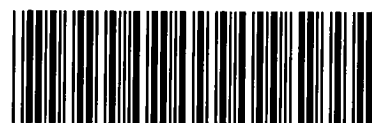

BAUER RADIO LIMITED

Annual Report and Financial Statements

For the Year Ended 31 December 2018

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BAUER RADIO LIMITED

Company Information

Directors	P Keenan D A Ford S Vickery
Company secretary	Bauer Group Secretariat Limited
Registered number	01394141
Registered office	Media House Peterborough Business Park Lynch Wood Peterborough PE2 6EA
Independent auditor	KPMG LLP 15 Canada Square Canary Wharf E14 5GL

BAUER RADIO LIMITED

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BAUER RADIO LIMITED

Strategic Report For the Year Ended 31 December 2018

Introduction

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

Through its UK subsidiaries, it operates 49 local and 22 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. With 29 stations, its Nordic subsidiaries are the market leader in Sweden, Denmark and Finland and rank number two in Norway.

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 brands whenever and on whatever device or platform they are choosing to use. The scale of audience and closeness of the brands to their consumers provide an excellent platform for customers to access their target audience through cost effective advertising campaigns.

The Company's sources of revenue were broadly stable year on year as shown in Note 4, although 2018 does include a new source in Other Income, in relation to Apprenticeship Levy receipts, reflecting training provided by the Bauer Academy to employees of the Company and other Bauer companies, and externally.

Operating loss was £3,118,000 (2017: profit £7,516,000) and reflected the Company's investment in research and development of new stations, and the launch of Hits Radio during the year.

During the year the Company received dividends from its subsidiaries of £60,504,000 (2017: £127,592,000) which significantly strengthened the Company's balance sheet. At 31 December 2018 the Company's net assets were £370,072,000 (2017: £311,530,000).

No change in the nature of the Company's activities is anticipated to occur in the future. As disclosed in the Directors' report, the Company has increased its investment in the UK local radio market through post year end acquisitions.

Principal risks and uncertainties

The Company and its investments are exposed to risks associated with fluctuations in advertising spend, the maintenance of key relationships through the radio supply chain, loss of key personnel and increased competition in the marketplace.

The Company and its investments are required to comply with the terms of its broadcast licences. The Company mitigates the risk of non-compliance through the work of the management team and by regular training of on and off-air personnel.

The Company's credit risk is primarily attributable to its own trade debtors. 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.

The impact of Brexit has been, and is expected to be minimal to the Group given the majority of revenues and costs are incurred within the UK. However, broader macro-economic factors have the potential to impact advertising budgets in the short term.

The Company's investments in Sweden, Denmark, Finland and Norway are not expected to be impacted by Brexit, other than in relation to potential foreign currency fluctuations.

BAUER RADIO LIMITED

Strategic Report (continued) For the Year Ended 31 December 2018

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 dividend income of £60,504,000 (2017: £127,592,000) (see page 9) and operating loss of £3,118,000 (2017: profit £7,516,000) provides management with its main performance indicator. The year on year decline in the operating result is a result of a one-off loan waiver credit in 2017 and the consequence of investment in the launch of Hits Radio in 2018.

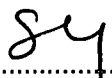
Other key performance indicators

The key non-financial performance indicators include employee numbers (see note 9), the gender pay gap, diversity and inclusion, and advertising and audience market share, the latter as independently measured by RAJAR on a quarterly basis.

Environmental matters

The Company is committed to promoting good sustainable practices throughout the business. We continue to identify and adopt policies which take into account the need to protect the environment. Where possible we will choose a supplier that has environmental accreditation beyond the minimum required.

This report was approved by the board on 1 August 2019 and signed on its behalf.


.....
S Vickery
Director

BAUER RADIO LIMITED

Directors' Report For the Year Ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Results and dividends

The profit for the year, after taxation, amounted to £58,542,000 (2017 - £135,455,000).

An interim dividend of £Nil was paid during the year (2017: £Nil). The directors do not recommend the payment of a final dividend (2017: £Nil).

Directors

The directors who served during the year were:

P Keenan
D A Ford
S Vickery

Political contributions

The Company made no political donations nor incurred any political expenditure during the year.

Future developments

The Company will continue to operate as an investment holding company and to expand the Radio Group. It will also continue to provide management services to other Group companies.

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.

We refer to our approach to diversity and inclusion in the UK business as "Belonging at Bauer". Belonging at Bauer means that we recognise people are at the heart of everything we do. Inclusion is at the core of our values as a business and we celebrate authenticity, valuing the richness difference and diversity bring to our business.

We do everything we can to ensure equality of opportunity for everyone who works at Bauer or wants to work at Bauer, including, but not limited to those from a BAME background, those who have a disability or mental health challenge and those from a lower socio economic background. This approach underpins how we attract and recruit new people into Bauer, as well as the support we provide to develop and progress our staff.

Matters covered in the strategic report

A business review and details of the principal risks and uncertainties faced by the Company has been included in the Strategic Report on pages 1 - 2.

BAUER RADIO LIMITED

**Directors' Report (continued)
For the Year Ended 31 December 2018**

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 the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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.

Post balance sheet events

On 31 January 2019, the Company acquired 100% of the ordinary share capital of Celador Radio Broadcasting Limited.

On 28 February 2019, the Company or its subsidiaries acquired 100% of the ordinary share capital of Radiowave (Blackpool) Limited, 102.4 Wish FM Limited, Lincs FM Group Limited, Switchdigital (B&H) Limited and Switchdigital (S&S) Limited.

On 31 March 2019, the Company acquired 100% of the ordinary share capital of UKRD Group Limited.

On 29 May 2019, the Competition & Markets Authority launched merger inquiries inviting interested parties to comment on each of the acquisitions. On 24th July 2019, the CMA announced that their investigations would need to continue.

Auditor

Under section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 1 August 2019 and signed on its behalf.



S Vickery
Director

Media House
Peterborough Business Park
Lynch Wood
Peterborough
PE2 6EA

BAUER RADIO LIMITED

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements For the Year Ended 31 December 2018

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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

Opinion

We have audited the financial statements of Bauer Radio Limited ("the Company") for the year ended 31 December 2018 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of investments and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Independent Auditor's Report to the Members of Bauer Radio Limited (continued)

Strategic report and Directors' report

The directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's Report to the Members of Bauer Radio Limited (continued)

The purpose of our audit work and to whom we owe our responsibilities

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.

Adrian Wilcox (Senior Statutory Auditor)

for and on behalf of

KPMG LLP, Statutory Auditor

15 Canada Square
Canary Wharf
E14 5GL

2 August 2019

BAUER RADIO LIMITED

**Profit and Loss Account
For the Year Ended 31 December 2018**

	Note	2018 £000	2017 £000
Turnover	4	8,644	7,549
Cost of sales		(2,633)	(2,788)
Gross profit		6,011	4,761
Administrative expenses		(11,554)	(7,577)
Intercompany loan waiver	5	-	7,926
Other operating income	6	2,625	1,931
Fair value movements		(200)	475
Operating (loss)/profit	7	(3,118)	7,516
Income from shares in group undertakings		59,274	125,701
Income from participating interests		1,230	1,891
Interest receivable and similar income	11	737	94
Interest payable and expenses	12	-	(8)
Profit before tax		58,123	135,194
Tax on profit	13	419	261
Profit for the financial year		58,542	135,455

There were no recognised gains and losses for 2018 or 2017 other than those included in the profit and loss account.


The notes on pages 12 to 33 form part of these financial statements.

BAUER RADIO LIMITED
Registered number:01394141

Balance Sheet
As at 31 December 2018

	Note	2018 £000	2017 £000
Fixed assets			
Investments	15	319,390	292,781
Investment property	16	22,400	22,600
		<u>341,790</u>	<u>315,381</u>
Current assets			
Debtors: amounts falling due within one year	17	73,368	78,840
Cash at bank and in hand		56,452	35,371
		<u>129,820</u>	<u>114,211</u>
Creditors: amounts falling due within one year	18	(100,997)	(117,501)
Net current assets/(liabilities)		<u>28,823</u>	<u>(3,290)</u>
Total assets less current liabilities		<u>370,613</u>	<u>312,091</u>
Provisions for liabilities			
Deferred tax	19	(541)	(561)
		<u>(541)</u>	<u>(561)</u>
Net assets		<u>370,072</u>	<u>311,530</u>
Capital and reserves			
Called up share capital	20	80,507	80,507
Share premium account		33,947	33,947
Profit and loss account		255,618	197,076
		<u>370,072</u>	<u>311,530</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 August 2019.



S Vickery
 Director

The notes on pages 12 to 33 form part of these financial statements.

BAUER RADIO LIMITED

**Statement of Changes in Equity
For the Year Ended 31 December 2018**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2017	80,507	33,947	61,621	176,075
Profit for the year	-	-	135,455	135,455
At 1 January 2018	80,507	33,947	197,076	311,530
Profit for the year	-	-	58,542	58,542
At 31 December 2018	80,507	33,947	255,618	370,072

The notes on pages 12 to 33 form part of these financial statements.

BAUER RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2018

1. General information

Bauer Radio Limited (the "Company") is a private company incorporated, domiciled and registered in England and Wales in the UK. The registered number is 01394141 and the registered address is Media House, Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA.

The Company operates as an investment holding company and provides management services to other Group companies. It is also engaged in the operation of national digital radio stations under licence from Ofcom and the provision of training through the Bauer Academy.

2. Accounting policies

2.1 Basis of preparation of financial statements

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Bauer Radio Limited acts as a non-disclosed agent for the raising of sales invoices and incurring of expenditure of other radio companies within the Group. The invoices are raised by the shared service centre administered by another group entity, HBVB. Bauer Radio Limited includes all sales invoices raised and cash receipts within the trade debtor balance in these accounts for all the companies where it acts as undisclosed agent as well as its own sales invoices and cash receipts relating to its revenue. It also holds the creditor balances for the majority of purchase invoices, payroll taxes and other creditors for all the companies for which it acts as undisclosed agent in these accounts as well as its own amounts due to third parties. Bauer Radio Limited records a net intercompany creditor/debtor position in its books and the individual radio companies process a net corresponding intercompany debtor/creditor in their accounting records. Bauer Radio Limited and the companies have a legally enforceable right to set off intercompany balances, however the underlying credit and liquidity risk remain with the individual company.

The following principal accounting policies have been applied:

BAUER RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2018

2. Accounting policies (continued)

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Heinrich Bauer Verlag KG as at 31 December 2018 and these financial statements may be obtained from Burchardstraße 11, 20077 Hamburg, Germany.

The Company has taken advantage of the exemption in Financial Reporting Standard 102 section 33.1A "Related party disclosures" and has not disclosed transactions with wholly owned group undertakings.

2.3 Going concern

The financial statements have been prepared on a going concern basis. The directors have considered the future funding requirements of the business and based on management forecasts have concluded that the Company will have sufficient funds to ensure that it can meet its financial liabilities as and when they fall due, for a period of at least 12 months from the date of these financial statements.

BAUER RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2018

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Key classes of revenue are recognised on the following basis:-

Radio advertising revenue is recognised on the date of the broadcast.

Sponsorship, internet revenue and transmission fees are recognised over the term of the contract.

Competition revenues are recognised on the dates of the competition activity.

Other Enterprise revenue is recognised on agreed settlement with all parties.

Event income is recognised when the event has taken place.

Training revenues are recognised when the services are provided.

Management services revenue is recognised when the services are provided.

2.5 Operating leases: the Company as lessor

Rentals income from operating leases is credited to the Profit and Loss Account on a straight line basis over the term of the relevant lease.

2.6 Operating leases: the Company as lessee

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

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Profit and Loss Account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Profit and Loss Account in the same period as the related expenditure.

2.8 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

BAUER RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2018

2. Accounting policies (continued)

2.9 Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on:

- the differences between the fair values of assets acquired and the future tax deductions available for them; and
- the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.12 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

BAUER RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2018

2. Accounting policies (continued)

2.13 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Office equipment and vehicles - 3 - 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

2.14 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Profit and Loss Account.

2.15 Valuation of investments

Investments in subsidiaries, associates and joint ventures are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

2.16 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.17 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

BAUER RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2018

2. Accounting policies (continued)

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.19 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.20 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments and estimates. These are continually evaluated, based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances that would have a major impact on applying the above accounting policies.

The following judgments and estimates have had the most significant effect on the amounts recognised in the financial statements:

(a) Investments

The Company assesses at each reporting date whether there is an indication that an investment may be impaired. When testing for impairment, recoverable amounts are measured at their value in use by discounting the future expected cash flow from the investments.

(b) Revaluation of investment properties

Since the introduction of FRS102, the Company carries its investment property at fair value, with changes in fair value being recognised in the profit and loss. The Company engaged an independent valuation specialist to determine the fair value at 31 December 2018. The valuer has used the market value prevailing at the time of the valuation and based on the assumption that a lease would be in place at an arm's length agreement between unrelated organisations.

(c) Impairment of debtors

The Company makes an estimate of the recoverable values of trade and other debtors. The current credit rating of the debtor, the ageing of the debt and the historical experience of debtors are used by management in assessing impairment of trade and other debtors.

(d) Turnover

Revenue is recognised when the significant risks and rewards of ownership have been transferred to a third party, or 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.

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

4. Turnover

An analysis of turnover by class of business is as follows:

	2018 £000	2017 £000
Advertising revenue	4,483	4,001
Management services	3,015	3,214
Other	1,146	334
	<u>8,644</u>	<u>7,549</u>

All turnover is substantially derived from sales in the United Kingdom.

5. Intercompany loan waiver

On 18 December 2017 and 21 December 2017 the Company entered into deeds of waiver and release with two subsidiaries whereby the subsidiaries agreed to waive their rights to amounts of £7,926,000 due from the Company.

6. Other operating income

	2018 £000	2017 £000
Government grants	1,659	968
Net rents receivable	945	945
Royalty receivable	21	18
	<u>2,625</u>	<u>1,931</u>

Government grants relate to grants from the Skills Funding Agency for the provision of vocational training.

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

7. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2018	2017
	£000	£000
Depreciation of tangible fixed assets	-	1
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	6	4
Other operating lease rentals	51	71
Defined contribution pension cost	156	105
	=====	=====

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

8. Auditor's remuneration

	2018	2017
	£000	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	6	4
	=====	=====

There were no non-audit fees paid to the Company's auditor.

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

9. Employees

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

	2018 £000	2017 £000
Wages and salaries	5,907	5,431
Social security costs	518	462
Cost of defined contribution scheme	156	105
	<u>6,581</u>	<u>5,998</u>

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

	2018 No.	2017 No.
Administrative	35	28
Programming	72	65
Sales	20	19
	<u>127</u>	<u>112</u>

10. Directors' remuneration

	2018 £000	2017 £000
Directors' emoluments	588	585
	<u>588</u>	<u>585</u>

The highest paid director received remuneration of £574,000 (2017: £575,000).
Remuneration for two of the directors is borne by another group entity, HBVB Management Limited.
The amount of these directors' remuneration attributable to services provided to Bauer Radio Limited has been apportioned based on time spent.

The directors of the Company are considered its key management personnel.

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

11. Interest receivable

	2018 £000	2017 £000
Interest receivable from group companies	626	78
Other interest receivable	111	16
	<u>737</u>	<u>94</u>

12. Interest payable and similar expenses

	2018 £000	2017 £000
Loans from group undertakings	-	8
	<u>-</u>	<u>8</u>

13. Taxation

	2018 £000	2017 £000
Corporation tax		
Current tax on profits for the year	(387)	(146)
Adjustments in respect of previous periods	(12)	(205)
	<u>(399)</u>	<u>(351)</u>
Total current tax	<u>(399)</u>	<u>(351)</u>
Deferred tax		
Origination and reversal of timing differences	(20)	95
Adjustments in respect of previous periods	-	(5)
	<u>(20)</u>	<u>90</u>
Total deferred tax	<u>(20)</u>	<u>90</u>
Taxation on loss on ordinary activities	<u>(419)</u>	<u>(261)</u>

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

13. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £000	2017 £000
Profit on ordinary activities before tax	58,123	135,194
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	11,044	26,025
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	43	22
Adjustments to tax charge in respect of prior periods	(12)	(210)
Non-taxable income - intercompany write off	-	(1,526)
Dividends from UK companies	(11,496)	(24,561)
Reduction in tax rate on deferred tax balances	2	(14)
Transfer pricing adjustments	-	3
Total tax credit for the year	(419)	(261)

Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1st April 2017) was substantively enacted on 26th October 2015 and a further reduction to 17% (effective 1st April 2020) was substantively enacted on 6th September 2016. This will reduce the Company's future current tax charge accordingly.

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

14. Tangible fixed assets

	Office equipment and vehicles £000
Cost	
At 1 January 2018	7
	<hr/>
At 31 December 2018	7
	<hr/>
Depreciation	
At 1 January 2018	7
	<hr/>
At 31 December 2018	7
	<hr/>
Net book value	
At 31 December 2018	-
	<hr/> <hr/>
At 31 December 2017	-
	<hr/> <hr/>

BAUER RADIO LIMITED

Notes to the Financial Statements
For the Year Ended 31 December 2018

15. Fixed asset investments

	Investments in subsidiary companies £000	Investments in associates £000	Total £000
Cost or valuation			
At 1 January 2018	556,633	233	556,866
Additions	26,609	-	26,609
At 31 December 2018	583,242	233	583,475
Impairment			
At 1 January 2018	264,085	-	264,085
At 31 December 2018	264,085	-	264,085
Net book value			
At 31 December 2018	319,157	233	319,390
At 31 December 2017	292,548	233	292,781

During the year, the Company acquired Jazz FM Limited and increased its investment in Bauer Norway. In addition, the Company released a subsidiary from a £22,822,000 debt in consideration for the issue of shares in that subsidiary.

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

15. Fixed asset investments (continued)**Direct subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Bauer Golden Square Limited	Ordinary	100 %	Investment holding
Bauer Digital Radio Limited	Ordinary	100 %	Digital Radio
Bauer Group Secretariat Limited	Ordinary	100 %	Dormant
Bauer Media Group Sweden Holding AB	Ordinary	100 %	Radio broadcasting
Bauer Media Holding Oy	Ordinary	100 %	Radio broadcasting
Bauer Media AS	Ordinary	100 %	Radio broadcasting
Bauer Media ApS	Ordinary	100 %	Radio broadcasting
Bauer Radio (West Midlands) Limited	Ordinary	100 %	Radio broadcasting
Kiss FM Radio Limited	Ordinary	100 %	Radio broadcasting
Magic 105.4 Limited	Ordinary	100 %	Radio broadcasting
Metro Radio Limited	Ordinary	100 %	Radio broadcasting
Key 103 Limited	Ordinary	100 %	Radio broadcasting
Piccadilly Radio Limited	Ordinary	100 %	Dormant
Planet Rock Limited	Ordinary	100 %	Radio broadcasting
Radio Aire Limited	Ordinary	100 %	Radio broadcasting
Radio City (Sound of Merseyside) Limited	Ordinary	100 %	Radio broadcasting
Radio Hallam Limited	Ordinary	100 %	Radio broadcasting
Red Rose Radio Limited	Ordinary	100 %	Radio broadcasting
Scottish Radio Holdings Limited	Ordinary	100 %	Investment holding
TFM Radio Limited	Ordinary	100 %	Radio broadcasting
Viking Radio Limited	Ordinary	100 %	Radio broadcasting
Orion Media Holdings Limited	Ordinary	100 %	Investment holding
Jazz FM Limited	Ordinary	100 %	Radio broadcasting

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.

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

15. Fixed asset investments (continued)**Indirect Subsidiary undertakings**

The following were indirect subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Bauer AR Holdings Limited	Ordinary	100 %	Investment holding
Absolute Radio Limited	Ordinary	100 %	Radio broadcasting
Bauer AR Digital Radio Limited	Ordinary	100 %	Holding company
One Golden Square Creative Limited	Ordinary	100 %	Dormant
EG Digital Limited	Ordinary	51 %	Digital radio services
Carlisle Radio Limited	Ordinary	100 %	Radio broadcasting
Downtown Radio Limited	Ordinary	100 %	Radio broadcasting
Moray Firth Radio Limited	Ordinary	100 %	Radio broadcasting
Northsound Radio Limited	Ordinary	100 %	Radio broadcasting
Radio Borders Limited	Ordinary	100 %	Radio broadcasting
Radio Clyde Limited	Ordinary	100 %	Radio broadcasting
Radio Forth Limited	Ordinary	100 %	Radio broadcasting
Radio Tay Limited	Ordinary	100 %	Radio broadcasting
South West Sound Limited	Ordinary	100 %	Radio broadcasting
Vibe Radio Services Limited	Ordinary	100 %	Investment holding
Kiss 101 Limited	Ordinary	100 %	Radio broadcasting
Kiss 105-108 Limited	Ordinary	100 %	Radio broadcasting
Wave 105 FM Limited	Ordinary	100 %	Radio broadcasting
West Sound Radio Limited	Ordinary	100 %	Radio broadcasting
Bauer Media AB	Ordinary	100 %	Radio broadcasting
Bauer Publishing AB	Ordinary	100 %	Publishing
Radiobranschen RAB AB	Ordinary	60 %	Radio broadcasting
Nya Radio City AB	Ordinary	51 %	Radio broadcasting
Bauer Media Oy	Ordinary	100 %	Radio broadcasting
Kaimax Media Oy	Ordinary	100 %	Radio broadcasting
3N Radiot Oy	Ordinary	100 %	Radio broadcasting
Miracle Sound Oy	Ordinary	51 %	Radio broadcasting
Miracle Sound Oulu Oy	Ordinary	51 %	Radio broadcasting
Orion Media Limited	Ordinary	100 %	Investment holding
Mercia Sound Limited	Ordinary	100 %	Radio broadcasting
Radio Wyvern Limited	Ordinary	100 %	Radio broadcasting
Beacon Broadcasting Limited	Ordinary	100 %	Radio broadcasting
Orion Media (East Midlands) Limited	Ordinary	100 %	Radio broadcasting
Orion Trustee Limited	Ordinary	100 %	Dormant
Midlands Radio Limited	Ordinary	100 %	Dormant
Capital Radio North East Limited	Ordinary	100 %	Dormant
BRMB Limited	Ordinary	100 %	Dormant

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

15. Fixed asset investments (continued)

Capital Radio Fun Limited	Ordinary	100 %	Dormant
Border Radio Holdings Limited	Ordinary	100 %	Dormant
Birmingham Broadcasting Limited	Ordinary	100 %	Radio broadcasting
Capital Gold Birmingham Limited	Ordinary	100 %	Dormant
Name	Registered office		
Bauer Golden Square Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, United Kingdom, PE2 6EA		
Bauer Digital Radio Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, United Kingdom, PE2 6EA		
Bauer Group Secretariat Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA		
Bauer Media Group Sweden Holding AB	Box 34108100 26 Stockholm, Sweden		
Bauer Media Holding Oy	Tallberginkatu 1 C. 00180 Helsinki, Uusimaa, Finland		
Bauer Media AS	Christian Michelsens gate 2A, 5012 Bergen, Norway		
Bauer Media ApS	Mileparken 20A, DK-2740 Skovlunde, Denmark		
Bauer Radio (West Midlands) Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA		
Kiss FM Radio Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA		
Magic 105.4 Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA		
Metro Radio Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA		
Key 103 Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA		
Piccadilly Radio Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA		
Planet Rock Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA		
Radio Aire Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA		
Radio City (Sound of Merseyside) Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA		
Radio Hallam Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA		
Red Rose Radio Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA		
Scottish Radio Holdings Limited	Clydebank Business Park, Clydebank, G81 2RX		
TFM Radio Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA		
Viking Radio Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA		
Orion Media Holdings Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA		
Bauer AR Holdings Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA		
Absolute Radio Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA		

BAUER RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2018

15. Fixed asset investments (continued)

Bauer AR Digital Radio Limited	Clydebank Business Park, Clydebank Business Park, Clydebank, G81 2RX
One Golden Square Creative Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA
EG Digital Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA
Carlisle Radio Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA
Downtown Radio Limited	Kiltonga Industrial Estate, Newtownards, Co Down, BT23 4ES
Moray Firth Radio Limited	Clydebank Business Park, Clydebank, Glasgow, G81 2RX
Northsound Radio Limited	Clydebank Business Park, Clydebank, Glasgow, G81 2RX
Radio Borders Limited	Clydebank Business Park, Clydebank, Glasgow, G81 2RX
Radio Clyde Limited	Clydebank Business Park, Clydebank, Glasgow, G81 2RX
Radio Forth Limited	Clydebank Business Park, Clydebank, Glasgow, G81 2RX
Radio Tay Limited	Clydebank Business Park, Clydebank, Glasgow, G81 2RX
South West Sound Limited	Clydebank Business Park, Clydebank, Glasgow, G81 2RX
Vibe Radio Services Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA
Kiss 101 Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA
Kiss 105-108 Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA
Wave 105 FM Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA
West Sound Radio Limited	Clydebank Business Park, Clydebank, Glasgow, G81 2RX
Bauer Media AB	Box 34108 100 26 Stockholm, Sweden
Bauer Publishing AB	Box 34108 100 26 Stockholm, Sweden
Radiobranschen RAB AB	Box 34108 100 26 Stockholm, Sweden
Nya Radio City AB	Box 34108 100 26 Stockholm, Sweden
Jazz FM Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA
Bauer Media Oy	Tallberginkatu 1, 00180 Helsinki, Finland
Kaimax Media Oy	Tallberginkatu 1, 00180 Helsinki, Finland
3N Radiot Oy	Tallberginkatu 1, 00180 Helsinki, Finland
Miracle Sound Oy	Tallberginkatu 1, 00180 Helsinki, Finland
Miracle Sound Oulu Oy	Asemakatu 25, 90100 Oulu, Finland
Orion Media Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA
Mercia Sound Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA
Radio Wyvern Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

15. Fixed asset investments (continued)

Beacon Broadcasting Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA
Orion Media (East Midlands) Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA
Orion Trustee Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA
Midlands Radio Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA
Capital Radio North East Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA
BRMB Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA
Capital Radio Fun Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA
Border Radio Holdings Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA
Birmingham Broadcasting Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA
Capital Gold Birmingham Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA

Participating interests

Fixed asset investments in the Joint Ventures and Associates are unlisted and their market value can not be reliably determined. For this reason they have been measured at cost less accumulated impairment.

Joint ventures

Name	Registered address	Class of shares	Holding	Principal activity
CE Digital Limited	30 Leicester Square, London, WC2H 7LA	Ordinary	50%	Digital Radio Services

Associates

Name	Class of shares	Holding	Principal activity
Independent Radio News Limited	Ordinary	22%	Radio broadcasting
Sound Digital Limited	Ordinary	30%	Digital Radio Services

There were no changes in the holding percentage of investments between the prior and current year.

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

16. Investment property

	Freehold investment property £000
Valuation	
At 1 January 2018	22,600
Deficit on revaluation	(200)
At 31 December 2018	22,400

The property was valued at 31 December 2018 by GL Hearn Limited, using the method described in Accounting Policy 2.14 and applying yields between 2.5% and 4% to give an open market value for existing use.

17. Debtors: Amounts falling due within one year

	2018 £000	2017 £000
Trade debtors	26,697	26,601
Amounts owed by group undertakings	37,694	47,055
Other debtors	463	666
Prepayments and accrued income	8,514	4,518
	73,368	78,840

Amounts owed by other group undertakings are unsecured, interest at 3 month EURIBOR plus 2% and are repayable on demand.

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

18. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	538	272
Amounts owed to group undertakings	90,686	107,754
Other taxation and social security	7,256	7,701
Other creditors	48	36
Accruals and deferred income	2,469	1,738
	<u>100,997</u>	<u>117,501</u>

Amounts due to other group undertakings are unsecured, interest free and repayable on demand.

19. Deferred taxation

	2018 £000	2017 £000
At beginning of year	(561)	(471)
Charged to profit or loss	20	(90)
At end of year	<u>(541)</u>	<u>(561)</u>

The provision for deferred taxation is made up as follows:

	2018 £000	2017 £000
Accelerated capital allowances	(546)	(566)
Short term timing differences	5	5
	<u>(541)</u>	<u>(561)</u>

The deferred tax liability is not expected to reverse in 2019.

20. Called up share capital

	2018 £000	2017 £000
Allotted, called up and fully paid		
805,065,938 (2017 - 805,065,938) Ordinary shares of £0.10 each	<u>80,507</u>	<u>80,507</u>

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

20. Called up share capital (continued)

There is a single class of ordinary shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

There are no restrictions on the distribution of dividends and the repayment of capital.

21. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £000	2017 £000
Land and buildings		
Not later than 1 year	57	-
Later than 1 year and not later than 5 years	175	-
	<u>232</u>	<u>-</u>
	2018 £000	2017 £000
Not later than 1 year	2	-
Later than 1 year and not later than 5 years	7	-
	<u>9</u>	<u>-</u>

22. Related party transactions

At 31 December 2018 the Company owed to CE Digital Limited £62,000 (2017: £8,000). During the year, the Company received a dividend of £Nil (2017: £Nil) from this joint venture.

During the year the Company received a rebate of £40,618 (2017: £54,685) from an associate undertaking. At the year end £9,511 (£9,311) was owed to the Company from the associated undertaking.

BAUER RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2018

23. Post balance sheet events

On 31 January 2019, the Company acquired 100% of the ordinary share capital of Celador Radio Broadcasting Limited.

On 28 February 2019, the Company or its subsidiaries acquired 100% of the ordinary share capital of Radiowave (Blackpool) Limited, 102.4 Wish FM Limited, Lincs FM Group Limited, Switchdigital (B&H) Limited and Switchdigital (S&S) Limited.

On 31 March 2019, the Company acquired 100% of the ordinary share capital of UKRD Group Limited.

On 29 May 2019, the Competition & Markets Authority launched merger inquiries inviting interested parties to comment on each of the acquisitions. On 24th July 2019, the CMA announced that their investigations would need to continue.

24. Controlling party

The immediate parent undertaking is HBVB, registered at Media House, Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA.

Heinrich Bauer Verlag KG, established at Burchardstraße 11, 20077 Hamburg, 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 from Burchardstraße 11, 20077 Hamburg, Germany.