
BAUER AR HOLDINGS LIMITED

Annual Report and Financial Statements

For the Year Ended 31 December 2016



BAUER AR HOLDINGS LIMITED

Company Information

Directors	P Keenan D Ford S Vickery
Company secretary	Bauer Group Secretariat Limited
Registered number	03359692
Registered office	Media House Peterborough Business Park Lynch Wood Peterborough PE2 6EA
Independent auditor	Grant Thornton UK LLP Statutory Auditor & Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP

BAUER AR HOLDINGS LIMITED

Contents

	Page
Strategic Report	1
Directors' Report	2 - 3
Independent Auditor's Report	4 - 5
Statement of Income and Retained Earnings	6
Balance Sheet	7
Notes to the Financial Statements	8 - 13

BAUER AR HOLDINGS LIMITED

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


Business review

The Company is an investment holding company. It did not trade during the year and is not expected to do so in 2017.

Financial key performance indicators

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or the position of the business.

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

.....
S Vickery
Director

BAUER AR HOLDINGS LIMITED

Directors' Report For the Year Ended 31 December 2016

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;
- 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.

Results and dividends

The profit for the year, after taxation, amounted to £42,000 (2015 - £46,000).

The directors do not recommend the payment of a final dividend (2015: £NIL).

Directors

The directors who served during the year were:

P Keenan
D Ford
S Vickery

BAUER AR HOLDINGS LIMITED

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

Going concern

Notwithstanding the fact that the Company has net current liabilities, the directors have prepared the financial statements on the going concern basis. The directors have received confirmation from its immediate parent company, of its intention to financially support the Company such that they can meet their obligations as they fall due for a period of at least twelve months from the date of the directors' approval of these financial statements.

Future developments

The Company does not expect to trade in the following 12 months.

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

BAUER AR HOLDINGS LIMITED

Independent Auditor's Report to the Members of Bauer AR Holdings Limited

We have audited the financial statements of Bauer AR Holdings 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.

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.

BAUER AR HOLDINGS LIMITED

Independent Auditor's Report to the Members of Bauer AR Holdings Limited

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

BAUER AR HOLDINGS LIMITED

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

	Note	2016 £000	2015 £000
Tax on profit	6	42	46
Profit after tax		<u>42</u>	<u>46</u>
Retained earnings at the beginning of the year		70	24
		<u>70</u>	<u>24</u>
Profit for the year		42	46
Retained earnings at the end of the year		<u>112</u>	<u>70</u>

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

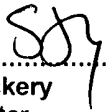
The notes on pages 8 to 13 form part of these financial statements.

BAUER AR HOLDINGS LIMITED
Registered number:03359692

Balance Sheet
As at 31 December 2016

	Note	2016 £000	2015 £000
Fixed assets			
Investments	7	20,200	20,200
		<u>20,200</u>	<u>20,200</u>
Creditors: amounts falling due within one year	8	(15,357)	(15,399)
Net current liabilities		<u>(15,357)</u>	<u>(15,399)</u>
Total assets less current liabilities		<u>4,843</u>	<u>4,801</u>
Net assets		<u>4,843</u>	<u>4,801</u>
Capital and reserves			
Called up share capital	9	3,954	3,954
Share premium account		777	777
Profit and loss account		112	70
		<u>4,843</u>	<u>4,801</u>

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


.....
S Vickery
Director

The notes on pages 8 to 13 form part of these financial statements.

BAUER AR HOLDINGS LIMITED

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

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 Company is dependent on continuing financial support made available by a parent company, Bauer Radio Limited. Continuing financial support is required both to enable the Company to meet its liabilities as they fall due and to continue operating without immediate realisation of all its assets. Bauer Radio Limited has confirmed its intention to maintain its financial support for the foreseeable future and consequently these accounts have been prepared on a going concern basis.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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

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

BAUER AR HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.5 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.

2.6 Taxation

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. 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.

BAUER AR HOLDINGS LIMITED

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

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2015 - £NIL).

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

6. Taxation

	2016 £000	2015 £000
Corporation tax		
Current tax on profits for the year	(42)	(46)
Total current tax	<u>(42)</u>	<u>(46)</u>

Factors affecting tax charge for the year

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

Effects of:

Transfer pricing adjustments	(42)	(46)
Total tax charge for the year	<u>(42)</u>	<u>(46)</u>

Factors that may affect future tax charges

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.

BAUER AR HOLDINGS LIMITED

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

7. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2016	30,368
At 31 December 2016	<u>30,368</u>
Impairment	
At 1 January 2016	10,168
At 31 December 2016	<u>10,168</u>
Net book value	
At 31 December 2016	<u>20,200</u>
At 31 December 2015	<u>20,200</u>

BAUER AR HOLDINGS LIMITED

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

7. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Absolute Radio Limited	Ordinary	100 %	Broadcasting
Bauer AR Digital Radio Limited	Ordinary	100 %	Holding company
One Golden Square Creative Limited	Ordinary	100 %	Exploitation of rights in music and digital applications

Name	Registered office
Absolute Radio Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, United Kingdom, PE2 6EA
Bauer AR Digital Radio Limited	Clydebank Business Park, Clydebank Business Park, Clydebank, G81 2RX
One Golden Square Creative Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, United Kingdom, PE2 6EA

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

8. Creditors: Amounts falling due within one year

	2016	2015
	£000	£000
Amounts owed to group undertakings	15,357	15,399
	15,357	15,399

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

9. Share capital

	2016	2015
	£000	£000
Shares classified as equity		
Allotted, called up and fully paid		
39,539,150 Ordinary shares of £0.10 each	3,954	3,954

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

BAUER AR HOLDINGS LIMITED

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

10. Related party transactions

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.

11. Controlling party

The immediate parent undertaking is Bauer Golden Square 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.