

Registered number: 03359692

BAUER AR HOLDINGS LIMITED

Directors' Report and Financial Statements

For the Year Ended 31 December 2014

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BAUER AR HOLDINGS LIMITED

Company Information

Directors	P Keenan D Ford S Vickery
Company secretary	Bauer Group Secretariat Limited
Registered number	03359692
Registered office	1 Lincoln Court Lincoln Road Peterborough PE1 2RF
Independent auditor	Grant Thornton UK LLP Registered Auditor & Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP

BAUER AR HOLDINGS LIMITED

Contents

	Page
Directors' Report	1 - 2
Strategic Report	3
Independent Auditor's Report	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7 - 11

BAUER AR HOLDINGS LIMITED

Directors' Report For the Year Ended 31 December 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

Results and dividends

The profit for the year, after taxation, amounted to £48,000 (2013 - £NIL).

The directors do not recommend the payment of a final dividend (2013: £NIL).

Directors

The directors who served during the year were:

P Keenan
D Ford
S Vickery

Going concern

Notwithstanding the fact that the Company has net liabilities, the directors have prepared the financial statements on the going concern basis. The directors have received confirmation from Bauer Radio Limited, a 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.

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.

BAUER AR HOLDINGS LIMITED

**Directors' Report
For the Year Ended 31 December 2014**

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

Grant Thornton UK LLP, was appointed as auditor by the directors to fill a vacancy in accordance with section 485 of the Companies Act 2006.

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 29 June 2015 and signed on its behalf.


.....
S Vickery
Director

BAUER AR HOLDINGS LIMITED

**Strategic Report
For the Year Ended 31 December 2014**

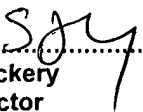
Business review

The Company is an investment holding company. It did not trade during the year and is not expected to do so in 2014.

Financial key performance indicators

Given the straight forward 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 29 June 2015 and signed on its behalf.


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S Vickery
Director

BAUER AR HOLDINGS LIMITED

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

We have audited the financial statements of Bauer AR Holdings Limited for the year ended 31 December 2014, 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 2014 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

29 June 2015

BAUER AR HOLDINGS LIMITED

**Profit and Loss Account
For the Year Ended 31 December 2014**

	Note	2014 £000	2013 £000
Profit on ordinary activities before taxation	2	-	-
Tax on profit on ordinary activities	4	48	-
		<hr/>	<hr/>
Profit for the financial year		48	-
		<hr/>	<hr/>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss Account.

The notes on pages 7 to 11 form part of these financial statements.

BAUER AR HOLDINGS LIMITED
Registered number: 03359692

Balance Sheet
As at 31 December 2014

	Note	£000	2014 £000	2013 £000
Fixed assets				
Investments	5		20,200	20,200
Current assets				
Debtors	6	-		36
Creditors: amounts falling due within one year	7	(15,445)		(2)
Net current (liabilities)/assets			(15,445)	34
Total assets less current liabilities			4,755	20,234
Creditors: amounts falling due after more than one year	8		-	(15,527)
Net assets			4,755	4,707
Capital and reserves				
Called up share capital	9		3,954	3,954
Share premium account	10		777	777
Profit and loss account	10		24	(24)
Shareholders' funds	11		4,755	4,707

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 June 2015.

.....
S Vickery
Director

The notes on pages 7 to 11 form part of these financial statements.

BAUER AR HOLDINGS LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2014

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.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

1.2 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.

1.3 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.

1.4 Investments

Fixed asset investments are stated at cost less provisions for impairment.

The need for any fixed asset impairment write-down is assessed by comparison of the carrying value of the asset against the higher of its realisable value and its value in use.

2. Profit/(loss) on ordinary activities before taxation

Fees for the audit of the Company were borne by fellow group undertakings 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 the year (2013: PricewaterhouseCoopers LLP £NIL).

3. Staff costs

The Company has no employees other than the directors, who did not receive any remuneration (2013 - £NIL).

BAUER AR HOLDINGS LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2014**

4. Taxation

	2014 £000	2013 £000
UK corporation tax credit on profit for the year	<u>(48)</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - the same as) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

	2014 £000	2013 £000
Profit on ordinary activities before tax	<u>-</u>	<u>-</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	-	-
Effects of:		
Transfer pricing adjustments	<u>(48)</u>	<u>-</u>
Current tax credit for the year (see note above)	<u>(48)</u>	<u>-</u>

Factors that may affect future tax charges

The Company has an unrecognised deferred tax asset at 31 December 2014 of £66,000 (2013: £49,000) which primarily comprises unused deficits carried forward. Deferred tax assets are only recognised to the extent that they are more likely than not to be recovered in the foreseeable future.

5. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2014 and 31 December 2014	<u>30,368</u>
Impairment	
At 1 January 2014 and 31 December 2014	<u>10,168</u>
Net book value	
At 31 December 2014	<u>20,200</u>
At 31 December 2013	<u>20,200</u>

BAUER AR HOLDINGS LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2014**

5. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Absolute Radio Ltd	Ordinary	100 %
Bauer AR Digital Radio Ltd	Ordinary	100 %
One Golden Square Creative Limited	Ordinary	100 %

Name	Business	Registered office
Absolute Radio Ltd	Broadcasting	England
Bauer AR Digital Radio Ltd	Holding company	Scotland
One Golden Square Creative Limited	Exploitation of rights in music and digital applications	England

The carrying value of the Company's investment is reviewed for impairment when there are indications that the asset may be impaired. When testing for impairment, recoverable amounts are measured at their value in use by discounting the future expected cash flows from the investments.

In the opinion of the directors the value of investments is not less than the aggregate amount at which they are stated in the balance sheet.

6. Debtors

	2014 £000	2013 £000
Amounts owed by group undertakings	-	36

Amounts owed by other group undertakings are unsecured, interest free and have no fixed date of repayment.

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

	2014 £000	2013 £000
Amounts owed to group undertakings	15,445	2

The amounts due to other group undertakings are unsecured, interest free and repayable on demand.

BAUER AR HOLDINGS LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2014**

**8. Creditors:
Amounts falling due after more than one year**

	2014	2013
	£000	£000
Amounts owed to group undertakings	-	15,527

The amounts due to other group undertakings are unsecured, interest free and repayable on demand.

9. Share capital

	2014	2013
	£000	£000
Allotted, called up and fully paid		
39,539,150 Ordinary shares of £0.10 each	3,954	3,954

10. Reserves

	Share premium account £000	Profit and loss account £000
At 1 January 2014	777	(24)
Profit for the financial year	-	48
At 31 December 2014	777	24

11. Reconciliation of movement in shareholders' funds

	2014	2013
	£000	£000
Opening shareholders' funds	4,707	4,707
Profit for the financial year	48	-
Closing shareholders' funds	4,755	4,707

BAUER AR HOLDINGS LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2014**

12. Ultimate parent controlling party and related party transactions

The immediate parent company 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.

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.