

Edinburgh independent local radio licence applications

Questions and responses: Castle FM

These are the responses from Castle FM to the non-confidential questions asked by Ofcom regarding the group's application for the Edinburgh licence.

1. How did you decide upon the sample size for the 'Attitudes towards RSL' qualitative research? (Particularly with respect to questions looking at the stations people would listen to less or stop listening to, which are based on samples of 25 and four respectively).

The 'Attitudes towards RSL' research was the second part of the initial format testing research. The 40 follow-up interviews were conducted with adults aged 35 years or older who were recruited at the pre stage of this project. From the original pre stage work, a total of 60 respondents had agreed to be re-contacted; the remainder either could not receive the radio station or refused to participate when the re-contact was made. The sample size was effectively determined by the RSL pre stage research, which consisted of 301 interviews from a demographically representative sample. As the total number of respondents to the call back research was smaller than anticipated, the information gained was only used as a general guide to attitudes to the RSL.

Edinburgh Radio Ltd did not derive the anticipated impact on the market of Castle FM from the answers to questions in this part of the research. The respondent data used to estimate impact was derived from the answers to questions 14 to 18 in the Edinburgh RSL pre stage research. The results are detailed in tables 8,10,12,14, 16 and 18.

2. Did the sample of respondents taking part in the Auditorium include a cross section of participants from across the Forth One TSA?

The respondents who took part in the auditorium music test were a representative sample of 40 – 64 year olds living in the Forth One TSA.

3. Please confirm the number and percentage of shares held by investors, since the figures (in absolute terms) differ between pages 12 and 13?

As Edinburgh Radio Ltd has been trading for some time already, the shareholdings outlined on page 13 relate to the **number of shares currently in issue**. A total of 95,999 shares are currently allocated leaving 4,001 unallocated. The current percentage holdings for each shareholder are the same as page 12 and will remain unchanged if Edinburgh Radio Ltd is successful in winning the licence. The table on page 12 sets out the number of shares which will be issued, should the business be capitalised. As stated

shares will issued at par, or £1 each, raising the number of shares in issue from 100,000 to 2,500,000.

4. What do you intend to do with the unallocated shares?

As part of a long term commitment to a locally focused Edinburgh radio station, the board of Edinburgh Radio Ltd believe that members of staff should be allowed the opportunity to share in the success of the business, and have therefore reserved a number of shares for a staff share scheme. It is also anticipated that the Managing Director, when appointed, will take a share holding.