

Registered number: 2378790

KISS FM RADIO LIMITED

Directors' Report and Financial Statements

For the Year Ended 31 December 2013

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KISS FM RADIO LIMITED

Company Information

Directors	D Ford P Keenan
Company secretary	Bauer Group Secretariat Limited
Company number	2378790
Registered office	1 Lincoln Court Lincoln Road Peterborough PE1 2RF
Auditor	Grant Thornton UK LLP Registered Auditor & Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP

KISS FM RADIO LIMITED

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KISS FM RADIO LIMITED

Directors' Report For the Year Ended 31 December 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

Results and dividends

The profit for the year, after taxation, amounted to £2,339,000 (2012 - £2,554,000).

An interim dividend of £2,000,000 was paid during the year (2012: £4,200,000). The directors do not recommend the payment of a final dividend (2012: £NIL).

Directors

The directors who served during the year were:

D Ford
G White (resigned 31 August 2013)
P Keenan (appointed 24 July 2013)

Employees

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.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

KISS FM RADIO LIMITED

**Directors' Report
For the Year Ended 31 December 2013**

Disclosure of information to auditor

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

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

Auditor

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

This report was approved by the board on

6 Aug 2014

and signed on its behalf.



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P Keenan
Director

KISS FM RADIO LIMITED

Strategic Report For the Year Ended 31 December 2013

Introduction

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

Business review

The directors are satisfied with the Company's performance in the highly competitive London marketplace.

Kiss FM unites listeners around their interest in music and lifestyle and is characterised by its strong emotional connection with its audience. The Company invests in relevant programming to bring audiences closer to the artists, gigs, events and presenters they love through exclusive content and direct interaction. Listeners are mobile, young and use every platform available to engage, from FM to DAB, Freeview, online, social media and mobiles apps.

The Company intends to continue to invest in relevant, entertaining programming for the passionate communities it serves and in personalised interaction with its listeners.

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

Principal risks and uncertainties

Advertising

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

Credit risk

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

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 Profit and Loss Account) and EBITDA on continuing operations. During the year the EBITDA was £3,095,000 (2012: £3,392,000).

Other key performance indicators

The key non-financial performance indicators include the number of staff employed by the Company (note 5) and measurements of audience, as published by RAJAR on a quarterly basis.

KISS FM RADIO LIMITED

Strategic Report (continued)

This report was approved by the board on 6 August 2014 and signed on its behalf.



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P Keenan
Director

KISS FM RADIO LIMITED

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

We have audited the financial statements of Kiss FM Radio Limited for the year ended 31 December 2013, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

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 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Grant Thornton UK LLP

Steven Leith (Senior Statutory Auditor)

for and on behalf of

Grant Thornton UK LLP

Statutory Auditor

Chartered Accountants

London

Date: *12 August 2014*

KISS FM RADIO LIMITED

**Profit and Loss Account
For the Year Ended 31 December 2013**

	Note	2013 £000	2012 £000
Turnover	1,2	12,198	9,942
Cost of sales		(1,243)	(1,661)
Gross profit		10,955	8,281
Administrative expenses		(7,897)	(4,928)
Other operating income	3	11	-
Operating profit	4	3,069	3,353
Interest receivable and similar income		6	35
Profit on ordinary activities before taxation		3,075	3,388
Tax on profit on ordinary activities	6	(736)	(834)
Profit for the financial year		2,339	2,554

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and Loss Account.

The notes on pages 8 to 14 form part of these financial statements.

KISS FM RADIO LIMITED
Registered number: 2378790

Balance Sheet
As at 31 December 2013

	Note	£000	2013 £000	£000	2012 £000
Fixed assets					
Tangible assets	7		31		45
Current assets					
Debtors	8	6,487		6,192	
Cash in hand		2		2	
		<u>6,489</u>		<u>6,194</u>	
Creditors: amounts falling due within one year	9	<u>(1,163)</u>		<u>(1,221)</u>	
Net current assets			<u>5,326</u>		<u>4,973</u>
Net assets			<u><u>5,357</u></u>		<u><u>5,018</u></u>
Capital and reserves					
Called up share capital	11		740		740
Share premium account	12		1,133		1,133
Profit and loss account	12		<u>3,484</u>		<u>3,145</u>
Shareholders' funds	13		<u><u>5,357</u></u>		<u><u>5,018</u></u>

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



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P Keenan
Director

6 April
2014.

The notes on pages 8 to 14 form part of these financial statements.

KISS FM RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2013

1. Accounting Policies

1.1 Basis of preparation of financial statements

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The directors, in accordance with the Financial Reporting Standard 18, "Accounting Policies" ("FRS 18"), confirm that the accounting policies used by the Company are the most appropriate, consistently applied and adequately disclosed.

1.2 Cash flow

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

1.3 Turnover

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

Revenue is recognised when the significant risks and rewards of ownership have been transferred to a third party, or for services provided, at the point when it is probable that the economic benefits will flow to the Company and when the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration.

Radio advertising revenue is recognised on the date of broadcast.

1.4 Tangible fixed assets and depreciation

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

Office equipment and vehicles - 3 - 5 years

1.5 Operating leases

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

1.6 Dividends payable

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

KISS FM RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2013

1. Accounting Policies (continued)

1.7 Deferred taxation

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

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

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

Deferred tax assets and liabilities are not discounted.

1.8 Pensions

The Bauer Media Group (the Group), of which the Company is a subsidiary, has operated a defined contribution pension scheme known as the Bauer Consumer Media Pension scheme for all eligible staff across the Group. The Scheme was provided by Scottish Widows up to May 2013 and by Aviva from 1 June 2013. From 1 November 2013 the Group has also operated an auto-enrolment pension scheme for all eligible staff as required by current legislation. The costs of these pension schemes are charged to the profit and loss account as they become payable.

2. Turnover

The Company takes part in barter advertising deals the value of which are included in both turnover and cost of sales. The value of these transactions in the year amounted to £124,582 (2012: £57,137).

All turnover arose within the United Kingdom.

3. Other operating income

	2013 £000	2012 £000
Licensing income	11	-

KISS FM RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2013

4. Operating profit

The operating profit is stated after charging:

	2013 £000	2012 £000
Depreciation of tangible fixed assets:		
- owned by the company	26	39
Operating lease rentals:		
- plant and machinery	7	10
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2012 - £NIL).

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.

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

5. Staff costs

Staff costs were as follows:

	2013 £000	2012 £000
Wages and salaries	1,208	1,237
Social security costs	140	144
Other pension costs	38	30
	<u> </u>	<u> </u>
	<u>1,386</u>	<u>1,411</u>

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

	2013 No.	2012 No.
UK full-time employees	<u>26</u>	<u>26</u>

KISS FM RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2013

6. Taxation

	2013 £000	2012 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	758	836
Adjustments in respect of prior periods	(2)	(5)
Total current tax	756	831
Deferred tax		
Deferred tax - current year	(25)	-
Deferred tax - prior year	1	-
Deferred tax - impact of rate changes	4	3
Total deferred tax (see note 10)	(20)	3
Tax on profit on ordinary activities	736	834

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £000	2012 £000
Profit on ordinary activities before tax	3,075	3,388
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	715	830
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	14	6
Depreciation in excess of capital allowances	29	-
Adjustments to tax charge in respect of prior periods	(2)	(5)
Current tax charge for the year (see note above)	756	831

Factors that may affect future tax charges

The standard rate of Corporation Tax in the UK reduced from 24% to 23% with effect from 1 April 2013. Accordingly the Company's profits for this accounting period are taxed at an effective rate of 23.25%.

The March 2012 Budget announcement proposed that the main rate of corporation tax would be reduced to 23% from 1 April 2013, with a further reduction of the rate to 21% by 1 April 2014.

The March 2013 Budget announcement included a further proposal to reduce the main rate of corporation tax to 20% from 1 April 2015. As this change was substantively enacted at the balance sheet date, the deferred tax asset has been restated to reflect the reduced tax rate of 20%.

KISS FM RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2013**

7. Tangible fixed assets

	Office equipment and vehicles £000
Cost	
At 1 January 2013	438
Additions	12
At 31 December 2013	<u>450</u>
Depreciation	
At 1 January 2013	393
Charge for the year	26
At 31 December 2013	<u>419</u>
Net book value	
At 31 December 2013	<u>31</u>
At 31 December 2012	<u>45</u>

8. Debtors

	2013 £000	2012 £000
Amounts owed by group undertakings	5,993	5,633
Other debtors	198	273
Prepayments and accrued income	245	255
Deferred tax asset (see note 10)	51	31
	<u>6,487</u>	<u>6,192</u>

Amounts owed by other group undertakings are unsecured, repayable on demand and bore interest at the SONIA rate to 31 March 2013 and interest free from 1 April 2013 (2012: SONIA rate).

KISS FM RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2013

9. Creditors: Amounts falling due within one year

	2013 £000	2012 £000
Trade creditors	35	10
Corporation tax	758	836
Other taxation and social security	2	1
Other creditors	134	170
Accruals and deferred income	234	204
	<u>1,163</u>	<u>1,221</u>

10. Deferred tax asset

	2013 £000	2012 £000
At beginning of year	31	34
Charged for year	20	(3)
	<u>51</u>	<u>31</u>

The deferred tax asset is made up as follows:

	2013 £000	2012 £000
Depreciation in advance of capital allowances	<u>51</u>	<u>31</u>

11. Share capital

	2013 £000	2012 £000
Allotted, called up and fully paid		
1,479,296 ordinary shares of £0.50 each	<u>740</u>	<u>740</u>

12. Reserves

	Share premium account £000	Profit and loss account £000
At 1 January 2013	1,133	3,145
Profit for the financial year	-	2,339
Dividends: Equity capital	-	(2,000)
	<u>1,133</u>	<u>3,484</u>
At 31 December 2013		

KISS FM RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2013

13. Reconciliation of movement in shareholders' funds

	2013 £000	2012 £000
Opening shareholders' funds	5,018	6,664
Profit for the financial year	2,339	2,554
Dividends (Note 14)	(2,000)	(4,200)
Closing shareholders' funds	<u>5,357</u>	<u>5,018</u>

14. Dividends

	2013 £000	2012 £000
Dividends paid on equity capital	<u>2,000</u>	<u>4,200</u>

15. Pension commitments

The Company has participated in a defined contribution pension scheme, the Bauer Consumer Media Pension Scheme. The pension charge represents contributions due from the employer and during the year it amounted to £37,589 (2012: £30,477).

16. Ultimate controlling parties and related party transactions

The immediate parent company is Bauer Radio Limited.

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

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

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

Independent Radio News Limited

The Company's parent undertaking, Bauer Radio Limited, owns 22% of the share capital of Independent Radio News Limited. During the year the Company received a rebate of £305,906 (2012: £270,639).

At 31 December 2013 the Company was owed by Independent Radio News Limited £81,905 (2012: £69,877).