
BAUER DIGITAL RADIO LIMITED

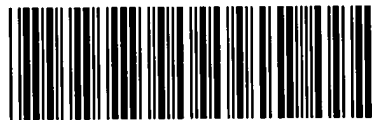
Unaudited

Financial statements

Information for filing with the registrar

For the Year Ended 31 December 2020

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BAUER DIGITAL RADIO LIMITED
Registered number:01875591

Balance Sheet
As at 31 December 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	5	-	-
Investments	6	112	112
		<u>112</u>	<u>112</u>
Current assets			
Debtors: amounts falling due within one year	7	14,619	7,136
Current asset investments	8	-	402
Cash at bank and in hand		288	288
		<u>14,907</u>	<u>7,826</u>
Creditors: amounts falling due within one year	9	(2,466)	(1,662)
Net current assets		<u>12,441</u>	<u>6,164</u>
Total assets less current liabilities		<u>12,553</u>	<u>6,276</u>
Creditors: amounts falling due after more than one year	10	(288)	(288)
Net assets		<u><u>12,265</u></u>	<u><u>5,988</u></u>

BAUER DIGITAL RADIO LIMITED
Registered number:01875591

Balance Sheet (continued)
As at 31 December 2020

	Note	2020 £000	2019 £000
Capital and reserves			
Called up share capital	12	3,200	3,200
Profit and loss account		9,065	2,788
		<u>12,265</u>	<u>5,988</u>

The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 September 2021.



R Jackson
Director

The notes on pages 3 to 12 form part of these financial statements.

BAUER DIGITAL RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2020

1. General information

Bauer Digital Radio Limited (the "Company") is a private company incorporated, domiciled and registered in England and Wales in the UK. The registered number is 01875591 and the registered address is Media House, Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA.

The Company is engaged in the operation of local digital radio multiplexes under licence from Ofcom.

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).

Bauer Radio Limited, a related party to this Company, acts as a non-disclosed agent for incurring of some expenditure. The trade creditor balances in relation to processing and paying expenditure including payroll, payroll taxes, and some third party suppliers to the Company are held in Bauer Radio Limited's Balance Sheet. Bauer Radio Limited records a net intercompany creditor/debtor position in its books and the Company processes a net corresponding intercompany debtor/creditor in its accounting records. Bauer Radio Limited and the Company have a legally enforceable right to set off intercompany balances, however the underlying credit and liquidity risk remain with the Company.

The following principal accounting policies have been applied:

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 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 Beteiligungs GmbH as at 31 December 2020 and these financial statements may be obtained from Burchardstraße 11, 20095 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.

BAUER DIGITAL RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

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.

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.

Revenue generated from the operation of local digital multiplexes is recognised over the life of the contract.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.6 Finance costs

Finance costs are charged to profit or loss 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.

2.7 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 profit or loss 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.

BAUER DIGITAL RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model 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 to 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 profit or loss.

BAUER DIGITAL RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.10 Valuation of investments

Investments in subsidiaries and joint ventures are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Income and Retained Earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.11 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.

2.12 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.

2.13 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.

2.14 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 ordinary shares.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

BAUER DIGITAL RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2020

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

In the application of the accounting policies, which are described in Note 2, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, and are reviewed on an ongoing basis.

Income taxes

Estimates may be required in determining the level of current and deferred income tax assets and liabilities, which the directors believe are reasonable and adequately recognise any income tax related uncertainties. Various factors may have favourable or adverse effects on the income tax assets and liabilities. These include changes in tax legislation, tax rates and allowances, future levels of spending, the Company's level of future earnings and estimated future taxable profits.

Useful economic life of assets

The Company's policy for applying useful economic lives has been determined through applying historical experience and taking into consideration the nature of assets and their intended use.

4. Employees

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

	2020 No.	2019 No.
Administrative	1	2
Programming	1	1
	<u>2</u>	<u>3</u>

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

BAUER DIGITAL RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

5. Tangible fixed assets

	Office equipment and vehicles £000
Cost or valuation	
At 1 January 2020	1,151
At 31 December 2020	1,151
Depreciation	
At 1 January 2020	1,151
At 31 December 2020	1,151
Net book value	
At 31 December 2020	-
At 31 December 2019	-

BAUER DIGITAL RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2020

6. Fixed asset investments

	Investments in subsidiary companies £000	Other fixed asset investments £000	Total £000
Cost or valuation			
At 1 January 2020	-	112	112
Transfer from current asset investments	402	-	402
At 31 December 2020	402	112	514
Impairment			
At 1 January 2020	-	-	-
Charge for the period	402	-	402
At 31 December 2020	402	-	402
Net book value			
At 31 December 2020	-	112	112
At 31 December 2019	-	112	112

The Company owns 51% of the share capital of EG Digital Limited, a joint venture company with registered office address at Media House, Peterborough Business Park, Lynch Wood, Peterborough, United Kingdom, PE2 6EA. The investment is valued at £NIL in the accounts (2019: £NIL).

On 28 February 2019, the Company acquired 100% of the ordinary share capital of Switchdigital (B&H) Limited and Switchdigital (S&S) Limited. Following the announcement of these acquisitions, the Competitions and Markets Authority ("CMA") issued a hold separate order. At 31 December 2019, the acquisitions were treated as Current Asset Investments to reflect the lack of control at that time. On 14 April 2020, the CMA lifted the hold separate order and the acquisitions were then transferred to Fixed Asset Investments. On 30 November 2020, the trade and assets of the two subsidiaries were transferred into Bauer Digital Radio Limited and the value of the investments were consequently fully impaired. The registered office address of both companies is Media House, Peterborough Business Park, Lynch Wood, Peterborough, United Kingdom, PE2 6EA.

The company also owns trade investments of 14.25% of the issued ordinary shares in Digital Radio Group (London) Limited, and 10% of the issued ordinary shares in Switchdigital (London) Limited.

The carrying value of the Company's investments is 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 the investments is not less than the aggregate amount at which they are stated in the balance sheet.

BAUER DIGITAL RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

7. Debtors: Amounts falling due within one year

	2020	2019
	£000	£000
Trade debtors	2,579	1,260
Amounts owed by group undertakings	12,034	4,591
Other debtors	-	1,278
Deferred taxation	6	7
	14,619	7,136

Amounts owed by other group undertakings are unsecured, interest free and repayable on demand.

8. Current asset investments

	2020	2019
	£000	£000
Investments in companies held separate under CMA review	-	402

9. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Trade creditors	637	720
Corporation tax	1,642	924
Other taxation and social security	187	1
Other creditors	-	17
	2,466	1,662

10. Creditors: Amounts falling due after more than one year

	2020	2019
	£000	£000
Other creditors	288	288

BAUER DIGITAL RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

11. Deferred taxation

	2020 £000	2019 £000
At beginning of year	7	9
Charged to the profit or loss	(1)	(2)
At end of year	6	7

The deferred tax asset is made up as follows:

	2020 £000	2019 £000
Depreciation in advance of capital allowances	6	7

Deferred tax is provided where there is reasonable certainty over the recovery of the asset, with regards to future taxable profits. It is expected that there will be sufficient trading profits in the company in the foreseeable future, against which the deferred tax assets will be utilised.

12. Called up share capital

	2020 £000	2019 £000
Allotted, called up and fully paid		
3,200,100 (2019: 3,200,100) ordinary shares of £1.00 each	3,200	3,200

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.

BAUER DIGITAL RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2020

13. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £000	2019 £000
Not later than 1 year	4,077	3,324
Later than 1 year and not later than 5 years	15,046	13,695
Later than 5 years	15,052	18,394
	<u>34,175</u>	<u>35,413</u>

14. Controlling party

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

Heinrich Bauer Verlag KG, established at Burchardstraße 11, 20095 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 Beteiligungs GmbH, registered in Germany. Copies of Heinrich Bauer Verlag Beteiligungs GmbH accounts are publicly available from Burchardstraße 11, 20095 Hamburg, Germany.