

Registered number: 2378790

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## KISS FM RADIO LIMITED

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### Annual Report and Financial Statements

For the Year Ended 31 December 2016



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## KISS FM RADIO LIMITED

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### Company Information

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<b>Directors</b>	D Ford P Keenan S Vickery
<b>Company secretary</b>	Bauer Group Secretariat Limited
<b>Registered number</b>	2378790
<b>Registered office</b>	Media House Peterborough Business Park Lynch Wood Peterborough PE2 6EA
<b>Independent auditor</b>	Grant Thornton UK LLP Statutory Auditor & Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP

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**KISS FM RADIO LIMITED**

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## KISS FM RADIO LIMITED

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### Strategic Report For the Year Ended 31 December 2016

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#### Introduction

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

#### 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.

No significant change in the nature of the Company's activities is anticipated.

#### Principal risks and uncertainties

##### Advertising

The Company, along with other businesses in the advertising sector, is exposed to many fluctuations in the advertising market as part of many wider economic changes.

##### Credit risk

The Company's credit risk is primarily attributable to its trade debtors that are now held centrally in the Company's parent undertaking, Bauer Radio Limited. 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

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

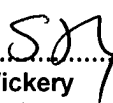
#### Financial key performance indicators

The Company uses a range of performance measures to monitor and manage the business effectively. These are both financial and non-financial. Key financial performance indicators are turnover (as shown in the Statement of Income and Retained Earnings) and profit before tax on continuing operations. During the year the profit before tax was £6,762,000 (2015: £5,179,000).

#### Other key performance indicators

The key non-financial performance indicators include the number of staff employed by the Company (Note 7) and measurements of audience, as published by RAJAR on a quarterly basis.

This report was approved by the board on 12 July 2017 and signed on its behalf.

.....  
S Vickery  
Director

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## KISS FM RADIO LIMITED

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### Directors' Report For the Year Ended 31 December 2016

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The directors present their report and the financial statements for the year ended 31 December 2016.

#### 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.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

#### Results and dividends

The profit for the year, after taxation, amounted to £5,211,000 (2015 - £3,906,000 ).

An interim dividend of £5,000,000 was paid during the year (2015: £3,300,000). The directors do not recommend the payment of a final dividend (2015: £NIL).

#### Directors

The directors who served during the year were:

D Ford  
P Keenan  
S Vickery

#### Future developments

The Company will continue to operate radio licenses and work to expand its audiences and grow revenue.

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**KISS FM RADIO LIMITED**

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**Directors' Report (continued)  
For the Year Ended 31 December 2016**

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**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.

**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 12 July 2017 and signed on its behalf.

  
S Vickery  
Director

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## KISS FM RADIO LIMITED

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

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We have audited the financial statements of Kiss FM Radio Limited for the year ended 31 December 2016, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2016 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 matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and Directors' Report has been prepared in accordance with applicable legal requirements.

#### Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and Directors' Report.

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**KISS FM RADIO LIMITED**

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**Independent Auditor's Report to the Members of Kiss FM Radio Limited**

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**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.



Steven Leith (Senior Statutory Auditor)

for and on behalf of  
**Grant Thornton UK LLP**

Statutory Auditor  
Chartered Accountants

London

12 July 2017



# KISS FM RADIO LIMITED

## Statement of Income and Retained Earnings For the Year Ended 31 December 2016

	Note	2016 £000	2015 £000
Turnover	4	19,427	16,384
Cost of sales		(2,244)	(1,831)
<b>Gross profit</b>		<b>17,183</b>	<b>14,553</b>
Administrative expenses		(10,430)	(9,393)
Other operating income		9	17
<b>Operating profit</b>	5	<b>6,762</b>	<b>5,177</b>
Tax on profit	8	(1,551)	(1,271)
<b>Profit after tax</b>		<b>5,211</b>	<b>3,906</b>
Retained earnings at the beginning of the year		4,845	4,239
		4,845	4,239
Profit for the year		5,211	3,906
Dividends declared and paid		(5,000)	(3,300)
<b>Retained earnings at the end of the year</b>		<b>5,056</b>	<b>4,845</b>

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of income and retained earnings.

The notes on pages 8 to 17 form part of these financial statements.

**KISS FM RADIO LIMITED**  
Registered number: 2378790

**Balance Sheet**  
**As at 31 December 2016**

	Note	2016 £000	2015 £000
<b>Fixed assets</b>			
Tangible assets	10	27	35
		<u>27</u>	<u>35</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	9,302	8,021
Cash at bank and in hand		2	2
		<u>9,304</u>	<u>8,023</u>
Creditors: amounts falling due within one year	12	(2,402)	(1,340)
		<u>6,902</u>	<u>6,683</u>
<b>Net current assets</b>			
<b>Total assets less current liabilities</b>		<u>6,929</u>	<u>6,718</u>
<b>Net assets</b>		<u>6,929</u>	<u>6,718</u>
<b>Capital and reserves</b>			
Called up share capital	14	740	740
Share premium account		1,133	1,133
Profit and loss account		5,056	4,845
		<u>6,929</u>	<u>6,718</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 July 2017.

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**S Vickery**

Director

The notes on pages 8 to 17 form part of these financial statements.

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## KISS FM RADIO LIMITED

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### Notes to the Financial Statements For the Year Ended 31 December 2016

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#### 1. General information

The Company is a private limited company, incorporated in England.

#### 2. Accounting policies

##### 2.1 Basis of preparation of 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 financial statements are presented in Sterling (£).

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 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 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 2016 and these financial statements may be obtained from Burchardstraße 11, 20077 Hamburg, Germany.

##### 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.

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## KISS FM RADIO LIMITED

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### Notes to the Financial Statements For the Year Ended 31 December 2016

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## 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.

Radio advertising revenue is recognised on the date of broadcast.

Event income is recognised when the event has taken place.

### 2.5 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.

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**KISS FM RADIO LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2016**

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**2. Accounting policies (continued)**

**2.5 Tangible fixed assets (continued)**

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 the Statement of Income and Retained Earnings.

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## KISS FM RADIO LIMITED

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### Notes to the Financial Statements For the Year Ended 31 December 2016

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#### 2. Accounting policies (continued)

##### 2.6 Financial instruments

The Company only enters into basic financial instruments 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.

##### 2.7 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

##### 2.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

##### 2.9 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 Statement of Income and Retained Earnings 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.

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## KISS FM RADIO LIMITED

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### Notes to the Financial Statements For the Year Ended 31 December 2016

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#### 2. Accounting policies (continued)

##### 2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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.

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

The Company continually evaluates estimates and judgements 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 Company has no material judgements or estimates with its disclosure of turnover, intra group balance, provision or tax provisioning that has not already been disclosed in the above accounting policies or notes.

#### 4. Turnover

The whole of the turnover is attributable to services.

All turnover arose within the United Kingdom.

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**KISS FM RADIO LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2016**

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**5. Operating profit**

The operating profit is stated after charging:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Depreciation of tangible fixed assets	<b>8</b>	<b>2</b>
Other operating lease rentals	<b>63</b>	<b>1</b>
Defined contribution pension cost	<b>42</b>	<b>35</b>
	<b>113</b>	<b>48</b>

During the year, no director received any emoluments (2015: £NIL)

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

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

**6. Auditor's remuneration**

Fees for the audit of the Company were borne by a fellow group undertaking, Bauer Radio Limited, for both years and have not been recharged.

There were no fees paid to the Company's auditor, Grant Thornton UK LLP, for any non audit services to the Company for both years.

**7. Employees**

Staff costs were as follows:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>1,842</b>	<b>1,281</b>
Social security costs	<b>210</b>	<b>140</b>
Cost of defined contribution scheme	<b>42</b>	<b>35</b>
	<b>2,094</b>	<b>1,456</b>

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

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
UK full-time employees	<b>38</b>	<b>26</b>



# KISS FM RADIO LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2016

### 8. Taxation

	2016 £000	2015 £000
<b>Corporation tax</b>		
Current tax on profits for the year	1,502	1,267
Adjustments in respect of previous periods	46	(3)
<b>Total current tax</b>	<b>1,548</b>	<b>1,264</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	2	5
Changes to tax rates	1	2
<b>Total deferred tax</b>	<b>3</b>	<b>7</b>
<b>Taxation on profit on ordinary activities</b>	<b>1,551</b>	<b>1,271</b>

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%). The differences are explained below:

	2016 £000	2015 £000
Profit on ordinary activities before tax	6,762	5,177
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%)	1,352	1,048
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2	10
Adjustments to tax charge in respect of prior periods	46	(3)
Tax rate changes	1	2
Transfer pricing adjustments	150	214
<b>Total tax charge for the year</b>	<b>1,551</b>	<b>1,271</b>

#### Factors that may affect future tax charges

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**KISS FM RADIO LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2016**

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**8. Taxation (continued)**

The standard rate of Corporation Tax in the UK reduced from 21% to 20% with effect from 1 April 2015. Accordingly the Company's profits for the current period are taxed at an effective rate of 20.00%.

Further reductions to the UK Corporation tax rates were substantively enacted as part of the Finance Bill (No 2) 2015 on 18 November 2015. This reduced the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020.

A number of changes to the UK corporation tax system were announced in the Chancellor's Budget on 16 March 2016. These include reductions to the main rate of UK corporation tax to 17% from 1 April 2020 (previously substantively enacted 8 July 2015 to 18%). These changes were fully enacted by the balance sheet date. As a result of these changes the deferred tax balances have been re-measured to 17%, the expected rate for when they will reverse.

**9. Dividends**

	2016 £000	2015 £000
Interim dividend	5,000	3,300
	<u>5,000</u>	<u>3,300</u>

**10. Tangible fixed assets**

	Office equipment and vehicles £000
<b>Cost or valuation</b>	
At 1 January 2016	37
At 31 December 2016	<u>37</u>
<b>Depreciation</b>	
At 1 January 2016	2
Charge for the period on owned assets	8
At 31 December 2016	<u>10</u>
<b>Net book value</b>	
At 31 December 2016	<u>27</u>
At 31 December 2015	<u>35</u>

**KISS FM RADIO LIMITED**

**Notes to the Financial Statements  
For the Year Ended 31 December 2016**

**11. Debtors**

	<b>2016 £000</b>	<b>2015 £000</b>
Amounts owed by group undertakings	8,887	7,461
Other debtors	55	59
Prepayments and accrued income	347	485
Deferred taxation	13	16
	<u>9,302</u>	<u>8,021</u>

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

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

	<b>2016 £000</b>	<b>2015 £000</b>
Trade creditors	37	56
Corporation tax	1,502	613
Other taxation and social security	25	16
Other creditors	403	213
Accruals and deferred income	435	442
	<u>2,402</u>	<u>1,340</u>

**13. Deferred taxation**

	<b>2016 £000</b>	<b>2015 £000</b>
At beginning of year	16	23
Charged to the profit or loss	(3)	(7)
<b>At end of year</b>	<u>13</u>	<u>16</u>

The deferred tax asset is made up as follows:

	<b>2016 £000</b>	<b>2015 £000</b>
Depreciation in advance of capital allowances	13	16
	<u>13</u>	<u>16</u>

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## KISS FM RADIO LIMITED

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### Notes to the Financial Statements For the Year Ended 31 December 2016

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#### 14. Share capital

	2016 £000	2015 £000
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
1,479,296 ordinary shares of £0.50 each	<u>740</u>	<u>740</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

#### 15. Related party transactions

During the year the Company received a rebate of £383,841 (2015: £358,810) from an associate undertaking.

At the year end £87,441 (2015: £87,759) was owed to the Company from the associated undertaking.

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.

#### 16. Controlling party

The immediate parent undertaking is Bauer Radio Limited.

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.