

**Red Rose Radio Limited**

**Report and Accounts**

**For the nine month period ended 31 December 2008**

**Company Registration No. 1372170**

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**Red Rose Radio Limited**  
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**For the nine month period ended 31 December 2008**

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**Red Rose Radio Limited**  
**Directors, officers and auditors**

<b>Directors</b>	G White D Ford T Finney
<b>Company secretary</b>	Sisec Limited
<b>Auditors</b>	BDO Stoy Hayward LLP 55 Baker Street London W1U 7EU
<b>Registered office</b>	21 Holborn Viaduct London EC1A 2DY
<b>Company number</b>	1372170

**Red Rose 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**

Red Rose Radio Limited ("the Company") is engaged in the operation of independent radio stations under licence from Ofcom in Lancashire.

The results for the Company show a pre-tax profit for the nine month period of £1,175,000 (12 months ended 31 March 2008: £1,979,000) and turnover of £3,453,000 (12 months ended 31 March 2008: £5,155,000). The directors do not recommend the payment of a final dividend (12 months ended 31 March 2008: £nil).

**Directors**

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

G White  
T Finney  
D Ford

**Insurance of directors**

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

## **Red Rose Radio Limited**

### **Directors' Report**

**For the nine month period ended 31 December 2008**

#### **Statement of directors' responsibilities (continued)**

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.

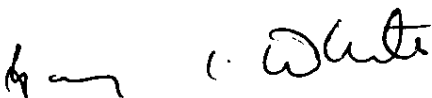
#### **Auditors**

The auditors, BDO Stoy Hayward LLP, have indicated their willingness to continue in office. A resolution to re-appoint BDO Stoy Hayward LLP as auditors will be put to the sole member of the Company.

#### **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.



**G White**  
**Director**

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

**Independent auditor's report to the members of Red Rose Radio Limited**

We have audited the financial statements of Red Rose 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.

*BDO Stoy Hayward LLP*

**BDO Stoy Hayward LLP**  
Chartered Accountants and Registered Auditors  
London

24 JUL 2009.

**Red Rose Radio Limited**  
**Profit and Loss Account**  
**For the nine month period ended 31 December 2008**

		<b>Nine months ended 31 December 2008 £'000</b>	<b>Twelve months ended 31 March 2008 £'000</b>
	<b>Notes</b>		
<b>Turnover</b>	<b>2</b>	<b>3,453</b>	<b>5,155</b>
<b>Cost of sales</b>		<b>(459)</b>	<b>(430)</b>
<b>Gross profit</b>		<b>2,994</b>	<b>4,725</b>
<b>Administrative expenses</b>		<b>(1,999)</b>	<b>(2,928)</b>
<b>Operating profit</b>	<b>3</b>	<b>995</b>	<b>1,797</b>
<b>Interest receivable</b>		<b>180</b>	<b>182</b>
<b>Profit on ordinary activities before taxation</b>		<b>1,175</b>	<b>1,979</b>
<b>Tax on profit on ordinary activities</b>	<b>6</b>	<b>(340)</b>	<b>(608)</b>
<b>Profit for the period</b>	<b>12, 13</b>	<b>835</b>	<b>1,371</b>

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.

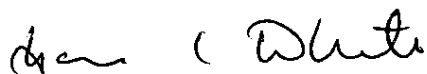
There is no material difference between the reported losses and historical cost losses on ordinary activities before taxation for both periods being reported.

*The notes on pages 7 to 14 form part of these accounts.*

**Red Rose Radio Limited****Balance Sheet****At 31 December 2008**

		<b>At 31 December 2008 £'000</b>	<b>At 31 March 2008 £'000</b>
	<b>Notes</b>		
<b>Fixed assets</b>			
Tangible assets	7	697	700
<b>Current assets</b>			
Debtors	8	6,520	5,734
Cash at bank and in hand		1	1
		6,521	5,735
<b>Creditors: amounts falling due within one year</b>	9	(180)	(232)
<b>Net current assets</b>		6,341	5,503
<b>Net assets</b>		7,038	6,203
<b>Capital and reserves</b>			
Called up share capital	11	1,239	1,239
Share premium account	12	625	625
Revaluation reserve	12	317	317
Profit and loss account	12	4,857	4,022
<b>Total shareholders' funds</b>	13	7,038	6,203

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



**G White**  
**Director**

The notes on pages 7 to 14 form part of these accounts.



# **Red Rose 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:

Freehold property	- 50 years
Office equipment and vehicles	- 3 to 5 years

#### **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.

# Red Rose 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.

The Company takes part in barter advertising deals the value of which are included in both turnover and cost of sales. The value of these transactions in the period amounted to £4,885 (12 months ended 31 March 2008: £nil).

All turnover is derived from within the United Kingdom.

### 3 Operating profit

This is stated after charging

	Nine months ended 31 December 2008 £'000	Twelve months ended 31 March 2008 £'000
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Depreciation of owned tangible fixed assets	25	62
Operating lease rentals - Plant and machinery	43	50

Fees for the audit of the Company were borne by Bauer Radio Limited for 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).

Some operating leases refer to car leases and there are no commitments at the period end for future rentals.

### 4 Directors' emoluments

	Nine months ended 31 December 2008 £'000	Twelve months ended 31 March 2008 £'000
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Aggregate emoluments	3	131
Pension contributions under the defined contribution scheme	-	9
	3	140

Retirement benefits are accruing to nil (12 months ended 31 March 2008: 2) directors under the defined contribution scheme.

# Red Rose Radio Limited

## Notes to the accounts

For the nine month period ended 31 December 2008

### 5 Staff costs

(a) Costs (including directors' emoluments)	Nine months ended 31 December 2008 £'000	Twelve months ended 31 March 2008 £'000
Wages and salaries	574	746
Social security costs	65	76
Other pension costs	9	18
	648	840

### (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 £9,507(12 months ended 31 March 2008: £18,026).

### (c) Employees

The average monthly number of persons (including executive directors) employed by the Company in the UK during the period was 29 (12 months ended 31 March 2008: 28).

# Red Rose Radio Limited

## Notes to the accounts

For the nine month period ended 31 December 2008

### 6 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%)	338	609
<b>Total current tax</b>	<b>338</b>	<b>609</b>
Deferred tax - current year	2	(2)
Deferred tax - prior year adjustment	-	1
<b>Tax on profit on ordinary activities</b>	<b>340</b>	<b>608</b>

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	1,175	1,979
Tax charge at 28% (12 months ended 31 March 2008: 30%)	329	594
Non-tax deductible expenses	11	13
Capital allowances in excess of depreciation	(2)	-
Depreciation in excess of capital allowances	-	2
<b>Tax charge for the current period</b>	<b>338</b>	<b>609</b>

# Red Rose Radio Limited

## Notes to the accounts

For the nine month period ended 31 December 2008

### 7 Tangible fixed assets

	Freehold land and buildings £'000	Office equipment and vehicles £'000	Total £'000
<b>Cost or valuation</b>			
At 1 April 2008	800	543	1,343
Additions	-	22	22
<b>At 31 December 2008</b>	<b>800</b>	<b>565</b>	<b>1,365</b>
<b>Depreciation</b>			
At 1 April 2008	148	495	643
Provided during the period	9	16	25
<b>At 31 December 2008</b>	<b>157</b>	<b>511</b>	<b>668</b>
<b>Net book value</b>			
At 31 December 2008	643	54	697
At 31 March 2008	652	48	700
<b>Analysis of freehold land and buildings</b>		Nine months ended 31 December 2008 £'000	Twelve months ended 31 March 2008 £'000
At cost - 1994		471	471
At valuation - 1994		317	317
Subsequent expenditure at cost		12	12
		<b>800</b>	<b>800</b>

# Red Rose Radio Limited

## Notes to the accounts

For the nine month period ended 31 December 2008

### 8 Debtors

	At 31 December 2008 £'000	At 31 March 2008 £'000
Trade debtors	412	427
Amounts owed by Group undertakings	5,994	5,127
Deferred taxation (Note 10)	16	18
Other debtors	30	45
Prepayments and accrued income	68	117
	6,520	5,734

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).

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

	At 31 December 2008 £'000	At 31 March 2008 £'000
Trade creditors	27	10
Other taxation and social security	13	8
Accruals and deferred income	82	113
Other creditors	58	101
	180	232

# Red Rose Radio Limited

## Notes to the accounts

For the nine month period ended 31 December 2008

### 10 Deferred taxation

The movement on deferred tax is:

Deferred tax  
£'000

At 1 April 2008	18
Transferred from profit and loss account	(2)

At 31 December 2008	16
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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	18

There is no unprovided deferred taxation (12 months ended 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.

### 11 Called up share capital

At 31 December  
2008  
£'000

At 31 March  
2008  
£'000

<b>Authorised</b>		
530,000 ordinary shares of 10p each	53	53
30,000,000 "A" ordinary non-voting shares of 10p each	3,000	3,000
	<b>3,053</b>	<b>3,053</b>
<b>Allotted, called up and fully paid</b>		
517,520 ordinary shares of 10p each	52	52
11,875,740 "A" ordinary non-voting shares of 10p each	1,187	1,187
	<b>1,239</b>	<b>1,239</b>

With the exception of having no voting rights, non-voting shares rank pari-passu with ordinary shares in all other respects.

# Red Rose Radio Limited

## Notes to the accounts

For the nine month period ended 31 December 2008

### 12 Reserves

	Share premium account £'000	Revaluation reserve £'000	Profit and loss account £'000
At 1 April 2008	625	317	4,022
Profit for the period	-	-	835
<b>At 31 December 2008</b>	<b>625</b>	<b>317</b>	<b>4,857</b>

### 13 Reconciliation of movements in shareholders' funds

	At 31 December 2008 £'000	At 31 March 2008 £'000
Opening shareholders' funds	6,203	4,832
Profit for the period	835	1,371
<b>Closing shareholders' funds</b>	<b>7,038</b>	<b>6,203</b>

### 14 Lease commitments

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

	At 31 December 2008 Other £'000	At 31 March 2008 Other £'000
Within one year	-	1
Within two to five years	-	-
	-	1

### 15 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.