.

The annual Edinburgh Festival which includes the International, Fringe, Film and Book festivals will be a challenge and opportunity for Castle FM. The station will become involved with all the organising groups during the year-round planning process. During the month-long event several hours a day will be devoted to festival programmes, the ultimate aim will be to become recognised as the Official Festival Radio Station.

Our monitoring exercise also revealed that Edinburgh event news and information is under-represented. The city is a magnet for tourists from all over the world and there are numerous events and activities taking place every night of the week, especially in the summer. However, primarily due to the requirement to serve a much wider area, the daytime output of the four local commercial services on June 9th 2004 included information about just nine different forthcoming events. The information given was limited in most cases to just a couple of lines and many were references to gigs by non-local artists or bands only of appeal to younger listeners.

Castle FM will cater for listeners' tastes and broaden choice by providing information about at least twenty different events each day in at least four event bulletins. Our approach will be more comprehensive, items will contain more detailed information and some bulletins will contain review material, in line with the views expressed in the Dipstick Focus Groups:

"Local issues, outwith the Festival, there's other things happening in Edinburgh, which are never publicised, maybe occasionally a big gig or something but the local events and things like that. If you find radio is sponsoring a concert you never hear the end of it, but if there's another concert say in Edinburgh it's never mentioned."

Focus group respondent

Weekday Daily Phone-In

Castle FM will provide the only weekday daily local phone-in discussion programme in the area. Our late night phone-in will deal with news and current issues affecting, or relevant to, Edinburgh and its citizens. Studio contributors, experts in a particular field, commentators or observers will be asked to discuss a variety of subjects. Listeners will contribute via telephone, text, fax and e-mail. We are aware that Real Radio provides a daily one hour phone-in at 6pm each evening during the football season, but this is a sports show, normally dominated by fans of clubs other than those in Edinburgh. Forth Two also transmits a phone-in, but this occurs just once a week on a Sunday morning.

Castle FM regards the daily phone-in programme as a vital part of the station output. We intend to make this an accessible, mature and 'listenable' show by using regular and respected studio guests.

The phone-in will be flexible enough to respond to major worldwide incidents, such as the Beslan School Massacre, reflecting society's growing awareness of international terrorism. More usually, it would deal with issues of particular concern to Edinburgh and its citizens, such as how to deliver an effective transport policy for the city. During this debate, listeners' views would be invited on congestion charging, a new tram service, the increase in ticketed parking and the need for direct links to the airport. The programme might also explore concerns that the concentration of medical services at the new Royal Infirmary will adversely affect provision of healthcare such as maternity services in peripheral areas, or current proposals to co-site Roman Catholic and non-denominational schools on the same campuses.

Of those preferring the Gold Format, 60% of those aged 45-64 and 50% of all those 35+ said that it was either very important or fairly important that Castle FM broadcast a phone-in or discussion programme. According to the Dipstick Focus Group research the phone-in programme will be of particular interest to women, and in line with the views expressed by this group the Castle FM phone-in will adopt a positive and constructive, rather than argumentative and confrontational, tone.

Specialist Programmes

Castle FM will provide at least twelve hours of specialist programming each week, principally to reflect the interest in niche genres, but also to support and reflect the immense live music scene in the city.

Of all those surveyed, Jazz music is enjoyed by 40% of 45-64 year olds and 41% of all those 35+, and Big Band is enjoyed by 41% of 45-64 year olds and 41% of all those 35+. Castle FM will provide the only Jazz and Big Band programmes on commercial radio in the area.

In order to reflect the interest in the Nostalgia Format shown in The Continental Research, the Castle FM schedule will also include Easy Listening programmes each Saturday & Sunday evening. These programmes will concentrate on material from artists such as The Carpenters, Nat King Cole, Barry Manilow & Eva Cassidy and will flow easily from the Jazz and Big Band shows.

Our consultation process has also revealed a clear feeling that local talent does not have sufficient opportunities to be exposed to a radio audience. Although Beat 106 has a Wednesday evening programme which features local bands, these are largely from areas other than Edinburgh and are usually targeting a very young market. In addition to the local musicians whose tracks will pepper the station's output, especially during specialist shows, Castle FM will feature appropriate material from Edinburgh's local artists every Sunday afternoon when comedians, poets and musicians will all have the opportunity to reach a wider and more mature audience.

Locally based, locally produced and locally broadcast

Virtually all of Castle FM's programming will be locally based, locally produced, locally presented and locally broadcast. This will also apply during any periods when automated or pre-recorded programmes are being broadcast. Occasionally the station may buy in or commission specialist programmes thought to be locally relevant, but these programmes, when they are scheduled, will represent no more than five percent of weekly output.

Summary

The table below shows the key differences in content between Castle FM and the existing local commercial radio stations.

Castle FM will broaden choice

Fig 13

	Forth One	Forth Two	RealRadio	Beat 106	Castle FM
Format type	Contemporary & Chart	Full Service	Adult Contemporary	New Rock & Dance	Gold
Editorial Coverage Area	East Central Scotland	East Central Scotland	Central Scotland	Central Scotland	Edinburgh
% Crossover of core inventory tracks with Castle FM core inventory	0%	0%	0%	0%	n/a
% of tracks from the 50/60s (0600 -1900)	0%	16%	7%	0%	30%
% of current tracks	53%	14%	16%	71%	5%
Output includes hourly travel bulletins (0600-1900)	No	No	No	No	Yes
% of Edinburgh news stories (0600 -1900)	11%	16%	0%	0%	60%
Number of different Edinburgh Whats On items (0600 -1900)	1	2	6	2	20
Hour per week devoted to phone-in programmes	0	3	5	0	15
Output includes a weekly Jazz programme	No	No	No	No	Yes
Output includes a weekly Big Band programme	No	No	No	No	Yes

Notes:

1) Format type is as described in the published Promise of Format.

2) All percentages are taken from the full monitoring exercise carried out on June 9th 2004.

3) Castle FM Whats On is based on actual events able to be promoted on June 9th in four daytime bulletins each containing 5 items. Documentary evidence has been retained.

(iii) If appropriate, the applicant may also provide a typical programme by- programme weekday schedule, to give a flavour for the direction of the station.

Castle FM Programme Schedule

Fig. 14

	Programme	Type	Music-speech ratio	News
Mon-Fri				
0600	Breakfast	Core inventory	60% -40%	Localevery halfhour
1000	Daytime	Core inventory	85% -15%	Localevery hour
1400	Golden Years*	This day down the years	95% -5%	Localevery hour
1500	Drivetime	Core inventory	80% -20%	Localevery halfhour
1900	Evening	Evening inventory	85% -15%	Localevery hour
2200	The Phone-In	Speech	90% -10%	Localevery hour
0100	NightGold*	Core inventory	95% -5%	RN**
Sat				
0600	Breakfast	Core inventory	80% -20%	Localevery halfhour
1000	Daytime	Core inventory	85% -15%	Localevery halfhour
1400	Golden Years*	This day down the years	95% -5%	Localevery hour
1500	Afternoon	Core inventory	85% -15%	Localevery hour
1900	AllThatJazz	Jazz	90% -10%	RN**
2200	Nice & Easy	Easy Listening	90% -10%	RN**
0100	NightGold*	Core inventory	95% -5%	RN**
Sun				
0600	Breakfast	Core inventory	80% -20%	Localevery halfhour
1000	Daytime	Core inventory	85% -15%	Localevery halfhour
1400	Golden Years*	This day down the years	95% -5%	Localevery hour
1500	Afternoon	Core inventory	85% -15%	Localevery hour
1900	Big Band	Big Band	90% -10%	RN**
2200	Nice & Easy	Easy Listening	90% -10%	RN**
0100	NightGold*	Core inventory	95% -5%	RN**

*Automated output

**Satellite delivered national news service provided by Independent Radio News - part of IIN

(b) Castle FM : Proposed Form at

Licence Outline

Station NameCASTLE FM

Licence AreaEdinburgh area (as defined in the coverage map on page 24)

Frequency107 MHz

Service Duration24 hours a day. No more than seven hours each weekday, and 10 hours on each day of the weekend will be automated.

Locally-made programming .All programming will be locally made within the licence area except a maximum of eight hours a week which may be networked or syndicated. All news bulletins between 0600 & 2400 (weekdays) and 0600 & 1800 (weekends) will be produced and presented from within the licence area.

Definitions

Speech "Speech" excludes advertising, programme/promotional trails & sponsor credits, and may be calculated over any four hours.

Music Percentages Any music percentages are calculated as a percentage of the total tracks broadcast in the period specified.

Peak time (s) "Peak time (s)" refers to Weekday Breakfast and Afternoon Drive time output, and Weekend Late Breakfast.

Daytime "Daytime" refers to 0600 to 1900 weekdays, and weekend output from 0800 to 1400.

Locally produced/presented ... Production and presentation from within the licence area. All requirements for locally produced/presented output must include peak time.

Character of Service

A STYLISH MIX OF GOLD MUSIC, RELEVANT NEWS AND INFORMATION, AND LIVELY SPEECH AND DEBATE, AIMED PRIMARILY AT THOSE AGED 45-64, WITH A DISTINCTIVE EDINBURGH FOCUS

Detail

Castle FM will play a range of gold music from the last 50 years. At least 60% of the music will be more than 20 years old, half of which will be at least 35 years old. Hits of less than two years old will not make up more than 10% of output. Speech will not fall below 20% during peak time (10% non-peak) and will be of particular interest to those who live and/or work in Edinburgh. Locally produced and presented news will be broadcast at least hourly from 6am until midnight on weekdays and 6pm weekends. At least 60% of the average weekly content of these bulletins will be Edinburgh news. Peak time news bulletins will last at least four minutes and there will be at least one extended news bulletin, of at least ten minutes, each weekday. National and international news will feature at other times. Travel information will be broadcast hourly during daytime. The speech output will include a late night phone-in at least five nights a week, and Edinburgh event news and information will be broadcast at least five times each weekday. At least 12 hours of specialist music will be broadcast each week and this schedule will feature programmes dedicated to Jazz and Big Band music.

SECTION 105 (D):

EVIDENCE OF LOCAL DEMAND OR SUPPORT

(a) Evidence of Demand and

This section should provide an analysis of the reasons as to why it is considered that there is a demand for the type of service proposed, with reference to the size and nature of the proposed target audience. If original market research has been undertaken, please provide the following information:

(i) A statement of the key objectives of the research;

The Castle FM application team established three key research objectives:

1. To identify the gap in the market for a commercially viable radio station in Edinburgh
2. To provide data that would enable Castle FM to design a format to fill the market gap
3. To provide detailed information that would enable the format to be refined and finely tuned to the target audience

(ii) The specific questions that the research sought to answer;

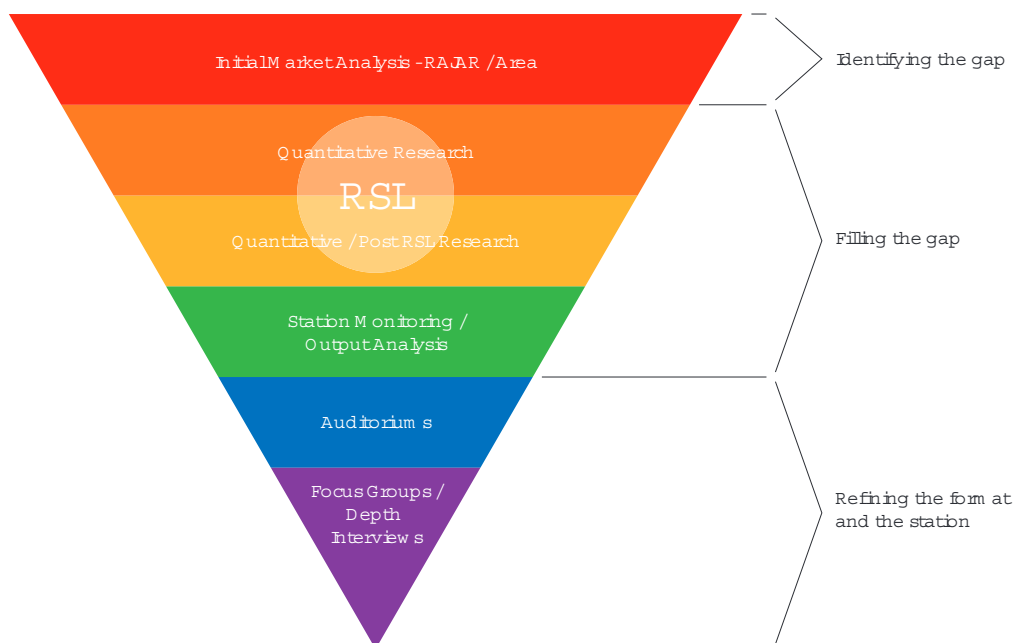
Castle FM specifically sought to answer the following questions:

1. Identify the underserved audience(s) in the Edinburgh area
2. Discover the current listening patterns of the selected underserved group
3. Identify the music preference of the selected underserved group
4. Test a number of potential formats
5. Identify the key speech elements of each format
6. Establish the impact and popularity of the third Castle FM RSL
7. Establish the preferred format
8. Estimate audience size
9. Establish the current content of the existing local commercial services
10. Identify 300 to 400 popular tracks of music that do not form part of the core inventory of the existing local commercial services
11. Examine attitudes to tone & style

- (iii) How the research was conducted;
- (iv) The size and composition of the sample(s);
- (v) When and where the research was conducted;

Castle FM approach to research

Fig 15



As illustrated by Fig 15, the Castle FM approach to research breaks down into three key stages, the identification of the gap(s), filling the gap(s) and refining the format. This process involves five separate pieces of research all of which were conducted between February and September 2004. The details are set out below:

Stage One: Identifying the gap in the market

Existing Listening Patterns

- Em ap Performance Research, Mappin House, 4 Winsley Street, London W 1W 8HF
- February 2004
- RAJAR analysis of current listening patterns within Radio Forth TSA (1,010,000 adults)

Stage Two: Filling the market gap

Initial format testing

- Continental Research, 132-140 Goswell Road, London, EC1V 7DY
- 3-13 April 2004
- 301 interviews by telephone with a representative sample of adults 35+ in central Edinburgh postcodes
- Sample selected from the demographically representative Continental Research Million Plus Panel
- Composition of the sample was:

• Male 47% , Female 53% ; 35-44 27% / 45-54 26% / 55-64 21% / 65+ 27% / 45-64 46% .

The data was weighted to the actual population profile of the Forth One TSA

Attitudes towards RSL

- Continental Research, 132-140 Goswell Road, London, EC1V 7DY
- 15-18 April 2004
- 40 interviews by telephone with those respondents to initial survey willing to listen to RSL
- Composition of the sample was
 - Male 55% / Female 45%
 - 35-44 33% / 45-54 33% / 55-64 23% / 65+ 13% / 45-64 55% .

Monitoring

- Radio Monitor, 100 Pitfold Road, London SE12 9HY
- Entire output of Forth One, Forth Two, Beat 106 and Real Radio between 0600 and 2400 on June 9th 2004
- Music output of Forth One & Forth Two for the 7th - 11th June 2004 between 0600 and 1900 (peak time) each day
- Music output of Beat 106 & Real Radio for the 14th - 18th June 2004 between 0600 and 1900 (peak time) each day
- News and information output of Forth One, Forth Two, Beat 106 and Real Radio on 13th July and 22nd July 2004
- Analysis was conducted by reviewing recordings of the output made on the above dates

Stage Three: Refining the format

Auditorium Music Research

- Emrap Performance Research, 4 Winsley Street, London W 1W 8HF
- Venue - The Sheraton Grand Hotel, Spa Festival Square, Edinburgh - 2nd August 2004
- 567 songs tested in an auditorium setting
- Attendees were also asked to complete a short questionnaire
- Composition of the sample was
 - 84 adults aged 40 to 64
 - Male 43% / Female 57%
 - 40-64 year olds

Focus Groups

- Dipstick Research Ltd, Quarry House, Keenly, Alendale, Northumberland NE47U
- 60 Watt Research, 4 West Mainland Street, Edinburgh EH12 5DS - 17th August 2004
- Small discussion groups
- Composition of the sample was
 - Group 1 - 10 females
 - Group 2 - 9 Males
- All had families with children ranging from the age of 8 to 30, therefore different life stages were represented.
- There was also a mix of socio-economic groups; some respondents were not working, some were employed part time and others full time. One male respondent was retired.
- In terms of radio listening all respondents were required to listen to either Radio 2 or Radio Scotland
- Purpose - establish attitudes, particularly in relation to the tone and style and make up of the speech content, of the target group to the proposed Castle FM format and how we might attract listeners from the BBC stations

(vi) A summary of the main findings from the research, showing how these demonstrate evidence of demand for the service proposed;

Key Findings

Stage One

Existing Listening Patterns

- Those aged 35+ are not well served by commercial radio
- Those aged 45-64 are not well served by commercial radio
- Women aged 45-64 are not well served by commercial radio or radio in general

Stage Two

Initial Format Testing

- The favourite music genres of those aged 45-64 are classic hits, hits from the 60s and 70s, classic Soul and Motown, mellow hits and hits from the 50s. These genres were also the most popular with all those 35+.
- 68% of those aged 45-64 would be very/fairly likely to listen to the Gold Format. This figure rises to 73% of 45-64 year old women.
- When the Nostalgia format was described, 54% of those aged 45-64 would be very/fairly likely to listen.
- When asked to make an absolute choice between the two formats, 60% of 45-64 year olds and 54% of all those 35+ preferred the Gold Format.
- The Gold Format is likely to generate potential weekly listening hours of around 11.0 (comprising 5.0 days listening per week at 2.2 average hours per day) amongst all those surveyed, compared with potential average hours of 8.8 for Nostalgia (4.9 days listening per week at 1.8 average hours per day).
- News about Scotland (75%) and news about Edinburgh (74%) are the most demanded news types and should be aired at least hourly according to 45-64s.
- 60% of 45-64 year olds think it is important for the station to broadcast a phone-in/discussion programme.
- News about local events should be broadcast at least every two hours according to 61% of those aged 45-64.

Attitudes towards the RSL

- Having listened to the Castle FM RSL (which broadcast a full-service style of music), 92% of respondents rated the station as excellent, very good or good. However, there was a strong desire for more 'classic tracks', including classic Soul & Motown, classic hits and hits from the 70s, 60s and 50s, and fewer current tracks.
- If Castle FM were available permanently, all respondents claimed they would be at least fairly likely to listen, with 38% definitely listening and a total of 51% definitely/very likely to listen.
- The impact of such a station in this marketplace would primarily be a loss of listening hours to BBC Radio 4, BBC Radio 2 and Forth One.

Full data tables and a copy of the questionnaire have been provided in appendix three

Monitoring of existing stations

- The combined daytime output of Forth One, Forth Two, Beat 106 and Real Radio over a five day period in June 2004 included just 1,075 different tracks in 2,700 available slots.
- 18 tracks accounted for 20% of the total inventory and more than a quarter of the tracks appeared on more than one station.
- Only 5% of tracks were from the 60s, 10% from the 70s and 15% from the 80s.
- Current songs, released within the previous two months, accounted 42% of all output.
- 60% of the total inventory was devoted to material released since the year 2000.
- News about Edinburgh accounted for just 15% of the total news output.
- Whats-On information was brief and limited to a small number of events, many of which were of interest to the younger end of the market.
- None of the stations broadcast a daily phone-in or programme where general issues can be discussed.

Complete data spreadsheets for the period have been provided in appendix six. CD recordings can be

Stage Three

Auditorium Music Research

- There are at least 400 classic tracks of music which are popular with the target group but do not feature as part of the core inventory of other local commercial stations in the area.
- The most popular era is the 60s with over 50% of the top 50 testing songs dating from this era.
- The 70s is the second most popular genre.
- 92% of all respondents said they would listen to a radio station that played this type of music.
- Nearly two thirds were extremely interested in listening to news about Edinburgh.
- Over 50% said they were interested in hearing information about where to go and what to do.
- Just under half were interested in speech relating to home, lifestyle, leisure travel and holidays, but the majority could not name a station which provided such programming.
- Important issues affecting the life of people in Edinburgh are considered to be health (44%), crime (38%), jobs/employment (34%), roads/transport (20%) and education (8%).
- 44% felt the above issues are not covered by commercial radio and over three-quarters would like to hear more about these sorts of issues on commercial radio.

A list of the 400 most popular songs has been provided in appendix four. Further information will be provided to Ofcom on request.

Focus groups

- The respondents have a broad musical taste encompassing songs from the 50s to the present day.
- The majority of respondents listen to a number of stations depending on the time of the day, selecting one particular station for a breakfast show, another for an entertaining presenter, another for the music and another for local news and/or sport (in the case of men).
- Forth One is popular as a local station but those aged 45-64 are not happy with the pop music played and are looking for something more easy on the ear.
- Radio Scotland is considered to be the station that covers Scottish issues.
- Forth Two was not mentioned by the female group but is rated by some members of the male group for music and sport. The station's AM frequency is a downside for many listeners.
- Local information is very important to both men and women.
- Forth One provides information relating to weather, traffic and schools but a lot of its local content relates to younger listeners. There is a need to know more about what is going on in the area, which isn't necessarily geared to the younger age group.
- Only the male respondents see Forth Two as a provider of local information.
- There was a feeling that both Real Radio and Beat 106 have a tendency to be biased more towards the west coast and Glasgow.
- The idea of the evening phone-in was particularly appealing to the female participants.
- The music appealed to those aged 45-64 and the majority of participants said that they would listen to the station.
- The tone of the station should be fun and entertaining, not childish or silly, but with a mature tone aimed at the target audience.
- The key criteria for a presenter are someone with a mature outlook, the right voice and personality, who is on the same wavelength as the listeners and knowledgeable about the area, but not necessarily Scottish.
- Sport was not a priority for the female group but very important to the male group.
- The new station should cover local issues such as health and local government as well as events happening in Edinburgh.
- News on the proposed station should be varied so the same news isn't repeated in every bulletin.

A full report is provided in appendix five. Video tapes of both groups can be provided to Ofcom on request.

Key Conclusions

Each element of the Castle FM format has been designed not only to cater for the tastes and interests of those living in the area and to broaden choice, but also in response to a significant demand from those who form the core target audience of 45-64 year olds, and all those 35+. Evidence of demand is provided in our qualitative, auditorium and Focus Group research. In the section which follows, we find support for each aspect of our product and the format as a whole.

The Format as a Whole

To test the demand in the area for product types The Continental Research described two formats, Gold and Nostalgia, both known to be successful with our target age group. The formats are described in detail in appendix three. The Gold Format tested very well with 39% of 45-64 stating they would be very likely to listen to such a station, and a further 29% fairly likely to listen. When asked to choose between the two 60% opted for the Gold Format.

To further inform our plans Castle FM sought views about the third RSL broadcast. From the initial 300 respondents who took part in the survey, around 60 agreed to listen to the station and around 40 were re-contacted to ascertain their views on the format.

Almost 90% of respondents rated Castle FM as very good or good. Almost all respondents would be at least fairly likely to listen, with over 50% definitely or very likely to listen. 18% of respondents would listen longer to the radio if Castle FM was launched permanently. The only potential improvements to the format of the station was a strong desire for more "classic" and older tracks, confirming the results of the first part of the research.

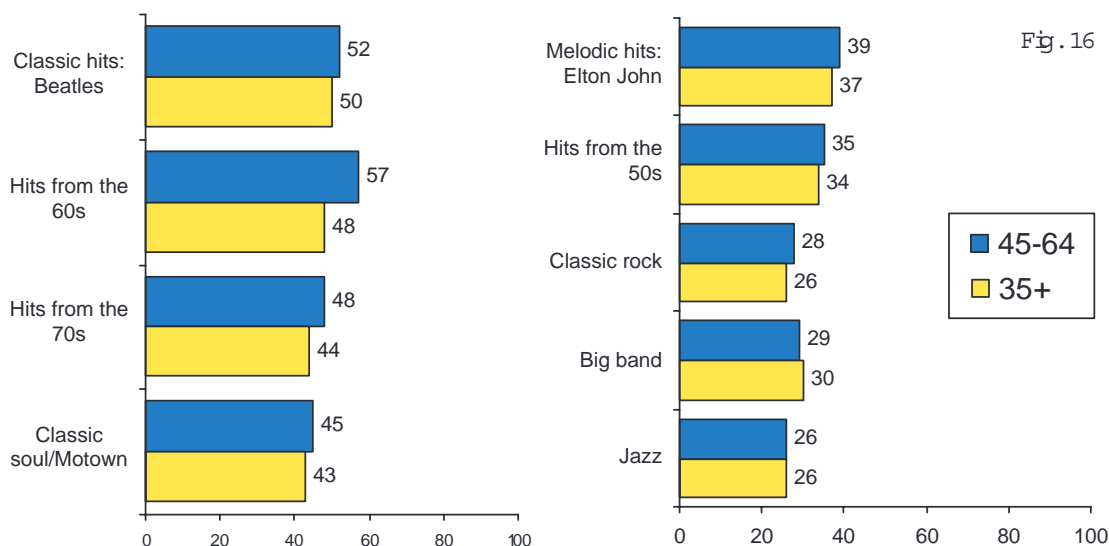
Focus Group respondents were also very positive about the format. They liked the variety of music being offered by the new station. The Dipstick Focus Group executive summary concludes the following: "There appears to be a clear need for a local station on FM offering the given mix of gold music with some embedded currents, aimed at the 45 to 65 age group. The station needs to have a mature but entertaining and enlightening presentation style, providing news, sport and information for Edinburgh. The station proposed by Castle FM appears to fulfil this need and respondents agree that this is the type of station that they would listen to."

Music

To gauge the best mix of music for Castle FM, Continental Research invited 301 radio listeners to rate music by era and type. They were asked to state, for each category, their liking for the music described (to indicate taste) and then if they would like to hear more of the category on the radio (to indicate demand).

The Castle FM format includes the six most demanded music categories with those aged 45-64. Hits from the 60s top the list: 57% of 45-64s want to hear more of these on the radio. This is followed by classic hits, hits from the 70s, classic Soul & Motown, embedded hits and hits from the 50s. There is also some demand for Classic Rock which has been included as part of our evening output. These categories are also the most popular with all those aged 35+.

In the specialist area Big Band and Jazz music also score very well, and have subsequently been included as part of the Castle FM off-peak output. Fig. 16 overleaf shows demand by category for the music elements of the Castle FM format in the primary (45-64) and secondary (35+) target groups.



Our investigations into dem and form usic have been further inform ed by the Auditorium Music Research. Attendees were invited to score 567 different tracks ofm usic played to them in short clips, according to how much they liked ordisliked them. The results have allowed Castle FM to compile a core inventory of 400 tracks. As indicated by the Continental Research the most popular era was the 60s (more than half of the top 50 testing tracks were from this decade), the next most popular era being the 70s. The Auditorium Questionnaire revealed that 92% of all participants would be extremely likely/likely to listen to a radio station featuring the music played during the test.

News & Speech

Dem and for various types of speech content was first tested during The Continental Research. Of those aged 45-64 who preferred the Gold Form at, 74% sought news about Edinburgh every hour or more frequently. The majority of those preferring the Gold Form at also wanted to hear news about Scotland (75%), news about Central Scotland (67%), news about the rest of the UK (67%), international news (61%), weather reports (58%) and travel reports (75%) should also feature every hour or more often. News about local events should be transmitted every hour according to 32% of 45-64 year olds (and every couple of hours according to 29% of this group).

Focus Group attendees informed our view that the news output should be less repetitive, more local to Edinburgh, and that a greater number of stories should be covered throughout the day. We have also noted the need for news and information to be relevant to those aged 45-64 instead of the younger age groups whom attendees feel are targeted by existing services.

"If it was a local radio station you'd want information about Edinburgh, not just when the Festival's on. More interesting news, facts, more in-depth news coverage, rather than just skirting over it."

Focus group respondent

The majority of the core target group (60% of those preferring the Gold Form at) think it either very or fairly important that the station broadcast a phone-in or discussion programme. This programme type will be popular with women, according to the Dipstick Focus Group research. The programme will provide local coverage of local issues with an opportunity to air their views. According to our Auditorium Questionnaire, issues such as health, crime, employment should be dealt with alongside issues relating to home, lifestyle and leisure activities.

"I don't think there's enough of local opinion. We get broadcasters' opinions; we get the parliament, the local councillors' opinions. Things like the man-in-the-street, who the radio is supposed to be directed at, I don't think we have enough say"

Focus group respondent

Station Name

Views about the name of the station are unequivocal. Castle FM was preferred by more than three times the number of people who chose the second favourite name offered.

b) Evidence of Support

This section should provide evidence of support, where appropriate, from the applicant's potential audience or from prospective local advertisers.

Support Campaign

Castle FM has developed a wide network of support through a number of initiatives:

- A five year high profile presence in the city
- Three trial broadcasts
- A five year support campaign
- Presentations
- Questionnaires
- The Castle FM Supporters Forum

A Five Year High Profile Presence in the City

Castle FM was formed in 1999 by a group of Edinburgh business people aware of the benefits that local businesses could gain from the highly targeted marketing and the opportunities offered by local radio. They were also keenly aware of Edinburgh's emergence as a true "capital city" a factor significantly enhanced by the recently established Scottish Parliament. They believed that the case for a radio station unique to Edinburgh had become compelling.

Following several meetings, and after further research and discussion, the group created a formal company and prioritised the development of a business case. The initial aim of the company was to research and establish if Edinburgh needed, and could sustain, a local radio station. A letter of intent to the Radio Authority turned, several years later, into an advertised licence for the city.

Trial Broadcasts

The first RSL was run during the 2000 Edinburgh International Festival in the heart of Old Edinburgh at Calton Hill. It was not a festival station, rather a station about a city at festival time. The local focus of the station was set immediately: the news team quickly established links to local community groups and Castle FM carried several exclusive interviews with City Council leaders from all parties. Local charities were featured and interviews were scheduled with local interest groups including the Edinburgh Children's Panel. Com petitions allowed Castle FM to analyse and verify coverage and reaction to the station. Phone bgs indicated good listening. The RSL was followed up by a postcard campaign allowing Castle FM to gain valuable feedback. Advertising support was strong from local businesses, and the RSL broke even. This was an encouraging result.

The success of the first RSL established a sound platform on which momentum could be built. The Board prioritised the need to continue lobbying for local support. A programme of presentations to local community groups was organised, along with individual meetings held with local dignitaries and politicians. Much valuable feedback was received and plans set in motion to hold a second RSL. This took place in September 2002. Although no specific audience figures could be confirmed, an increase in unsolicited phone calls, letters and communications via the website was noted.

The final RSL, broadcasting for four weeks over Easter this year, has proved to be the most successful, with a large number of support letters and emails received from an enthusiastic local audience. Specially commissioned advertisements for sponsor businesses and an array of competition prizes, complemented the quality of presenting and music output.

The Castle FM story has been one of steady progress. The Board has met regularly, and lobbying has been coupled with ongoing communications. Activity at a community level has been enthusiastically pursued.

Support campaigning

The shareholders of Castle FM contacted a project manager to form much of its five-year campaign. This investment enabled considerable consultation activity to take place. Several meetings took place between 2000 and 2003, stimulating over a hundred letters of support. A number of visits and talks were made to a number of businesses and voluntary organisations, further eliciting opinion and spreading the word about the aims of the station.

A series of promotional flyers and posters were produced and distributed in order to heighten awareness of the first RSL in 2000. This was enhanced by a high profile reception celebrating the official launch of the station. Following the launch of the website in 2002, when visitors were invited to post messages on the site, over a hundred emails were received. Many of these supporters requested to receive regular information about the campaign's progress.

Supplementing the work done in previous years, a mailing campaign to increase awareness of Castle FM and its plans took place in January 2004. The recipients were made up of an extensive list gleaned from researching contacts in the city. Each letter was accompanied with a promotional flyer about the company. The mailing list comprised:

- Elected representatives at the City Council and the Scottish Parliament
- Around 500 voluntary organisations
- Around 800 local businesses, including the top 500 in turnover and numbers of employees
- All primary schools - state and private
- All secondary schools - state and private
- Edinburgh clubs
- Edinburgh churches

Presentations

Castle FM has made over 75 face to face presentations to politicians, academics, businesses and voluntary groups in order to spread awareness and gather support and feedback for our proposals. A full list of attendees is set out below:

MSP	Scottish Parliament	Rhona Brankin	19/7/04
Advisor to Lord James Douglas-Hamilton	Scottish Parliament	Ailsa Brown	19/7/04
President (retired)	The Royal College of Physicians	Niall Finlayson	19/7/04
Director	Braemar Estates	William Frame	19/7/04
Manager	OneCity Trust	Sophia Fraser	19/7/04
Director of City Development	City of Edinburgh Council	Andrew Holmes	19/7/04
The Scotsman	Alasdair Jamieson		19/7/04
Councillor	City of Edinburgh Council	Dougie Kerr	19/7/04
Managing Partner	McGrigor Donald	Shona MacPherson	19/7/04
Councillor	City of Edinburgh Council	Elizabeth Maginnis	19/7/04
Charity Communications	Scottish Community Foundation	Caroline Mitchell	19/7/04
MSP	Scottish Parliament	Mike Pringle	19/7/04
Chair	Edinburgh & Lothians Racial Equality Coun.	Rohini Sharma	19/7/04
Principal & Vice-Chancellor	Napier University	Professor Ian Stinger	19/7/04
Chief Executive	Scottish Rugby Union	Jim Telfer	19/7/04
Treasurer	Edinburgh Chinese Elderly Support Assoc.	Johnny Tsui	19/7/04
Staff Member	Blackwells Bookshop	Alison Toltick	19/7/04
Staff Member	Blackwells Bookshop	Gail Thomson	19/7/04
Journalist	Leith Community Media Works	Jolene Campbell	19/7/04
Staff Member	Leith Community Media Works	Danielle Milne	19/7/04

Staff Member	Volunteer Centre Edinburgh	Paul Wilson	19/7/04
Staff Member	Volunteer Centre Edinburgh	Jill Smith	19/7/04
Marketing Manager	The National Trust for Scotland	Ian Preece	19/7/04
Account Manager	James Harrison & Company	Alison Hogg	19/7/04
Writer/Editor		Magnus Linklater	19/7/04
Marketing Manager	Shepherd & Wedderburn	David Wallace	19/7/04
Director	Joseph Bonnar Jewellery	Joseph Bonnar	19/7/04
Chief Executive	The Royal College of Physicians	Elaine Tait	19/7/04
Campaigns Director	Amnesty International	Michelle Lowe	20/7/04
Programme Director	Amnesty International	John Wilson	20/7/04
Managing Director	City Paving	Alan Bruce	20/7/04
Managing Director	PDQ Couriers	Jim Vetrino	20/7/04
Business Manager	PDQ Couriers	Christopher Elias	20/7/04
Adult Education Development Worker	Worker Castlebrae Community High	Charise Barclay	21/7/04
Community Development Worker	Craigmar Community Centre	Catharine Scott & peers	21/7/04
Community Liaison Officer	Edinburgh City Council	Eileen Hewitt & Colleagues	21/7/04
Estimator	Paramount Printers	James Small	21/7/04
Managing Director	Paramount Printers	Paul Hepburn	
Fundraiser	Donaldson's School for the Deaf	Catrina Crosbie	22/7/04
Managing Director	Bethany Christian Trust	Iain Gordon & Colleagues	23/7/04
Marketing Manager	The Queens Hall	Michael Dawson & Colleagues	23/7/04
Marketing Directors	Shepherd and Wedderburn Solicitors	David Wallace & Colleagues	23/7/04
Marketing Manager	The Queens Hall	Michael Dawson	23/7/04
Director	Drum Central	Simon McGlynn	24/7/04
Director	CT Media	Chris Tracey	24/7/04
Co-ordinator	Chest, heart and Stoke, Scotland	Jine Forson	24/7/04
Director	Fibol International	Pavlin Panayotov	26/7/04
Director	Bethany Christian trust	Iain Gordon	26/7/04
Owner	Wayahead	Raymond Flynn	26/7/04
	Visobelle Displays	Isobelle Johnson	27/7/04
Technician	City Arts Centre	Alex Hodgson	27/7/04
Partner	M and M Joiners and Builders	Andrew McFadyen	27/7/04
Social Worker	City of Edinburgh Council Social Work Department	John Gray	27/7/04
Organiser	The Friday Club	Ann-buise Howell	27/7/04
Financial Adviser	Lloyds Bank	Gerry Mullan	27/7/04
Member	Dalkeith Parish Church Women's Guild	Mae Watson	28/7/04
Director	DB Management	David Boucher	28/7/04
Co-ordinator	Edinburgh Health Organisation	Fiona Boucher	28/7/04
Analyst	Hewlett Packard	Gerry Fitzpatrick	28/7/04
Managing Director	Scotphone	Mark Linton	28/7/04
Partner	Veritas Partnership	Andrew Mitchell	28/7/04
Proprietor	La Petit Folie and Tudorhouse	Virginie Milant	28/7/04
Band Member	The Last Resort	Gareth Evans	29/7/04
Manager	East Lothian Council Housing Benefits Office	John Cunningham	29/7/04

Head of Music	Edinburgh City Music School	Tudor Morris	29/7/04
Head of Music	Napier University	Graham Weir	29/7/04
Partner	Windmill Holdings Properties	Sarah Kettlewell	29/7/04
Organiser	The Skye Partnership	Stephanie Bates	29/7/04
Piano Tuner		Greg Johnstone	30/7/04
Director of Music	Loretto School	Edward Coleman	30/7/04
Musical Director	Freelance	Stuart Nisbet	31/7/04
Community			
Information Officer	Craigmill Partnership	Clare Mulster	14/8/04
Director	S and F Engineering	David Sharp	16/8/04
Senior Lecturer	Jeweland Esk Valley College	Mark Forshaw	16/8/04
Partner	A and G Roofing	Marth Brown	17/8/04
Partner	The Music Kitchen	Stuart Wood	17/8/04
Musician/recording artist	My Owens songs	Dean Owens	17/8/04
Artistic Director	Sherabong Ltd.	Peter Prentice	17/8/04
Co-ordinator	Edinburgh Drama	Marjory Hunt	19/8/04

Questionnaires

A short list of specific questions has been sent to the original mailing lists of voluntary organisations and local businesses. Similarly, Freepost questionnaire cards are being displayed around the city in venues likely to attract the target audience's response. All returns will be entered into a prize draw.

The Castle FM Supporters Forum

Castle FM has always sought to spread awareness of its campaign and has held many events throughout the past five years beginning with an official launch reception to herald the first RSL, at the city's Caledonian Hotel. In 2004, it was decided to form a body of individuals, working and living in the city, who would lend their name in support of the station's bid. This resulted in the creation of the Castle FM Supporters Forum.

The Forum was launched in March 2004 at The Tunn in Holyrood, and was well attended by a cross section of people representing a variety of interests in the city. The Forum convened most recently in July at The Royal Society of Edinburgh. An update on Castle FM's progress was followed by a lively panel discussion about local media in the city, the format of the new station and how Castle FM could make a difference to citizens, visitors, businesses and the voluntary sector.

The Castle FM Supporters Forum is an informal network of prominent and influential representatives of Edinburgh life. The forum supports the establishment of a new Edinburgh owned radio station which will:

- bring a new listening choice to the people of Edinburgh and the surrounding area
- offer a new advertising outlet for local businesses
- work in support of the community
- have a positive attitude to life in and around Edinburgh

Chaired by Gavin Hastings, the meetings offer forum members an opportunity to contribute to Castle FM's plans. If Castle FM is successful in securing a permanent radio station for Edinburgh, the Supporters Forum will be converted to a charitable trust to raise funds for good causes in the capital. A full list of Forum members will be made available to Ofcom on request.

Declared Supporters

In the course of its research and promotional activity Castle FM has received substantial support from many areas. We have sought to secure the support of key opinion formers and those with influence in the city, rather than seeking to generate swathes of meaningless 'form' letters.

Castle FM has received the support of the following individuals and organisations. Copies of letters can be made available to O from on request.

Elected Representatives

Councillor	City of Edinburgh Council	Brian Fallon
Councillor	City of Edinburgh Council	Dougie Kerr
Community Council Liaison and Development Officer	City of Edinburgh Council	Eileen Hewitt
Councillor	City of Edinburgh Council	Elizabeth Maginnis
Lord Provost	City of Edinburgh Council	Eric Milligan
Councillor	City of Edinburgh Council	Kingsley Thomas
Councillor	City of Edinburgh Council	Mark Lazarowicz
Councillor	City of Edinburgh Council	Moyra Forest
M P	House of Commons	Alistair Darling
M P	House of Commons	Donald Gorrie
M P	House of Commons	Lynda Clark
M SP	The Scottish Parliament	David McLetchie
Lord, M SP	The Scottish Parliament	James Douglas – Hamilton
M SP	The Scottish Parliament	Margaret Smith
M SP	The Scottish Parliament	Mike Pringle
M SP	The Scottish Parliament	Robin Harper
M SP	The Scottish Parliament	Sarah Boyack

Education

Adult Education Development Worker	Castlebrae Community High School	Charise Barclay
Headteacher	Drummond Community High School	Muriel Buchanan
Chief Executive	Edinburgh University Press	Timothy Wright
Principal	Jewel & Esk Valley College	Howard McKenzie
Head of Music	Loretto Nippers	Kenneth Hutchinson
President	Napier Students Association	Christian Pozniemski
Corporate Services Director	Napier University	Louise Macindoe
Principal and Vice Chancellor	Napier University	Professor Ian Stringer
Director of Corporate Services	Napier University	Morag Amot
Conference Executive	New Battle Abbey College	Jackie Kane
Headteacher	Preston Street Primary School	Alison Noble
Principal and Vice Chancellor	Queen Margaret University College	Anthony P Cohen
President	Royal College of Physicians of Edinburgh	Neil Douglas
Headteacher	Royal High Primary School	Jan Braer
Head of Marketing and Communications	Stevenson College Edinburgh	Catharine Bowden
Vice Principal	University of Edinburgh	Professor Geoffrey Boulton

Senior Lecturer	University of Edinburgh	Jennifer Kerr
Business		
Director	Aberdeen Asset Managers	Colin M W Robertson
Financial Controller	Alexander Buchan Ltd	Alan Banthorne
Senior Manager	Allied Irish Bank	Gerard Mullan
Partner	Alvis Motorcycles	Alistair Robertson
Chairman	Anderson Strathearn Solicitors	Alan S Menzies
Director of Corporate Banking	Bank of Scotland	Andrew Seaton
Partner	Beauchamp & Hofmann	P A Hofmann
General Manager	Caledonian Hilton	Dagmar Muhle
Display Technician	City Art Centre	Alex Hodgson
Owner	City Paving	Alan Bruce
Director	Consolidated Communications	Will Holt
Company Secretary	Construction Tool Hire (Scotland) Ltd	Gaynor Murray
Sales Manager	Continental Airlines	Stephen Craven
Development Officer	Craigmar Credit Union	Margaret Evans
Media Graduate	CT Media	Christopher Tracey
Finance Manager	Design Concepts Limited	Avril Houghton
Secretary	DMH Baird Lumoden	Hilary Paterson
Director of Drum Central	Drum Cenarsh	Simon McGlynn
Company Secretary	DSL Financial Ltd	Lynne McNamara
Manager	EH1 Café-Bar	Michael Thom
Managing Director	Emperor	Neil Reynolds
	Essential Business Services	Jackie Grant
Waiter	Exchange House Catering Ltd	James Riddel
Director	Feather Brooksbank	Giles Brooksbank
General Manager	George Inter-continental Edinburgh	Neil Houghton
Marketing Assistant	Gilspie MacAndrew W S	Emma McGown
Senior Manager	Glenkinchie Distillery	CM Smith
Marketing Manager	Hamilton & Inches	Pippa Dougherty
General Manager	Harvey Nichols	Gordon Drummond
General Manager	Holmes Places Health Club	Matt Laird
Joint Managing Director	Jenners	Andrew Douglas
Director	Joseph Bonnar Antique and Period Jewellery	Joseph Bonnar
Director	Kingsburgh Homes	James Miller
Chairman	Kwik Fit	Sir Tom Farmer
Director	Linell Engineering Company (Johnstone) Ltd	Michael G Elliott
Owner	Lisa V Beauty Therapy	Lisa Vastano
Manager	Livingwell Healthclub	Scott Campbell
Marketing Director	Lothian Buses	Iain Coupar
Partner	M & M Joiners and Builders	Andrew McFadyen
Director	Mainstream Publishing	Bill Campbell
Financial Director	Margiotta	Franco Margiotta

Managing Partner	McCabes	Jeff Meek
Owner	McClelland and Sons Ltd	Nathan Bruce Harris
Chief Commercial Operations Director	MGT	Gordon Tainton
Director	Minster Services	Gordon Sandilands
Regional Administrator	North Union Insurance	Shirleen Shand
Partner	O'Donnell & Co Accountants	Steve O'Donnell
Manager	O'Sullivan Clearly	John Anderson
Director	Open Eye Gallery	Thomas Wilson
Administrator	Panasonic OWL	Gina Miller
Estimator	Paramount Printers	James Small
Managing Director	Paramount Printers	Paul Hepburn
Business Manager	PDQ Couriers	Christopher Elias
Managing Director	PDQ Couriers	Jim Vetrino
HR Manager	PRG	Colin Weir
	Quayle Munro Limited	Miriam Greenwood
Manager	Ray Smith CarHiFi	John Price
Owner	RDA	Peter Roake
Partner	Real Marketing Specialists	Bonnie Lamotte
Managing Director	Redpath	Richard Irvine
Managing Director	Rock Steady Security Ltd	Mark Hamilton
Facilities Assistant	RSE	Andy Cuman
Senior Partner	Ryden Property Consultants	Roy Durie
Principal Partner	SA Hodge & Associates	SA Hodge
Chairman	Scottish & Newcastle	Sir Brian Stewart
Group HR Director	Scottish & Newcastle plc	Henry Fairweather
Strategy Director	Scottish Courage Ltd	Colin Wood
	Scottish Courage Ltd	John Thomas
Chief Executive	Scottish Enterprise Edinburgh & Lothian	David Chrichton
Chief Executive	Scottish Enterprise Edinburgh & Lothian	Jim McFarlane
Analyst	Scottish Equitable	James Mackintosh
Group Director Corporate Communications	Scottish Power	Dominic Fry
Managing Director	Scotts Reboction	ES Potter
Director	Select a Blind	Merbn Morris
General Manager	Sheraton Grand	JPeter Murphy
Director	Special Scotch Whisky (Edinburgh) Ltd	Bruce Linton
Member	Springfords Chartered Accountants	JF Kerr LLP
Corporate Social Responsibility Manager	Standard Life	Andrew Marshall-Roberts
Manager	Student Flights Edinburgh	Malcolm Kerr
Managing Director	Ten Aps	Vince Meeklejohn
General Manager	The Balmoral Hotel	Gerhard Schaller

Community Information Officer	The Craigmillar Partnership	Clare Master
Director	The Levy McCallum Advertising Agency	Alan S Levy
Group Technology Managing Director	The Royal Bank of Scotland Group	Robert Reid
Director	The Scottish Whisky Heritage Centre Ltd	Alistair Smith
Director	The Xchange Business	David Hale
Director	Thompsons Sports	Graham Docherty
Manager	Thorpe Molby Recruitment	Erica Mackay
Director	Valvona & Croth	Mary Conthi
Owner	Visobelle Displays	Isobelle Hodgson
Group Chairman	Waker Group	EM Waker
Owner	Wayahead	Raymond Flynn
Dealer Principal	West Coast Harley Davidson	Gordon Brunton
Owner	Wild Thyme	Helen Reid
Proprietor	Wilson Insurance Services	Norman C Wilson
Sport, The Arts, Tourism		
Treasurer	Craigentenny Bowling Club	Tony McLaren
Chief Executive	Edinburgh & Lothians Tourist Board	Jack Munro
Chief Executive	Festival City Theatres Trust	John Staker
Press & Marketing Manager	Festival Fringe Society	Louise Page
Coach & Agent	Fibol International	Pavlin Panayotov
Chief Executive	Hearts FC	Chris Robinson
Director General	National Galleries of Scotland	Timothy Clifford
Acting Press Manager	National Galleries of Scotland	Michael Gormley
Secretary	Portobello FC Rugby Football Club	Barry Sinclair
Chairman	Saltire Society - Edinburgh Branch	Ian MacDonald
Managing Director	Scottish Chamber Orchestra	Roy McEwan
Secretary	The New Club	Brigadier CDM Ritchie
Marketing Manager	The Queens Hall	Michael Dawson

Community

Campaigns Director	Amnesty International	Michelle Lowe
Programme Director	Amnesty International	John Wilson
Administrative Coordinator	Artlink Edinburgh	Vanessa Cameron
Communications Officer	Barnados	Kat Slater
Chief Executive	Bethany Christian Trust	Iain Gordon
Marketing Worker	Business Community Connections	Danna Outhwaite
Employment Development Officer	Capability Scotland	Alistair Craig
Community Development Worker	Capacity Building Project	Catherine Scott
Coordinator	Capacity Building Project	David Walker
Project Coordinator	Capital City Partnership	Kate Winpless
Coordinator	Chest Heart & Stoke Scotland	Jine Forson
Chairperson	City Wide Family Support Group	Thomas Hart
Manager	Com Exchange Village	Andrew Urquhart
Director	Craigmar Childcare Services	Patsy King - Maguire
Director	Craigmar Literacy Trust	Jacci Scott
Manager	Crew 2000	John Arthur
Information Officer	Depression Alliance Scotland	Ruth Lang
Manager	Drylaw Telford Community Association	Jose De La Cruz
Director	Dunedin Housing Association	Ewan Fraser
Director	Edinburgh & Lothian Racial Equality Council	Nina Giles
Coordinator	Edinburgh Chinese Elderly Support Association	Ben Yuen
Team Leader	Edinburgh Community Mediation Service	Christine Schoech
Community Education Worker	Edinburgh Council - Community Education	Scott Wilkins
Director	Edinburgh Voluntary Organisations' Council	Shuloh Allan
Project Manager	FAR	Margaret Hurcombe
Administrator	Family Care Inc	Rosemary Damianos
Administrator	Fifty Plus Video Group	Eleanor Hill
Assistant Project Leader	First Hand	Ada Blair
Project Coordinator	Fresh Start	Linda Forsyth
Director	FSU Scotland	Liz Dahl
Administrator	Garwaid Centre Edinburgh	Francoise Chevalier
General Manager	Gorgie City Fam	David Drury
Community Officer	Gorgie Dalry Partnership	Elaine Brand
Administrator	Granton Info Centre	Laura Little
Chief Executive	Hanover (Scotland) Housing Association	Stewart Kingman
Information Resource Worker	Health In Mind	Dawn Hartmann
Representative	Hylvots Bank Church of Christ	Nick Wilson
Director	Lead Scotland	Rona Connolly
Chair	Leith Lorne Community Council	Stewart Black

Reminiscence Trainer	Living Memory Association	Joan McCaughie
Secretary for Scotland	Marie Curie Cancer Care	Sarah Grotian
Manager	Milan SW Org	Neena Agarwal
Centre Manager	Multiple Sclerosis Therapy Centre	Alistair Purser
Project Coordinator	Nari Kalyan Shangho	Naina Minhas
Development Administrator	National Playing Fields Association	Alison Thompson
Producer/Secretary	New Speak Newspaper for the Blind	Brian West
Business Manager	One World Shop	Rachel Faray
Chief Executive	Out of the Blue	Harald Tobemann
Project Worker	Outbok Project	Fiona Dowie
Development Worker	Pentland Community Care Project	Gary Rose
Representative	Pilmey Development Project	Anne Dayo
Manager	Pilmey Youth Centre	Bryan Mughan
Coordinator	Pilton Video	Joel Venet
Administrator	Queensferry Care in the Community	Andy Paterson
General Manager	Scottish Braille Prep	John Donaldson
Centre Manager	Scottish Marriage Care	Dr FM Addly
Association Administrator	Scottish Spina Bifida Association	Gail Jones
Events Marketing Officer	Scottish Wildlife Trust	Leanne Sanderson
Volunteer Coordinator	Shelter Families Project	Chloe Wheeler
Director	Sick Kids Friends Foundation, Edinburgh & Lothians	Maureen Harrison
Administrator	SNIG	Catrina Crosby
Partnership Manager	South Edinburgh Social Inclusion Partnership	Susan Milne
Coordinator	St Andrew Aid Relief	Robert McNab
Director	St Andrew's Children's Society	Stephen Small
Senior Advisor	Swap East	Jordi Piarich - Marquino
Curator	TabotRise Gallery, University of Edinburgh	Duncan Macmillan
Chief Executive	The Council for Music in Hospitals	Alison Frazer
Community Information Officer	The Craigmillar Partnership	Chloe Malster
Projects Manager	The Edinburgh Green Belt Trust	Charles Cumming
Volunteer	The Friday Club	Anne Louise Howell
Joint Letting Convener	The Parish Church of St Cuthbert	Irene MacKenzie
Case Worker	The Royal Society for the Relief of Indigent Gentlewomen of Scotland	Miss M M Douglas
Chairman	The Saltire Society	Ian MacDonald
Chief Executive	The Sportsman's Charity	John Framme
Fundraising Manager	The Thistle Foundation	Louise Blake
Manager	Volunteer Club Edinburgh	Paul Wilson
Trust Manager	Water of Leith Conservation Trust	Helen Brown
Director	Waverley Care	David Johnson
	WellSpring - Counselling & Psychotherapy	Maria Armstrong
Youth Worker	Western Hailes Youth Agency	Chloe McGeary

Project Coordinator	Womanzone	Michelle Corcoran
Project Manager	Women Onto Work	Sam Hardie
Project Manager	YWCA Roundabout Centre	Emma Crawshaw
General Public		
Ed Douglas	N Jones	Audrey Fyfe
Mrs Isabelle Madd	K Chisholm	Brian Moor
Paul Mack	James & Amanda Ridgeway	CH Mudie
Jean Smith	Andrew Robb	Catherine Linklater
Teri Smith	Mrs H Mackenzie	Chris Oliver
Liz McFarlane	Duncan McNeill-McCallum	Elaine Peach
Brian Tamme	S Levine	G McNeill
Barbara Wylie	Jeanne Davy	George Anderson
James Smith	Geraldine MacInnes	George Black
James Adair	Callum Anderson	Gillian Anderson
Eddie Galik	W Mazur	Gordon Macdonald
Jessie Wood	Eddie Kiman	Harry McNulty
Robert Murray	Mr Wallace	Irene Brodie
Eddie Gibson	Mr & Mrs J Craven	Jean Crawford
Billy & Jean Weir	Greta Rae	Jean Harris
Douglas Dyer	Rosemary Franchitti	SM Donald
R Burill	Lesley Winton	Glenys Peter
Stanley Clee	Liz Marcus	Fred Tobie
Sheila Peddison	Liz Stewart	Graham Bevan
Margaret Robertson	Malcolm Linklater	Mark Tamme
May Tully	Moira Mackay	G Jenkins
Pavlin Panayotov	Mrs Owen Black	Jan Daniels
Tracey Keir	Niall C Finlayson	JD Donaldson
Colin Watson	Pat Knox	Jim Hall
Pat Mould	John & Judith Lamb	Lesley Byrne
Robert Marcus	Fran McSherry	Rosemary Cowper
Russell Burgh	Martha Campbell	Linda Miller
Ruth Alexander	Margaret Baird	R Jones Sheena McFallon
Ros Lambert	Dave McMurray	Sir Ian Noble
Joy Ewan	John Russell	Brian ES
John Gray		

DECLARATION

Applicants are required to conclude their submission by responding to the following question: Do you confirm that, to the best of your knowledge and belief:

- (i) the applicant is not a disqualified person in relation to the licence by virtue of the provisions of section 143(5) of the Broadcasting Act 1996 (relating to political objects);
- (ii) no director or person concerned directly or indirectly in the management of the company or the applicant group is the subject of a disqualification order as defined by section 145(1) of the Broadcasting Act 1996;
- (iii) no person involved in the application has been convicted within the past five years of an unlicensed broadcasting offence and that the applicant will do all it can to ensure that no person so convicted will be concerned in the provision of the service, the making of programmes included in it, or the operation of a radio station if the applicant is granted a licence; and
- (iv) any matters which might influence Ofcom's judgement as to whether the directors and substantial shareholders involved in the application are fit and proper persons to participate in a radio licence have been made known to Ofcom? Applicants should note that Ofcom reserves the right to revoke a licence if at any time any material statement made is found to be false and to have been made by the applicant or any member or officer thereof knowing it to be false, and that in the circumstances of section 144 of the Broadcasting Act 1996, the provision of false information or the withholding of relevant information with the intention of misleading Ofcom could incur a criminal conviction and a disqualification from the holding of a licence.

Castle FM confirms that to the best of its knowledge and belief all the above conditions and requirements have been met and will continue to be met throughout the licence period.



**CERTIFICATE OF INCORPORATION
OF A PRIVATE LIMITED COMPANY**

Company No. 255602

The Registrar of Companies for Scotland hereby certifies that
EDINBURGH RADIO LIMITED

is this day incorporated under the Companies Act 1985 as a private
company and that the company is limited.

Given at Companies House, Edinburgh, the 9th September 2003



C O M P A N I E S H O U S E

