

Registered number: 1394141

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## BAUER RADIO LIMITED

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### Directors' Report and Financial Statements

For the Year Ended 31 December 2014

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**BAUER RADIO LIMITED**

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**Company Information**

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<b>Directors</b>	P Keenan D A Ford D P Goodchild G M Beddard S Vickery (appointed 30 September 2014)
<b>Company secretary</b>	Bauer Group Secretariat Limited
<b>Registered number</b>	1394141
<b>Registered office</b>	1 Lincoln Court Lincoln Road Peterborough PE1 2RF
<b>Independent auditor</b>	Grant Thornton UK LLP Registered Auditor & Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP

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**BAUER RADIO LIMITED**

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**Contents**

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	Page
<b>Directors' Report</b>	1 - 2
<b>Strategic Report</b>	3 - 4
<b>Independent Auditor's Report</b>	5
<b>Profit and Loss Account</b>	6
<b>Balance Sheet</b>	7
<b>Notes to the Financial Statements</b>	8 - 18

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## **BAUER RADIO LIMITED**

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### **Directors' Report For the Year Ended 31 December 2014**

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The directors present their report and the financial statements for the year ended 31 December 2014.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £22,392,000 (2013 - £18,490,000).

No interim dividend was paid during the year (2013: £35,00,000). The directors do not recommend the payment of a final dividend (2013: £NIL).

#### **Directors**

The directors who served during the year were:

P Keenan  
D A Ford  
D P Goodchild  
G M Beddard  
S Vickery (appointed 30 September 2014)

#### **Events since the end of the year**

On 27 March 2015 Sound Digital Limited, a joint venture undertaking of the Company, was awarded the UK's second national DAB (digital audit broadcasting) radio licence by the communications regulator, Ofcom.

On 28 April 2015 the Company agreed, subject to regulatory approvals to acquire leading Nordic broadcaster SBS Discovery Radio.

On 23 June 2015 the Company allotted and issued 330,000,000 Ordinary Shares of £0.10 each at a subscription price of £0.10 per share.

#### **Employee involvement**

The directors attach great importance to keeping staff fully informed of the Company's financial progress to involve them as much as possible in the activities of the Company. Information is communicated through Bauer's Intranet - Media Vine - and periodic discussions take place to keep people informed and seek out their ideas and opinions.

#### **Going concern**

Notwithstanding the fact that the Company has net current liabilities, the directors have prepared the financial statements on the going concern basis. The directors have received confirmation from its immediate parent company, of its intention to financially support the Company. This support will be available for a period of at least twelve months from the date of the directors approval of these financial statements.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

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## BAUER RADIO LIMITED

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### Directors' Report For the Year Ended 31 December 2014

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

#### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

#### Auditor

The auditor, Grant Thornton UK LLP, has indicated its willingness to continue in office. The Company has elected under section 487 of the Companies Act 2006 not to re-appoint the auditor annually. Therefore the auditor, Grant Thornton UK LLP, is deemed to be re-appointed for the next financial year.

This report was approved by the board on 29 June 2015 and signed on its behalf.

.....  
**S Vickery**  
Director

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## **BAUER RADIO LIMITED**

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### **Strategic Report For the Year Ended 31 December 2014**

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#### **Introduction**

The Company operates as an investment holding company and provides management services to other Group companies.

Through its subsidiaries, it has 42 local and 14 national radio stations and has one of the largest digital radio networks in the UK and is the largest commercial digital radio provider on Freeview.

#### **Business review**

The Company has developed from a pure radio business into a multimedia business which is taking opportunities to expand its brand onto the ever increasing number of platforms and devices that its audience is using. This expansion ensures that our consumers can access the product whenever and on whatever device or platform our consumers are choosing to use. The scale of audience and closeness of the brand to its consumers provide an excellent platform for customers to access their target audience through cost effective advertising campaigns.

On 29 September 2014, the Company acquired the property at One Golden Square, London, previously leased to one of its subsidiary companies. Following the refurbishment and re-organisation of the property, it has become the London broadcasting centre for the Bauer Group. The Company now receives rental income for the use of this property from its subsidiary.

On 28 April 2015 the Company agreed, subject to regulatory approvals, to acquire leading Nordic broadcaster SBS Discovery Radio.

No change in the nature of the Company's activities is anticipated to occur in the future.

#### **Principal risks and uncertainties**

The Company, along with other businesses in the advertising sector, is exposed to cyclical advertising markets.

The Company's credit risk is primarily attributable to its own trade debtors, excluding its subsidiaries trade debtors that are now held centrally by the Company. Credit risk is managed by obtaining prepayments from new customers, and running credit checks on existing customers. Liquidity and cashflow risks are managed through support from the Company's parent.

Other key risks include a loss of key personnel and increased competition in the marketplace.

The Company is required to comply with the terms of its broadcast licence. The Company mitigates the risk of non-compliance through the work of a compliance officer and by regular training of on and off-air personnel.

#### **Financial key performance indicators**

The Company reviews the financial performance of its investments on a regular basis to monitor and manage the business effectively. The Company's operating loss of £1,765,000 (2013: £1,821,000) provides management with its main performance indicator.

#### **Other key performance indicators**

The key non-financial performance indicators include advertising and audience market share, the latter as independently measured by RAJAR on a quarterly basis.

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**BAUER RADIO LIMITED**

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**Strategic Report (continued)**  
**For the Year Ended 31 December 2014**

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This report was approved by the board on 29 June 2015 and signed on its behalf.

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**S Vickery**  
**Director**

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## BAUER RADIO LIMITED

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### Independent Auditor's Report to the Members of Bauer Radio Limited

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We have audited the financial statements of Bauer Radio Limited for the year ended 31 December 2014, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

*Grant Thornton UK LLP*

Steven Leith (Senior Statutory Auditor)  
for and on behalf of  
**Grant Thornton UK LLP**  
Statutory Auditor  
Chartered Accountants  
London

29 June 2015



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**BAUER RADIO LIMITED**

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**Profit and Loss Account  
For the Year Ended 31 December 2014**

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	Note	2014 £000	2013 £000
<b>Turnover</b>	1,2	<b>9,081</b>	10,486
Cost of sales		<b>(4,893)</b>	(6,515)
<b>Gross profit</b>		<b>4,188</b>	3,971
Administrative expenses		<b>(6,114)</b>	(5,792)
Other operating income	3	<b>161</b>	-
<b>Operating loss</b>	4	<b>(1,765)</b>	(1,821)
Income from shares in group undertakings		<b>22,600</b>	19,300
Income from other participating interests		<b>562</b>	514
Interest receivable and similar income	8	<b>123</b>	246
Interest payable and similar charges	9	<b>(24)</b>	(182)
<b>Profit on ordinary activities before taxation</b>		<b>21,496</b>	18,057
Tax on profit on ordinary activities	10	<b>896</b>	433
<b>Profit for the financial year</b>		<b>22,392</b>	18,490

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss Account.


The notes on pages 8 to 18 form part of these financial statements.

**BAUER RADIO LIMITED**  
Registered number: 1394141

**Balance Sheet**  
**As at 31 December 2014**

	Note	£000	2014 £000	£000	2013 £000
<b>Fixed assets</b>					
Tangible assets	11		19,522		-
Investments	12		212,140		212,025
			<u>231,662</u>		<u>212,025</u>
<b>Current assets</b>					
Debtors	13	26,417		16,719	
Investments	14	-		5,000	
Cash at bank		11,001		11,767	
		<u>37,418</u>		<u>33,486</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(164,150)</u>		<u>(162,973)</u>	
<b>Net current liabilities</b>			<u>(126,732)</u>		<u>(129,487)</u>
<b>Net assets</b>			<u>104,930</u>		<u>82,538</u>
<b>Capital and reserves</b>					
Called up share capital	17		12,507		12,507
Share premium account	18		33,947		33,947
Profit and loss account	18		58,476		36,084
<b>Shareholders' funds</b>	19		<u>104,930</u>		<u>82,538</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 June 2015.

  
 .....  
**S Vickery**  
 Director

The notes on pages 8 to 18 form part of these financial statements.

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## BAUER RADIO LIMITED

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### Notes to the Financial Statements For the Year Ended 31 December 2014

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#### 1. Accounting Policies

##### 1.1 Basis of preparation of financial statements

These financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 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.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

##### 1.2 Going concern

The Company is dependent on continuing financial support made available by its immediate parent undertaking. Continuing financial support is required both to enable the Company to meet its liabilities as they fall due and to continue operating without immediate realisation of all its assets. The Company's immediate parent, has confirmed its intention to maintain its financial support for the foreseeable future and consequently these accounts have been prepared on a going concern basis.

##### 1.3 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

##### 1.4 Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

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.

Radio advertising revenue is recognised on the date of broadcast.

##### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

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## **BAUER RADIO LIMITED**

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### **Notes to the Financial Statements For the Year Ended 31 December 2014**

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#### **1. Accounting Policies (continued)**

##### **1.6 Investments**

Investments held as fixed assets are shown at cost less provision for impairment.

The need for any fixed asset impairment write-down is assessed by comparison of the carrying value of the asset against the higher of its realisable value and its value in use.

##### **1.7 Operating leases**

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

##### **1.8 Dividends receivable**

Dividends receivable are recognised as income in the Profit and Loss account in the period in which they are approved by the shareholders of the investment company. Interim dividends receivable are recorded in the period in which they are paid.

##### **1.9 Dividends payable**

Dividend distributions to the Company's shareholders are recognised as a liability either in the period in which the dividends are approved by the Company's shareholders or, in the case of interim dividends when the dividend is paid.

##### **1.10 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

##### **1.11 Pensions**

The Bauer Media Group (the Group), of which the Company is a subsidiary, has operated a defined contribution pension provided by Aviva scheme known as the Bauer Consumer Media Pension scheme for all eligible staff across the Group. The Group has also operated an auto-enrolment pension scheme as required by current legislation. The costs of these pension schemes are charged to the profit and loss account as they become payable.

#### **2. Turnover**

All turnover arose within the United Kingdom.

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**BAUER RADIO LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2014**

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**3. Other operating income**

	2014 £000	2013 £000
Rents receivable	158	-
Licensing income	3	-
	<u>161</u>	<u>-</u>

**4. Operating loss**

The operating loss is stated after charging:

	2014 £000	2013 £000
Depreciation of tangible fixed assets:		
- owned by the company	1	-
Operating lease rentals:		
- plant and machinery	61	94
	<u>61</u>	<u>94</u>

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

**5. Auditors' remuneration**

	2014 £000	2013 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	116	107
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	2	5
	<u>2</u>	<u>5</u>

The audit fee for both periods represents fees payable in respect of the audit of Bauer Radio Limited and its subsidiaries.

**6. Staff costs**

Staff costs, including directors' remuneration, were as follows:

	2014 £000	2013 £000
Wages and salaries	3,524	4,533
Social security costs	410	518
Other pension costs	124	185
	<u>4,058</u>	<u>5,236</u>

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**BAUER RADIO LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2014**

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**6. Staff costs (continued)**

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2014</b>	<b>2013</b>
	<b>No.</b>	<b>No.</b>
UK full-time employees	<b>59</b>	<b>87</b>

**7. Directors' remuneration**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Remuneration	<b>486</b>	<b>491</b>
Company pension contributions to defined contribution pension schemes	<b>-</b>	<b>3</b>

During the year retirement benefits were accruing to no directors (2013 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £486,000 (2013 - £440,000).

**8. Interest receivable**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Other interest receivable	<b>123</b>	<b>246</b>

**9. Interest payable**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
On loans from group undertakings	<b>-</b>	<b>182</b>
Other interest payable	<b>24</b>	<b>-</b>
	<b>24</b>	<b>182</b>

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**BAUER RADIO LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2014**

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**10. Taxation**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
<b>Analysis of tax credit in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax credit on profit for the year	(858)	(377)
Adjustments in respect of prior periods	(46)	(24)
<b>Total current tax</b>	<u>(904)</u>	<u>(401)</u>
<b>Deferred tax</b>		
Effect of decreased tax rate on opening asset	-	7
Deferred tax - current year	7	8
Deferred tax - prior year	1	(47)
<b>Total deferred tax</b> (see note 16)	<u>8</u>	<u>(32)</u>
<b>Tax on profit on ordinary activities</b>	<u>(896)</u>	<u>(433)</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Profit on ordinary activities before tax	<u>21,496</u>	<u>18,057</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	4,622	4,198
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	17	42
Capital allowances for year in excess of depreciation	(8)	(10)
Adjustments to tax charge in respect of prior periods	(46)	(24)
Dividends from UK companies	(4,980)	(4,607)
Transfer pricing adjustments	(509)	-
<b>Current tax credit for the year</b> (see note above)	<u>(904)</u>	<u>(401)</u>

**Factors that may affect future tax charges**

The standard rate of Corporation Tax in the UK reduced from 23% to 21% with effect from 1 April 2014. Accordingly the Company's profits for this accounting period are taxed at an effective rate of 21.5%.

**BAUER RADIO LIMITED**

**Notes to the Financial Statements  
For the Year Ended 31 December 2014**

**11. Tangible fixed assets**

	Freehold property £000	Office equipment and vehicles £000	Total £000
<b>Cost</b>			
At 1 January 2014	-	-	-
Addition	19,519	-	19,519
Transfers intra group	-	6	6
At 31 December 2014	<u>19,519</u>	<u>6</u>	<u>19,525</u>
<b>Depreciation</b>			
At 1 January 2014	-	-	-
Charge for the year	-	1	1
Transfers intra group	-	2	2
At 31 December 2014	<u>-</u>	<u>3</u>	<u>3</u>
<b>Net book value</b>			
At 31 December 2014	<u>19,519</u>	<u>3</u>	<u>19,522</u>

On 29 September 2014, the Company acquired the property at One Golden Square, London, previously leased to one of its subsidiary companies. Following the refurbishment and re-organisation of the property, it has become the London broadcasting centre for the Bauer Group.

**12. Fixed asset investments**

	Investments in subsidiary companies £000	Investments in associates £000	Total £000
<b>Cost or valuation</b>			
At 1 January 2014	475,877	233	476,110
Additions	115	-	115
At 31 December 2014	<u>475,992</u>	<u>233</u>	<u>476,225</u>
<b>Impairment</b>			
At 1 January 2014 and 31 December 2014	<u>264,085</u>	<u>-</u>	<u>264,085</u>
<b>Net book value</b>			
At 31 December 2014	<u>211,907</u>	<u>233</u>	<u>212,140</u>
At 31 December 2013	<u>211,792</u>	<u>233</u>	<u>212,025</u>



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**BAUER RADIO LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2014**

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**12. Fixed asset investments (continued)**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
Bauer Golden Square Limited	Ordinary	100 %
Bauer Digital Radio Limited	Ordinary	100 %
Bauer Group Secretariat Limited	Ordinary	100 %
Kiss FM Radio Limited	Ordinary	100 %
Magic 105.4 Limited	Ordinary	100 %
Metro Radio Limited	Ordinary	100 %
Key 103 Limited	Ordinary	100 %
Piccadilly Radio Limited	Ordinary	100 %
Planet Rock Limited	Ordinary	100 %
Planet Rock (West Midlands) Limited (formerly Kerrang Radio (West Midlands) Limited	Ordinary	100 %
Radio Aire Limited	Ordinary	100 %
Radio City (Sound of Merseyside) Limited	Ordinary	100 %
Radio Hallam Limited	Ordinary	100 %
Red Rose Radio Limited	Ordinary	100 %
Scottish Radio Holdings Limited	Ordinary	100 %
TFM Radio Limited	Ordinary	100 %
Viking Radio Limited	Ordinary	100 %

<b>Name</b>	<b>Business</b>	<b>Registered office</b>
Bauer Golden Square Limited	Investment holding	UK
Bauer Digital Radio Limited	Digital radio	UK
Bauer Group Secretariat Limited	Dormant	UK
Kiss FM Radio Limited	Radio broadcasting	UK
Magic 105.4 Limited	Radio broadcasting	UK
Metro Radio Limited	Radio broadcasting	UK
Key 103 Limited	Radio broadcasting	UK
Piccadilly Radio Limited	Dormant	UK
Planet Rock Limited	Radio broadcasting	UK
Planet Rock (West Midlands) Limited (formerly Kerrang Radio (West Midlands) Limited	Radio broadcasting	UK
Radio Aire Limited	Radio broadcasting	UK
Radio City (Sound of Merseyside) Limited	Radio broadcasting	UK
Radio Hallam Limited	Radio broadcasting	UK
Red Rose Radio Limited	Radio broadcasting	UK
Scottish Radio Holdings Limited	Investment holding	UK
TFM Radio Limited	Radio broadcasting	UK
Viking Radio Limited	Radio broadcasting	UK

**Joint ventures**

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
CE Digital Limited	UK	Ordinary	50%	Digital radio services

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**BAUER RADIO LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2014**

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**12. Fixed asset investments (continued)**

**Associates**

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Independent Radio News Limited	UK	Ordinary	22%	Radio broadcasting

**Joint ventures**

<b>Name</b>	<b>Aggregate of share capital and reserves £000</b>	<b>Profit/(loss) £000</b>
CE Digital Limited	300	625

**Associates**

<b>Name</b>	<b>Aggregate of share capital and reserves £000</b>	<b>Profit/(loss) £000</b>
Independent Radio News Limited	556	606

The Company incorporated a joint venture undertaking, Sound Digital Limited and owns 30% of its share capital. On the 27 March 2015 it was announced the joint venture had been awarded the licence to run a new National DAB Digital Radio commercial multiplex to listeners across the UK.

The carrying value of the Company's investments are reviewed for impairment when there are indications that the asset may be impaired. When testing for impairment, recoverable amounts are measured at their value in use by discounting the future expected cash flows from the investments.

In the opinion of the directors the value of investments is not less than the individual investments amount at which they are stated in the balance sheet.

**13. Debtors**

	<b>2014 £000</b>	<b>2013 £000</b>
Trade debtors	24,222	14,878
Other debtors	89	68
Prepayments and accrued income	2,025	1,684
Deferred tax asset (see note 16)	81	89
	<b>26,417</b>	<b>16,719</b>

The trade debtors of the Company's subsidiaries are now held centrally by the Company.

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**BAUER RADIO LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2014**

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**14. Current asset investments**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Cash on deposit	-	5,000

The cash placed on deposit matured in March 2014.

**15. Creditors:  
Amounts falling due within one year**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	145	98
Amounts owed to group undertakings	150,098	151,206
Other taxation and social security	6,986	4,909
Other creditors	260	450
Accruals and deferred income	6,661	6,310
	<b>164,150</b>	<b>162,973</b>

Amounts due to other group undertakings are unsecured, interest free (2013: bore interest at the SONIA rate to 31 March 2013 and was interest free from 1 April 2013) and repayable on demand.

**16. Deferred tax asset**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
At beginning of year	89	57
(Charge for)/released during year (P&L)	(8)	32
At end of year	<b>81</b>	<b>89</b>

The deferred tax asset is made up as follows:

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Depreciation in advance of capital allowances	33	41
Timing differences	48	48
	<b>81</b>	<b>89</b>

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**BAUER RADIO LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2014**

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**17. Share capital**

	2014 £000	2013 £000
<b>Allotted, called up and fully paid</b>		
125,065,938 Ordinary shares of £0.10 each	<u>12,507</u>	<u>12,507</u>

**18. Reserves**

	Share premium account £000	Profit and loss account £000
At 1 January 2014	33,947	36,084
Profit for the financial year	-	22,392
At 31 December 2014	<u>33,947</u>	<u>58,476</u>

**19. Reconciliation of movement in shareholders' funds**

	2014 £000	2013 £000
Opening shareholders' funds	82,538	67,300
Profit for the financial year	22,392	18,490
Dividends (Note 20)	-	(35,000)
Shares issued during the year	-	8,581
Share premium on shares issued (net of expenses)	-	23,167
Closing shareholders' funds	<u>104,930</u>	<u>82,538</u>

**20. Dividends**

	2014 £000	2013 £000
Dividends paid on equity capital	<u>-</u>	<u>35,000</u>

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## BAUER RADIO LIMITED

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### Notes to the Financial Statements For the Year Ended 31 December 2014

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#### 21. Pension commitments

The Company participates in a defined contribution pension scheme, the Bauer Consumer Media Pension Scheme. The pension charge represents contributions due from the employer and during the year it amounted to £123,702 (2013: £185,307).

#### 22. Related party transactions

At 31 December 2014 the Company owed to CE Digital Limited £155,000 (2013: owed to CE Digital Limited: £189,000). During the year, the Company received a dividend of £650,000 (2013: £650,000) from its joint venture.

One of the Company's subsidiaries, Bauer Digital Radio Limited, owns 51% of the share capital of EG Digital Limited, a joint venture company. At 31 December 2014, EG Digital Limited owed the Company £5,696,000 (2013: £5,399,000).

The Company owns 22% of the share capital of Independent Radio News Limited and during the year received a dividend of £562,000 (2013: £514,000) and a rebate of £107,000 (2013: £116,610) from its associate. At 31 December 2014 the Company was owed £25,000 (2013: £NIL) by Independent Radio News Limited.

Bauer Consumer Media Limited, another fellow Group undertaking of the Company, owns 50% of the share capital of The Box Plus Network Limited (formerly Box Television Limited), a joint venture Company registered in England and Wales. The Company had sales of £14,000 during the year (2013: the Company invoiced £16,500 of sales) with The Box Plus Network Limited (formerly Box Television Limited). At 31 December 2014 the Company was owed £4,800 (2013: £2,400) from The Box Plus Network Limited (formerly Box Television Limited).

#### 23. Post balance sheet events

On 27 March 2015 Sound Digital Limited, a joint venture undertaking of the Company, was awarded the UK's second national DAB (digital audio broadcasting) radio licence by the communications regulator, Ofcom.

On 28 April 2015 the Company agreed, subject to regulatory approvals to acquire leading Nordic broadcaster SBS Discovery Radio.

On 23 June 2015 the Company allotted and issued 330,000,000 Ordinary Shares of £0.10 each at a subscription price of £0.10 per share.

#### 24. Ultimate controlling party and related party transactions

The immediate parent company is HBVB.

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

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

The Company has taken advantage of the exemption in Financial Reporting Standard No 8 "Related party disclosures" and has not disclosed transactions with wholly owned group undertakings.