

**REGISTRAR OF
COMPANIES**

TFM Radio Limited

Report and Accounts

For the nine month period ended 31 December 2008

Company Registration No. 728006

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TFM Radio Limited
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For the nine month period ended 31 December 2008

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TFM Radio Limited
Directors, officers and auditors

Directors D Ford
 G White

Company secretary Sisec Limited

Auditors BDO Stoy Hayward LLP
 55 Baker Street
 London
 W1U 7EU

Registered office 21 Holborn Viaduct
 London
 EC1A 2DY

Company number 728006

TFM Radio Limited

Directors' Report

For the nine month period ended 31 December 2008

The directors submit their report and the accounts for the nine month period ended 31 December 2008.

Business review and principal activities

The Company is engaged in the operation of independent radio stations in the Durham, Cleveland and North Yorkshire area under licence from Ofcom. Trading is in line with expectations.

The profit for the nine month period before taxation amounted to £17,000 (12 months ending 31 March 2008: £666,000) with turnover of £2,376,000 (12 month ending 31 March 2008: £3,987,000). The directors do not recommend the payment of a final dividend (12 months ending 31 March 2008: £nil).

Directors

The current directors are shown on page 1. The directors who held office during the period are given below:

D Ford
G White

Insurance of directors

Directors' and Officers' liability insurance has been maintained by Bauer Radio (Holdings) Limited for the period.

Statement of directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit, and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

TFM Radio Limited

Directors' Report

For the nine month period ended 31 December 2008

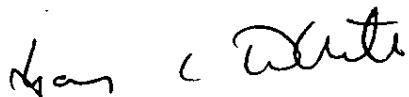
Auditors

The auditors, BDO Stoy Hayward LLP, have indicated their willingness to continue in office. The Company has elected under section 386 of the Companies Act 1985 not to re-appoint auditors annually. Therefore the auditors, BDO Stoy Hayward LLP, are deemed to be re-appointed for the next financial year.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Approved by the board of directors on 24th July, 2009.

A handwritten signature in black ink, appearing to read 'G White', is written over the printed name and title.

G White
Director

TFM Radio Limited
Independent Auditor's Report
For the nine month period ended 31 December 2008

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

We have audited the financial statements of TFM Radio Limited for the nine month period ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its profit for the nine month period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

600 Stg Hayward LLP

BDO Stoy Hayward LLP
Chartered Accountants and Registered Auditors
London

24 JUL 2009.

TFM Radio Limited
Profit and Loss Account
For the nine month period ended 31 December 2008

		Nine months ended 31 December 2008 £'000	Twelve months ended 31 March 2008 £'000
	Notes		
Turnover	2	2,376	3,987
Cost of sales		(481)	(603)
Gross profit		1,895	3,384
Administrative expenses		(1,897)	(2,743)
Operating (loss)/profit	3	(2)	641
Interest receivable		19	25
Profit on ordinary activities before taxation		17	666
Tax on profit on ordinary activities	5	(11)	(210)
Profit for the period	11, 12	6	456

The above results relate to continuing operations.

The Company has no recognised gains and losses other than those included above and therefore no separate statement of total recognised gains and losses has been presented.

There are no difference between the reported results and the historical cost profits on ordinary activities before taxation for both periods being reported.

The notes on pages 7 to 13 form part of these accounts.

TFM Radio Limited
Balance Sheet
At 31 December 2008

	At 31 December 2008 Notes £'000	At 31 March 2008 £'000
Fixed assets		
Tangible assets	6 143	40
Current assets		
Debtors	7 1,178	1,372
Cash at bank and in hand	3	3
	1,181	1,375
Creditors: amounts falling due within one year	8 (109)	(206)
Net current assets	1,072	1,169
Net assets	1,215	1,209
Capital and reserves		
Called up share capital	10 254	254
Share premium account	11 2	2
Profit and loss account	11 959	953
Total shareholders' funds	12 1,215	1,209

The financial statements were approved by the Board of Directors and authorised for issue on 24th July, 2009.

G White

G White
Director

The notes on pages 7 to 13 form part of these accounts.

TFM Radio Limited

Notes to the accounts

For the nine month period ended 31 December 2008

1 Accounting policies

Basis of accounting

These accounts have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The directors, in accordance with the Financial Reporting Standard 18, "Accounting Policies" ("FRS 18"), confirm that the accounting policies used by the Company are the most appropriate, consistently applied and adequately disclosed.

A summary of the more important accounting policies is set out below.

Depreciation

The cost of tangible fixed assets less estimated residual value on disposal is written down evenly over their expected useful lives as follows:

Office equipment and vehicles	- 3 to 5 years
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Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Leasing

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the lease.

Pensions

Bauer operates a defined contribution pension scheme provided by Scottish Widows known as Bauer Consumer Media Pension scheme for all eligible staff across the Group. The costs of this pension scheme are charged to the profit and loss account as they become payable. Prior to 31 January 2008, eligible staff were only able to join the Flexiplan a defined contribution pension plan operated by the Emap Group.

Cashflow statement and related party disclosures

The Company is a wholly owned subsidiary of Heinrich Bauer Verlag Beteiligungs GmbH and is included in the consolidated financial statements of Heinrich Bauer Verlag Beteiligungs GmbH, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 "Cash Flow Statements" (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 "Related Party Transactions" from disclosing related party transactions with entities that are part of the Heinrich Bauer Verlag KG group as it is a wholly owned subsidiary and included within the consolidated accounts of Heinrich Bauer Verlag Beteiligungs GmbH, which are publicly available.

TFM Radio Limited

Notes to the accounts

For the nine month period ended 31 December 2008

2 Turnover

Revenue is recognised when the significant risks and rewards of ownership have been transferred to a third party, or for services provided, at the point when it is probable that the economic benefits will flow to the Company and when the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration and represents amounts receivable for services and goods provided in the normal course of business, net of discounts, custom duties and sales taxes.

Radio revenue is recognised on the date of broadcast.

All turnover is derived from within the United Kingdom.

3 Operating (loss)/profit

(a) This is stated after charging

	Nine months ended 31 December 2008 £'000	Twelve months ended 31 March 2008 £'000
Depreciation of owned tangible fixed assets	13	22
Operating lease rentals		
- Plant and machinery	40	60
- Other	74	99

Fees for the audit of the Company were borne by Bauer Radio Limited in both periods and have not been recharged.

There were no fees paid to the Company's auditor, BDO Stoy Hayward LLP, for any non audit services to the Company (12 months ended 31 March 2008: £nil).

(b) Directors' emoluments

	Nine months ended 31 December 2008 £'000	Twelve months ended 31 March 2008 £'000
Aggregate emoluments	-	50
Pension contributions under the defined contribution scheme	-	3
	-	53

No pension benefits accrued to directors (12 months ended 31 March 2008: 1) under the pension scheme.

TFM Radio Limited

Notes to the accounts

For the nine month period ended 31 December 2008

4 Staff costs

(a) Costs (including directors' emoluments)

	Nine months ended 31 December 2008 £'000	Twelve months ended 31 March 2008 £'000
Wages and salaries	550	736
Social security costs	59	81
Other pension costs	12	13
	621	830

(b) Pension costs

Defined contribution plan

The Company has participated in a defined contribution pension scheme, the Bauer Consumer Media Pension Scheme operated by Scottish Widows from 1 March 2008. During the year ended 31 March 2008 the Company also participated in Flexiplan a defined contribution scheme provided by Emap up to 31 January 2008. The pension charge represents contributions due from the employer and during the nine month period it amounted to £12,246 (12 months ended 31 March 2008: £13,383).

(c) Employees

The average monthly number of persons employed by the Company in the UK during the nine month period was 27 (12 months ended 31 March 2008: 24).

TFM Radio Limited

Notes to the accounts

For the nine month period ended 31 December 2008

5 Tax on profit on ordinary activities

	Nine months ended 31 December 2008 £'000	Twelve months ended 31 March 2008 £'000
Corporation tax at 28% (12 months ended 31 March 2008: 30%)	11	204
Corporation tax prior year adjustment	(1)	-
Total current tax	10	204
Deferred tax - current period	1	5
Deferred tax - prior year adjustment	-	1
Tax on profit on ordinary activities	11	210

The tax assessed for the period is higher (12 months ended 31 March 2008: higher) than the standard rate of corporation tax in the UK. The difference between tax as per the financial statements and tax at the UK nominal rate is explained below:

	Nine months ended 31 December 2008 £'000	Twelve months ended 31 March 2008 £'000
Profit before tax	17	666
Tax charge at 28% (12 months ended 31 March 2008: 30%)	5	200
Corporation tax prior year adjustments	(1)	-
Non-tax deductible expenses	7	8
Capital allowances in excess of depreciation	(1)	(4)
Tax charge for the current period	10	204

TFM Radio Limited

Notes to the accounts

For the nine month period ended 31 December 2008

6 Tangible fixed assets

	Office equipment and vehicles £'000
Cost	
At 1 April 2008	575
Additions	116
At 31 December 2008	691
Depreciation	
At 1 April 2008	535
Charge for the period	13
At 31 December 2008	548
Net book value	
At 31 December 2008	143
At 31 March 2008	40

7 Debtors

	At 31 December 2008 £'000	At 31 March 2008 £'000
Trade debtors	347	386
Amounts owed by Group undertakings	717	871
Other debtors	33	52
Prepayments and accrued income	65	46
Deferred tax (Note 9)	16	17
	1,178	1,372

Amounts owed by Group undertakings are unsecured and have no fixed date of repayment. Included in amounts owed by Group undertakings are loans bearing interest at 5.16% from 29 January 2008 onwards (Up to 30 September 2007 amounts owed by Group undertakings bore interest at the SONIA rate).

TFM Radio Limited

Notes to the accounts

For the nine month period ended 31 December 2008

8 Creditors: amounts falling due within one year

	At 31 December 2008 £'000	At 31 March 2008 £'000
Trade creditors	14	9
Other taxation and social security	11	10
Accruals and deferred income	36	96
Other creditors	48	91
	109	206

9 Deferred taxation

The movement on deferred tax is:

	Deferred tax £'000
At 1 April 2008	17
Transferred from profit and loss account	(1)
At 31 December 2008	16

The deferred taxation asset has been recognised in the accounts as follows:

	At 31 December 2008 £'000	At 31 March 2008 £'000
Depreciation in advance of capital allowances	16	17

There is no unprovided deferred taxation (31 March 2008: £nil).

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements.

10 Called up share capital

	At 31 December 2008 £'000	At 31 March 2008 £'000
Authorised		
400,000 ordinary shares of £1 each	400	400
Allotted, called up and fully paid		
254,150 ordinary shares of £1 each	254	254

TFM Radio Limited

Notes to the accounts

For the nine month period ended 31 December 2008

11 Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 April 2008	2	953
Profit for the period	-	6
At 31 December 2008	2	959

12 Reconciliation of movements in shareholders' funds

	At 31 December 2008 £'000	At 31 March 2008 £'000
Opening shareholders' funds	1,209	753
Profit for the period	6	456
Closing shareholders' funds	1,215	1,209

13 Lease commitments

At 31 December 2008 the Company had annual commitments under non cancellable operating leases expiring as follows:

	Land and buildings At 31 December 2008 £'000	Other At 31 December 2008 £'000	Land and buildings At 31 March 2008 £'000	Other At 31 March 2008 £'000
Within one year	-	-	-	2
After five years	99	-	99	-
	99	-	99	2

14 Immediate and ultimate controlling parties

The immediate parent undertaking is Bauer Radio Limited.

The only parent undertaking for which Group accounts are drawn up is Heinrich Bauer Verlag Beteiligungs GmbH, registered in Germany. Copies of Heinrich Bauer Verlag Beteiligungs GmbH accounts are publicly available.

Heinrich Bauer Verlag KG, established in Germany, is regarded by the directors as the Company's ultimate controlling party.