

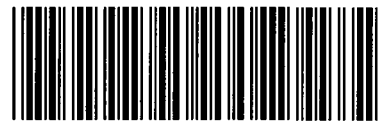
Registered number: 02378790

KISS FM RADIO LIMITED

Annual Report and Financial Statements

For the Year Ended 31 December 2018

THURSDAY



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COMPANIES HOUSE

KISS FM RADIO LIMITED

Company Information

Directors	D Ford P Keenan S Vickery
Company secretary	Bauer Group Secretariat Limited
Registered number	02378790
Registered office	Media House Peterborough Business Park Lynch Wood Peterborough PE2 6EA
Independent auditor	KPMG LLP 15 Canada Square Canary Wharf E14 5GL

KISS FM RADIO LIMITED

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KISS FM RADIO LIMITED

Strategic Report For the Year Ended 31 December 2018

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.

The Company is satisfied with the financial performance during the year, with significant increase of both turnover by £3,582,000 to £23,096,000 (2017: £19,514,000) and in operating profit by £2,467,000 to £8,951,000 (2017: £6,484,000) reflecting increased investment in incremental distribution for the brand during the year (see Profit and Loss Account).

On 4 December 2018, the Company reduced its capital from £1,872,730 to £739,648 by the cancellation of the Company's entire share premium account of £1,133,082.

On 12 December 2018 the Company paid a dividend of £12,300,000 (2017: £6,000,000) and as a result net assets declined to £1,106,000 from £6,158,000 at the start of the year.

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.

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.

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 profit before tax on continuing operations. During the year turnover has increased by £3,582,000 to £23,096,000 (2017: £19,514,000) and profit before tax increased by £2,468,000 to £8,952,000 (2017: £6,484,000).

KISS FM RADIO LIMITED

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


Other key performance indicators

The key non-financial performance indicators include the number of staff employed by the Company (Note 8), the gender pay gap and measurements of audience, as published 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

KISS FM 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 £7,248,000 (2017: £5,229,000).

An interim dividend of £12,300,000 was paid during the year (2017: £6,000,000). The directors do not recommend the payment of a final dividend (2017: £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.

Matters covered in the strategic report

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

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

KPMG LLP has indicated its willingness to continue in office. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

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

KISS FM RADIO LIMITED

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' 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 relating 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 Kiss FM Radio Limited

Opinion

We have audited the financial statements of Kiss FM 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 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 Kiss FM 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 those reports 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 those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, 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 Kiss FM 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

KISS FM RADIO LIMITED

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

	Note	2018 £000	2017 £000
Turnover	4	23,096	19,514
Cost of sales		(1,998)	(1,904)
Gross profit		21,098	17,610
Administrative expenses		(12,350)	(11,130)
Other operating income		203	4
Operating profit		8,951	6,484
Interest receivable and similar income	10	1	-
Profit before tax		8,952	6,484
Tax on profit	11	(1,704)	(1,255)
Profit after tax		7,248	5,229


The notes on pages 12 to 23 form part of these financial statements.

KISS FM RADIO LIMITED
Registered number: 02378790

Balance Sheet
As at 31 December 2018

	Note	2018 £000	2017 £000
Fixed assets			
Tangible assets	13	13	20
		<u>13</u>	<u>20</u>
Current assets			
Debtors: amounts falling due within one year	14	3,543	8,034
Cash at bank and in hand		2	2
		<u>3,545</u>	<u>8,036</u>
Creditors: amounts falling due within one year	15	(2,452)	(1,898)
Net current assets		<u>1,093</u>	<u>6,138</u>
Total assets less current liabilities		<u>1,106</u>	<u>6,158</u>
Net assets		<u>1,106</u>	<u>6,158</u>
Capital and reserves			
Called up share capital	17	740	740
Share premium account		-	1,133
Profit and loss account		366	4,285
		<u>1,106</u>	<u>6,158</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 23 form part of these financial statements.

KISS FM RADIO LIMITED

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2018	740	1,133	4,285	6,158
Comprehensive income for the year				
Profit for the year	-	-	7,248	7,248
Dividends: Equity capital	-	-	(12,300)	(12,300)
Transfer to/from profit and loss account	-	(1,133)	1,133	-
At 31 December 2018	740	-	366	1,106

The notes on pages 12 to 23 form part of these financial statements.

On 4 December 2018 the Company reduced its capital by the cancellation of the Company's entire share premium account of £1,133,082.

KISS FM RADIO LIMITED

**Statement of Changes in Equity
For the Year Ended 31 December 2017**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2017	740	1,133	5,056	6,929
Comprehensive income for the year				
Profit for the year	-	-	5,229	5,229
Dividends: Equity capital	-	-	(6,000)	(6,000)
At 31 December 2017	740	1,133	4,285	6,158

The notes on pages 12 to 23 form part of these financial statements.

KISS FM RADIO LIMITED

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

1. General information

Kiss FM Radio Limited (the "Company") is a private company incorporated, domiciled and registered in England and Wales in the UK. The registered number is 02378790 and the registered address is Media House, Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA.

The Company is engaged in the operation of independent radio stations 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 the raising of sales invoices and incurring of expenditure. The invoices are raised by the shared service centre administered by another group entity, HBVB. The trade debtor and trade creditor balances in relation to the raising of sales invoices and processing and paying the majority of expenditure including payroll, payroll taxes, and 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 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 fully owned group undertakings.

KISS FM RADIO LIMITED

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

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.

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.
- Production revenue is recognised on date of release of adverts to clients.
- 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.

2.5 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.

2.6 Interest income

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

KISS FM RADIO LIMITED

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

2. Accounting policies (continued)

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 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.

2.8 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.

2.9 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.

KISS FM RADIO LIMITED

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

2. Accounting policies (continued)

2.9 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 Profit and Loss Account.

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

KISS FM RADIO LIMITED

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

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. Turnover

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

	2018 £000	2017 £000
Advertising Revenue	21,295	18,375
Other Revenue	1,801	1,139
	<u>23,096</u>	<u>19,514</u>

All turnover arose within the United Kingdom.

Advertising revenue includes airtime and digital advertising revenues.

5. Other operating income

	2018 £000	2017 £000
Licensing income	203	4
	<u>203</u>	<u>4</u>

KISS FM RADIO LIMITED

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

6. Operating profit

The operating profit is stated after charging:

	2018	2017
	£000	£000
Depreciation of tangible fixed assets	7	7
Other operating lease rentals	4	2
Defined contribution pension cost	55	35
	<u>66</u>	<u>44</u>

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

7. 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	4	4
	<u>4</u>	<u>4</u>
	-	-
	<u>-</u>	<u>-</u>

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

KISS FM RADIO LIMITED

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

8. Employees

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	2,347	1,999
Social security costs	262	217
Cost of defined contribution scheme	55	35
	<u>2,664</u>	<u>2,251</u>

During the year, no director received any emoluments (2017: £Nil).

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

	2018 No.	2017 No.
Sales	27	24
Programming	18	17
Administrative	2	2
	<u>47</u>	<u>43</u>

9. Directors' remuneration

	2018 £000	2017 £000
Directors' remuneration - apportionment	115	101
	<u>115</u>	<u>101</u>

Directors' remuneration is borne by other group entities, HBVB Management Limited and Bauer Radio Limited. The amount of directors' remuneration attributable to services provided to Kiss FM Limited has been apportioned based on time spent.

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

KISS FM RADIO LIMITED

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

10. Interest receivable

	2018 £000	2017 £000
Other interest receivable	1	-
	<u>1</u>	<u>-</u>
	<u><u>1</u></u>	<u><u>-</u></u>

11. Taxation

	2018 £000	2017 £000
Corporation tax		
Current tax on profits for the year	1,706	1,253
Adjustments in respect of previous periods	(3)	-
Total current tax	<u>1,703</u>	<u>1,253</u>
Deferred tax		
Origination and reversal of timing differences	1	2
Total deferred tax	<u>1</u>	<u>2</u>
Taxation on profit on ordinary activities	<u><u>1,704</u></u>	<u><u>1,255</u></u>

KISS FM RADIO LIMITED

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

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%). The differences are explained below:

	2018 £000	2017 £000
Profit on ordinary activities before tax	8,952	6,484
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	1,701	1,248
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	6	4
Adjustments to tax charge in respect of prior periods	(3)	-
Transfer pricing adjustments	-	3
Total tax charge for the year	1,704	1,255

KISS FM RADIO LIMITED

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

11. Taxation (continued)

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.

12. Dividends

	2018 £000	2017 £000
Interim dividend	12,300	6,000
	<u>12,300</u>	<u>6,000</u>

13. Tangible fixed assets

	Office equipment and vehicles £000
Cost or valuation	
At 1 January 2018	37
At 31 December 2018	<u>37</u>
Depreciation	
At 1 January 2018	17
Charge for the year on owned assets	7
At 31 December 2018	<u>24</u>
Net book value	
At 31 December 2018	<u>13</u>
At 31 December 2017	<u>20</u>

KISS FM RADIO LIMITED

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

14. Debtors: Amounts falling due within one year

	2018	2017
	£000	£000
Amounts owed by group undertakings	3,161	7,604
Other debtors	8	32
Prepayments and accrued income	364	387
Deferred taxation	10	11
	<u>3,543</u>	<u>8,034</u>

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

15. Creditors: Amounts falling due within one year

	2018	2017
	£000	£000
Trade creditors	-	5
Corporation tax	1,706	1,253
Other taxation and social security	21	25
Other creditors	425	400
Accruals and deferred income	300	215
	<u>2,452</u>	<u>1,898</u>

16. Deferred taxation

	2018	2017
	£000	£000
At beginning of year	11	13
Charged to the profit or loss	(1)	(2)
At end of year	<u>10</u>	<u>11</u>

The deferred tax asset is made up as follows:

	2018	2017
	£000	£000
Depreciation in advance of capital allowances	10	11
	<u>10</u>	<u>11</u>

KISS FM RADIO LIMITED

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

17. Called up share capital

	2018 £000	2017 £000
Allotted, called up and fully paid		
1,479,296 (2017 - 1,479,296) ordinary shares of £0.50 each	<u>740</u>	<u>740</u>

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.

18. Related party transactions

During the year the Company received a rebate of £331,741 (2017: £285,459) from an associate undertaking.

At the year end £80,637 (2017: £71,778) was owed to the Company from the associated undertaking.

19. 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, 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.