

**Bauer Radio (Holdings) Limited**

**Report and Accounts**

**For the nine month period ended 31 December 2008**

**Company Registered No. 4327363**

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**Bauer Radio (Holdings) Limited**  
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**For the nine month period ended 31 December 2008**

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## **Bauer Radio (Holdings) Limited**

### **Directors, officers and auditors**

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<b>Directors</b>	GM Beddard D Goodchild
<b>Company Secretary</b>	Sisec Limited
<b>Registered Office</b>	21 Holborn Viaduct London EC1A 2DY
<b>Company Number</b>	4327363
<b>Auditors</b>	BDO LLP 55 Baker Street London W1U 7EU

# **Bauer Radio (Holdings) Limited**

## **Directors' Report**

### **For the nine month period ended 31 December 2008**

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The directors submit their report and the accounts for the nine month period ended 31 December 2008.

#### **Results and dividends**

The profit for the nine month period after taxation amounted to £845,000 (12 months ended 31 March 2008: £778,000). The directors do not recommend the payment of a final dividend (12 months ended 31 March 2008: £nil).

#### **Principal activity, review of the business and future developments**

The Company's principal activity is, and it is intended will continue to be, an investment holding Company.

#### **Principal risks and uncertainties**

The Company is a non-trading investment holding undertaking and its key business risk is the performance of its fixed asset investment, Bauer Radio Limited.

#### **Key performance indicators ("KPIs")**

Given the principal activity of the business is to operate as a non-trading investment company, the Company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or the position of the business.

#### **Directors**

The current directors are shown on page 1. The directors who served during the period were:

GM Beddard  
D Goodchild

#### **Insurance of directors**

Directors' and Officers' liability insurance has been maintained by the Company for the period.

#### **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.

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.

**Bauer Radio (Holdings) Limited**  
**Directors' Report**  
**For the nine month period ended 31 December 2008**

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**Auditors**

The auditors, BDO LLP, have indicated their willingness to continue in office. The Company has elected under section 386 of the Companies Act 1985 not to re-appoint auditors annually. Therefore the auditors, BDO LLP, are deemed to be re-appointed for the next financial year.

Approved by the board of directors on 21<sup>st</sup> October 2009.



**GM Beddard**  
**Director**

# **Bauer Radio (Holdings) Limited**

## **Independent Auditor's Report**

### **For the nine month period ended 31 December 2008**

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#### **Independent auditor's report to the members of Bauer Radio (Holdings) Limited**

We have audited the financial statements of Bauer Radio (Holdings) Limited for the nine month period ended 31 December 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 December 2008 and of its profit for the nine month period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



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

21 OCT 2009

**Bauer Radio (Holdings) Limited**  
**Profit and Loss Account**  
**For the nine month period ended 31 December 2008**

		Nine months ended 31 December 2008 £'000	Twelve months ended 31 March 2008 £'000
	Notes		
Interest receivable and similar income		1,173	1,112
<b>Profit on ordinary activities before taxation</b>	<b>2</b>	<b>1,173</b>	<b>1,112</b>
Tax on profit on ordinary activities	3	(328)	(334)
<b>Profit for the period</b>	<b>7, 8</b>	<b>845</b>	<b>778</b>

- (i) There are no recognised gains and losses or historical cost profits and losses other than those stated above.  
(ii) All activities relate to continuing operations.  
(iii) The notes on pages 7 to 10 form part of the financial statements.

**Bauer Radio (Holdings) Limited**  
**Balance Sheet**  
**At 31 December 2008**

		At 31 December 2008 £'000	At 31 March 2008 £'000
	Notes		
<b>Fixed assets</b>			
Investments	4	338,707	338,707
<b>Current assets</b>			
Debtors	5	31,031	30,186
<b>Net current assets</b>		31,031	30,186
<b>Net assets</b>		369,738	368,893
<b>Capital and reserves</b>			
Called up share capital	6	251,774	251,774
Share premium account	7	233,788	233,788
Profit and loss account	7	(115,824)	(116,669)
<b>Total shareholders' funds</b>	8	369,738	368,893

The financial statements were approved by the Board of Directors and authorised for issue on 21<sup>st</sup> October, 2009.

*Man Beedard.*

GM Beedard  
 Director

The notes on pages 7 to 10 form part of these accounts.



# **Bauer Radio (Holdings) Limited**

## **Notes to the accounts**

### **For the nine month period ended 31 December 2008**

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#### **1 Accounting policies**

##### **Accounting convention**

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.

##### **Group accounts**

As the Company is a wholly owned subsidiary of Heinrich Bauer Verlag Beteiligungs GmbH, a company registered in Germany, advantage has been taken of s228 of the Companies Act 1985 not to prepare group accounts. Bauer Radio Holdings Limited is included within the consolidated accounts of Heinrich Bauer Verlag Beteiligungs GmbH, which are publicly available.

##### **Taxation**

The charge for taxation is based on the profit for the period 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.

##### **Fixed asset investments**

Investments in Group undertakings are stated at cost less provision for permanent diminution in value.

##### **Impairment of investments**

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.

##### **Cash flow statement**

The Company is a wholly owned subsidiary of Heinrich Bauer Verlag Beteiligungs GmbH and is included in the consolidated financial statements of Heinrich Bauer Verlag Beteiligungs 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 Heinrich Bauer Verlag Beteiligungs GmbH, which are publicly available.

#### **2 Profit on ordinary activities before taxation**

Fees for the audit of the Company were borne by Bauer Radio Limited in both periods and have not been recharged.

There were no fees paid to the Company's auditor, BDO LLP, for any non audit services to the Company (12 months ended 31 March 2008: £nil).

The Company employed no staff during the period other than the directors (12 months ended 31 March 2008: nil). None of the directors received any payment for their services as directors of the Company.

**Bauer Radio (Holdings) Limited**  
**Notes to the accounts**  
**For the nine month period ended 31 December 2008**

**3 Tax on profit on ordinary activities**

	<b>Nine months ended 31 December 2008 £'000</b>	<b>Twelve months ended 31 March 2008 £'000</b>
Corporation tax at 28% (12 months ended 31 March 2008: 30%)	<b>(328)</b>	<b>(334)</b>

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

	<b>Nine months ended 31 December 2008 £'000</b>	<b>Twelve months ended 31 March 2008 £'000</b>
Profit before tax	<b>1,173</b>	<b>1,112</b>
Tax charge at 28% (12 months ended 31 March 2008: 30%)	<b>(328)</b>	<b>(334)</b>
<b>Current tax charge for the period</b>	<b>(328)</b>	<b>(334)</b>

There is no provided or unprovided deferred tax.

**4 Fixed asset investments**

	<b>Subsidiaries £'000</b>
<b>Cost</b>	
At 1 April 2008 and 31 December 2008	<b>447,000</b>
<b>Provisions</b>	
At 1 April 2008 and 31 December 2008	<b>(108,293)</b>
<b>Net book value</b>	
At 1 April 2008 and 31 December 2008	<b>338,707</b>

Fixed asset investments represent the Company's 100% holding in the ordinary share capital of Bauer Radio Limited, a company registered in England and Wales.

The carrying value of the Company's investments are 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. These calculations use cash flow projections based on management approved budgets and the Company's five year plan. Cash flows beyond the initial five year period are extrapolated using a long term growth rate of 2.25% (12 months ended 31 March 2008: 2.25%). The cash flows have been discounted at a pre-tax discount rate of 11% (12 months ended 31 March 2008: 11%), the Group's current cost of capital.

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

**Bauer Radio (Holdings) Limited**  
**Notes to the accounts**  
**For the nine month period ended 31 December 2008**

<b>5 Debtors</b>	<b>At 31 December 2008 £'000</b>	<b>At 31 March 2008 £'000</b>
Amounts owed by other Group undertakings	<b>31,031</b>	<b>30,186</b>

Amounts owed by Group undertakings are unsecured 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 (Up to 30 September 2007 amounts owed by Group undertakings bore interest at the SONIA rate).

**6 Called up share capital**

The Company's share capital comprised:

	<b>At 31 December 2008 £'000</b>	<b>At 31 March 2008 £'000</b>
<b>Authorised</b>		
100,000 ordinary shares at £1 each	<b>100</b>	<b>100</b>
260,000,000 preference shares at £1 each	<b>260,000</b>	<b>260,000</b>
	<b>260,100</b>	<b>260,100</b>
<b>Allotted, issued and fully paid</b>		
9,999 Ordinary shares of £1 each	<b>10</b>	<b>10</b>
251,764,705 Preference shares of £1 each	<b>251,764</b>	<b>251,764</b>
	<b>251,774</b>	<b>251,774</b>

The preference shares rank pari passu with the ordinary shares on any distribution of income. On any form of return of capital the holders of the preference shares are entitled in priority to any payment to the holders of any other class of share, the repayment of £1 per preference share together with any accrued but unpaid preference dividend only. Voting rights are not available to the preference shareholders except to vary the rights attached to that class.

**Bauer Radio (Holdings) Limited**  
**Notes to the accounts**  
**For the nine month period ended 31 December 2008**

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**7 Reserves**

	Share Premium £'000	Profit & Loss account £'000
At 1 April 2008	233,788	(116,669)
Profit for the period	-	845
<b>At 31 December 2008</b>	<b>233,788</b>	<b>(115,824)</b>

**8 Reconciliation of movement on shareholders' funds**

	At 31 December 2008 £'000	At 31 March 2008 £'000
Opening shareholders' funds	368,893	368,115
Profit for the period	845	778
<b>Closing shareholders' funds</b>	<b>369,738</b>	<b>368,893</b>

**9 Immediate and ultimate controlling parties**

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

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