

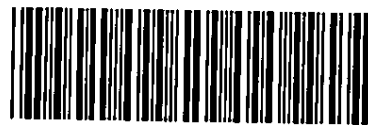
**Carlisle Radio Limited**

**Report and Accounts**

**For the year ended 31 March 2008**

**Company Registration No. 2670814**

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**Carlisle Radio Limited**  
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**For the year ended 31 March 2008**

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**Carlisle Radio Limited**  
**Directors, officers and auditors**

<b>Directors</b>	D Ford G White
<b>Company secretary</b>	Sisec Limited
<b>Auditors</b>	BDO Stoy Hayward LLP 55 Baker Street London W1U 7EU
<b>Registered office</b>	21 Holborn Viaduct London EC1A 2DY
<b>Company number</b>	2670814

# **Carlisle Radio Limited**

## **Directors' Report**

### **For the year ended 31 March 2008**

The directors submit their report and the accounts for the year ended 31 March 2008.

#### **Business review and principal activities**

The Company is engaged in the operation of independent radio stations in the Durham, Cleveland and North Yorkshire area under licence from Ofcom. Trading is in line with expectations and revenues are anticipated to grow year on year.

The results of the Company show a pre-tax profit for the year of £60,000 (2007: £340,000) and turnover of £1,413,000 (2007: £1,432,000). The directors do not recommend the payment of a final dividend (2007: £nil).

On 7 December 2007, Emap plc (now known as Emap International Limited, "Emap") announced the sale of its Radio division, which includes the Company, to Heinrich Bauer Verlag KG ("Bauer Group"). The disposal was completed on 29 January 2008.

On 8 March 2008, the Company's registered office was changed to 21 Holborn Viaduct, London EC1A 2DY.

#### **Directors**

The current directors are shown on page 1. The directors who held office during the year are given below:

D Ford	
G White	(appointed 3 April 2007)
P Cooney	(resigned 29 January 2008)
D Bain	(resigned 29 January 2008)
S Aitchison	(resigned 29 January 2008)

#### **Insurance of directors**

Directors' and Officers' liability insurance has been maintained by Emap until 29 January 2008 and then maintained by Bauer Radio (Holdings) Limited for the remaining part of the year.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which 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 judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

**Carlisle Radio Limited**  
**Directors' Report**  
**For the year ended 31 March 2008**

**Statement of directors' responsibilities (continued)**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit, and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

**Auditors**

PricewaterhouseCoopers LLP resigned as auditors of the Company during the year and BDO Stoy Hayward LLP were appointed as auditors of the Company by the directors.

The auditors, BDO Stoy Hayward LLP, have indicated their willingness to continue in office. A resolution to re-appoint BDO Stoy Hayward LLP as auditors will be put to the sole member of the Company.

**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Approved by the board of directors on 8 May 2009.

A handwritten signature in black ink, appearing to read 'G White', is written over a horizontal line.

**G White**  
**Director**

**Carlisle Radio Limited**  
**Independent Auditor's Report**  
**For the year ended 31 March 2008**

**Independent auditor's report to the members of Carlisle Radio Limited**

We have audited the financial statements of Carlisle Radio Limited for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985;
- the information given in the directors' report is consistent with the financial statements.

*BDO Stoy Hayward LLP*

**BDO Stoy Hayward LLP**  
Chartered Accountants and Registered Auditors  
London

**58 MAY 2009**

**Carlisle Radio Limited**  
**Profit and Loss Account**  
**For the year ended 31 March 2008**

	Notes	2008 £'000	2007 £'000
<b>Turnover</b>	2	1,413	1,432
Cost of sales		(209)	(224)
<b>Gross profit</b>		1,204	1,208
Administrative expenses		(1,213)	(897)
<b>Operating (loss)/profit</b>	3	(9)	311
Interest receivable		69	29
<b>Profit on ordinary activities before taxation</b>		60	340
Tax on profit on ordinary activities	6	(23)	(91)
<b>Profit for the year</b>	12, 13	37	249

The above results relate to continuing operations.

The Company has no recognised gains and losses other than those included above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the reported profits and historical cost profits on ordinary activities before taxation for both years being reported.

*The notes on pages 7 to 13 form part of these accounts.*

**Carlisle Radio Limited**  
**Balance Sheet**  
**At 31 March 2008**

	Notes	2008 £'000	2007 £'000
<b>Fixed assets</b>			
Tangible assets	7	74	29
<b>Current assets</b>			
Debtors	8	2,027	1,941
Creditors: amounts falling due within one year	9	(213)	(119)
<b>Net current assets</b>		<b>1,814</b>	<b>1,822</b>
<b>Net assets</b>		<b>1,888</b>	<b>1,851</b>
<b>Capital and reserves</b>			
Called up share capital	11	500	500
Profit and loss account	12	1,388	1,351
<b>Total shareholders' funds</b>	13	<b>1,888</b>	<b>1,851</b>

The financial statements were approved by the Board of Directors and authorised for issue on 8 May, 2009.

*G White*

**G White**  
**Director**

The notes on pages 7 to 13 form part of these accounts.



# **Carlisle Radio Limited**

## **Notes to the financial statements**

**For the year ended 31 March 2008**

### **1 Accounting policies**

#### **Basis of accounting**

These accounts have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 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.

A summary of the more important accounting policies is set out below.

#### **Depreciation**

The cost of tangible fixed assets less estimated residual value on disposal is written down evenly over their expected useful lives as follows:

Leasehold improvements	- over the length of the lease
Office equipment and vehicles	- 3 to 5 years

#### **Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

#### **Leasing**

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the lease.

#### **Pension costs**

Emap operates a defined contribution pension plan, Flexiplan, for eligible staff across the Group. The cost of providing pensions under this scheme was charged to the profit and loss account as it became payable. Following the sale of the Company on 29 January 2008, its employees were no longer eligible to participate in this scheme. From 1 March 2008, staff were able to contribute to the defined contribution scheme provided by Scottish Widows known as Bauer Consumer Media Pension scheme. The costs of this pension scheme are charged to the profit and loss account as they become payable.

#### **Cashflow statement and related party disclosures**

The Company is a wholly owned subsidiary of Bauer UK Radio GmbH and is included in the consolidated financial statements of Bauer UK Radio GmbH, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 "Cash Flow Statements" (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 "Related Party Transactions" from disclosing related party transactions with entities that are part of the Heinrich Bauer Verlag KG group as it is a wholly owned subsidiary and included within the consolidated accounts of Bauer UK Radio GmbH, which are publicly available.

**Carlisle Radio Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2008**

**2 Turnover**

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 and represents amounts receivable for services and goods provided in the normal course of business, net of discounts, custom duties and sales taxes.

Radio advertising revenue is recognised on the date of broadcast.

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 £nil (2007: £83).

All turnover is derived from within the United Kingdom.

**3 Operating (loss)/profit**

This is stated after charging

	2008 £'000	2007 £'000
Depreciation	18	15
Operating lease rentals - plant and machinery	36	32
Operating lease rentals - other	22	19

Fees for the audit of the Company were borne by Bauer Radio Limited (2007: Emap).

There were no fees paid to the Company's auditor, BDO Stoy Hayward LLP, for any non audit services to the Company (2007: non audit fees paid to PricewaterhouseCoopers LLP, the Company's previous auditors, were borne by Emap).

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

**4 Directors' emoluments**

	2008 £'000	2007 £'000
Aggregate emoluments	27	34
Pension contributions	1	2
	28	36

Pension benefits accrue to 1 director (2007: 1) under a defined contribution scheme.

**Carlisle Radio Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2008**

**5 Staff costs**

	2008 £'000	2007 £'000
<b>(a) Costs including directors' emoluments</b>		
Wages and salaries	348	333
Social security costs	31	29
Pension costs	5	8
	<b>384</b>	<b>370</b>

**(b) Pension costs**

**Defined contribution plan**

Up to 29 January 2008, the Company contributed to the Flexiplan scheme which was operated by Emap and as such all outstanding liabilities were held by Emap. Following the sale of the Company on 29 January 2008 the employees were no longer eligible to participate in this scheme. From 1 March 2008, staff are able to join the Bauer Consumer Media Pension Scheme provided by Scottish Widows. The pension charge represents contributions due from the employer and during the year it amounted to £5,359 (2007: £8,457).

**(c) Employees**

The average monthly number of persons (including executive directors) employed by the Company in the UK during the year was 17 (2007: 18).

**(d) Staff share bonus**

Through the Emap All Employee Share Ownership Plan, Emap offered free shares to the value of £840 (2007: £840) to qualifying staff. Sharemap was part of Lifemap, Emap's flexible benefits plan and allowed staff to save up to £1,500 a year to buy Emap shares. Emap would then match the cumulative investment in shares on a one to one basis. The shares were held in trust for staff for three years, after which time they could be sold. After five years, the shares were free of income tax on release from the trust.

Following the completion of the sale of the Company on 29 January 2008, the Company's employees were no longer eligible to participate in these schemes.

**Carlisle Radio Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2008**

**6 Tax on profit on ordinary activities**

	2008 £'000	2007 £'000
Corporation tax at 30% (2007: 30%)	19	104
Corporation tax prior years adjustment	-	(15)
<b>Total current tax</b>	<b>19</b>	<b>89</b>
Deferred tax - current year	4	2
<b>Tax on profit on ordinary activities</b>	<b>23</b>	<b>91</b>

The tax assessed for the year is higher (2007: lower) than the standard rate of corporation tax in the UK.

The difference between tax as per the financial statements and tax at the UK nominal rate is explained below:

	2008 £'000	2007 £'000
Profit before tax	60	340
Tax charge at 30% (2007: 30%)	18	102
Corporation tax prior years adjustment	-	(15)
Capital allowances in excess of depreciation	(4)	(2)
Expenses not deductible for tax purposes	5	4
<b>Total tax charge for the current year</b>	<b>19</b>	<b>89</b>

The UK nominal rate of tax reduced to 28%, effective from 1 April 2008

**Carlisle Radio Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2008**

**7 Tangible fixed assets**

	Leasehold improvements £'000	Office equipment and vehicles £'000	Total £'000
<b>Cost</b>			
At 1 April 2007	11	49	60
Additions	-	63	63
<b>At 31 March 2008</b>	<b>11</b>	<b>112</b>	<b>123</b>
<b>Depreciation</b>			
At 1 April 2007	10	21	31
Charge for year	1	17	18
<b>At 31 March 2008</b>	<b>11</b>	<b>38</b>	<b>49</b>
<b>Net book value at 31 March 2008</b>	<b>-</b>	<b>74</b>	<b>74</b>
<b>Net book value at 31 March 2007</b>	<b>1</b>	<b>28</b>	<b>29</b>

**8 Debtors**

	2008 £'000	2007 £'000
Trade debtors	119	248
Amounts due from Group undertakings	1,851	1,652
Other debtors	16	12
Deferred tax (note 10)	5	9
Prepayments and accrued income	36	20
	<b>2,027</b>	<b>1,941</b>

Amounts owed by Group undertakings are unsecured, bearing interest at the SONIA rate up to 30 September 2007 (2007: SONIA rate) and have no fixed date of repayment. Included in amounts owed by Group undertakings are loans bearing interest at 5.16% from 29 January 2008 onwards.

**Carlisle Radio Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2008**

<b>9 Creditors: amounts falling due within one year</b>	<b>2008 £'000</b>	<b>2007 £'000</b>
Trade creditors	9	22
Bank loans and overdrafts	-	8
Other tax and social security	5	3
Other creditors	80	45
Accruals and deferred income	119	41
	<b>213</b>	<b>119</b>

**10 Deferred taxation**

<b>The movement on deferred tax is:</b>	<b>Deferred tax £'000</b>
At 1 April 2007	9
Transferred from profit and loss account	(4)
<b>At 31 March 2008</b>	<b>5</b>

The deferred taxation has been recognised in the amounts as follows:

	<b>2008 £'000</b>	<b>2007 £'000</b>
Depreciation in advance of capital allowances	5	9

There is no unprovided deferred taxation (2007: £nil).

As a result of the change in the UK Corporation Tax rate from 30% to 28% effective from 1 April 2008, deferred tax balances have been re-measured.

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements.

<b>11 Called up share capital</b>	<b>2008 £'000</b>	<b>2007 £'000</b>
<b>Authorised</b>		
600,000 ordinary shares of £1 each	600	600
<b>Allotted, called up and fully paid</b>		
500,000 ordinary shares of £1 each	500	500

**Carlisle Radio Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2008**

<b>12 Profit and loss account</b>	<b>Profit and loss account £'000</b>
At 1 April 2007	1,351
Profit for the year	37
<b>At 31 March 2008</b>	<b>1,388</b>

<b>13 Reconciliation of movements in shareholders' funds</b>	<b>2008 £'000</b>	<b>2007 £'000</b>
At 1 April 2007	1,851	1,602
Profit for the year	37	249
<b>At 31 March 2008</b>	<b>1,888</b>	<b>1,851</b>

**14 Lease commitments**

At 31 March 2008 the Company had annual commitments under non-cancellable operating leases expiring as follows:

	<b>Other 2008 £'000</b>	<b>Other 2007 £'000</b>	<b>Land and buildings 2008 £'000</b>	<b>Land and buildings 2007 £'000</b>
Within one year	2	-	-	-
Within two to five years	-	-	17	17

**15 Immediate and ultimate controlling parties**

The immediate parent undertaking is Scottish Radio Holdings Limited.

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

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