

**UTV Digital (B&H) Limited**

*(formerly UTV-Bauer Digital (B&H) Limited)*

Annual report and accounts

For the year ended 31 December 2013

Registered number: 04404178



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## Directors' report

The directors present their report on the affairs of the company, together with accounts and auditors' report, for the year ended 31 December 2013. The report of the directors has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006. A Strategic Report has not been prepared as allowed by the small companies regime within part 15 of the Companies Act 2006.

### Principal activity

The principal activity of the company during the period was the operation of a digital radio multiplex under a licence regulated by Ofcom.

Following the buyout of the "A" Ordinary shares by UTV Media (GB) Limited from Bauer Digital Radio Limited, the company changed its name to UTV Digital (B&H) Limited on the 3 December 2013.

### Results and dividends

The profit for the period, after taxation, amounted to £180,087 (2012: £220,676).

Dividends amounting to £ 405,000 were paid during the year (2012: £Nil). The directors do not recommend the payment of a final dividend.

### Directors

The directors who served during the period were as follows:

S Taunton

P Collins

G Allan (resigned 30 November 2013)

G White (resigned 31 August 2013)

### Secretary

P Collins

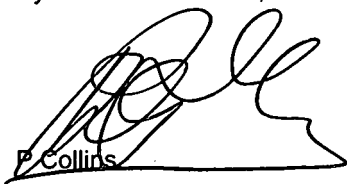
### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Re-appointment of auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board,



P. Collins

Director

26 September 2014

## Directors' report (continued)

### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing 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 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.

# Independent auditors' report

to the members of UTV-Bauer Digital (B&H) Limited

We have audited the company's financial statements for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 19. 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 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 (APB's) Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## 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 2013 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 properly prepared in accordance with the Companies Act 2006.

## Opinion on other matters prescribed by the Companies Act 2006

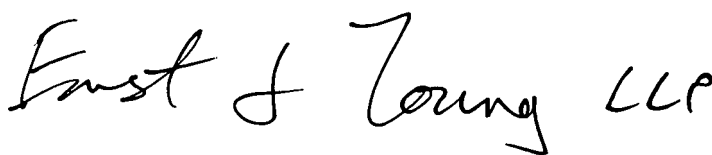
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## 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.

**Keith Jess (Senior Statutory Auditor)**  
For and on behalf of Ernst & Young LLP  
Statutory Auditor  
Belfast



29 September 2014

## Profit and loss account

For the year ended 31 December 2013

	Notes	2013 £	2012 £
<b>Turnover</b>	2	582,437	634,116
Operating expenses	3	(344,048)	(340,597)
<b>Operating profit</b>	5	238,389	293,519
Interest receivable and similar income	4	-	253
<b>Profit on ordinary activities before taxation</b>		238,389	293,772
Tax on profit on ordinary activities	8	(58,302)	(73,096)
<b>Profit for the financial period</b>	13	180,087	220,676

All of the company's activities are continuing.

The company has no recognised gains and losses other than the profit stated above, and therefore no separate Statement of Total Recognised Gains and Losses has been presented.

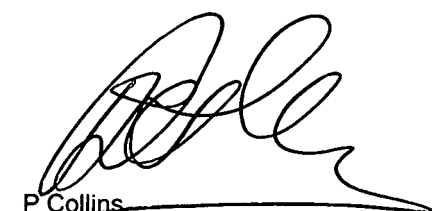
The accompanying notes are an integral part of this profit and loss account.

## Balance sheet

As at 31 December 2013

	Notes	2013 £	2012 £
<b>Current assets</b>			
Debtors	9	518,337	778,551
Deferred tax asset	10	19,364	20,368
Cash at bank and in hand		23,642	46,548
		<u>561,343</u>	<u>845,467</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(266,093)</u>	<u>(325,304)</u>
<b>Net current assets</b>		<u>295,250</u>	<u>520,163</u>
<b>Capital and reserves</b>			
Called-up share capital	12	100	100
Profit and loss account	13	295,150	520,063
<b>Total shareholders' funds</b>	14	<u>295,250</u>	<u>520,163</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 September 2014.



P Collins  
Director

26 September 2014

The accompanying notes are an integral part of this balance sheet.

## Notes to the accounts

### 1 Principal accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

#### **Basis of preparation**

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company has taken advantage of the exemption from the requirement of FRS 1 (revised) to present a cash flow statement as it is a small company.

#### **Turnover**

Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance through the provision of services under its licence. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes.

#### **Operating leases**

Rentals under operating leases are charged to the profit and loss on a straight line basis over the lease term, even if payments are not made on such a basis.

#### **Taxation**

The tax expense represents the sum of tax currently payable or recoverable in respect of the taxable profit or loss for the period plus any deferred tax charge or credit.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable; and
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which future reversal of the underlying timing differences can be deducted.

#### **Dividends paid**

Dividends paid are included in the Company financial statements in the period in which the related dividends are actually paid.

## Notes to the accounts

### 2 Turnover

All turnover arose wholly within the United Kingdom. The directors consider that the business of the company is all of one class.

### 3 Operating expenses

	2013 £	2012 £
Administration expenses	<u>344,048</u>	<u>340,597</u>

### 4 Interest receivable and similar income

	2013 £	2012 £
Interest receivable on the net amount owed by group undertakings	<u>-</u>	<u>253</u>

### 5 Operating profit

Operating profit is stated after charging:

	2013 £	2012 £
Hire of plant and machinery under operating leases - plant & machinery	327,362	327,112
Auditors remuneration - audit fees	<u>3,700</u>	<u>3,700</u>

### 6 Staff costs

The company did not have any employees in the current or prior year.

### 7 Directors' remuneration

Directors were not paid any emoluments in respect of services to the company (2012 - £Nil).

## Notes to the accounts

### 8 Tax on profit on ordinary activities

The tax charge in the current year has been arrived at as shown below.

	2013 £	2012 £
<i>Current tax</i>		
Corporation tax on profits in the period	57,521	75,058
Adjustments in respect of previous periods	(223)	(586)
	<u>57,298</u>	<u>74,472</u>
<i>Deferred tax</i>		
Increase in deferred tax asset	(1,653)	(2,895)
Restatement due to change in future corporation tax rate	2,657	1,519
	<u>58,302</u>	<u>73,096</u>

Reconciliation of current tax charge:	2013 £	2012 £
Profit on ordinary activities before tax	<u>238,389</u>	<u>293,772</u>

Tax on profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	55,425	71,974
Timing differences	2,096	3,084
Adjustments in respect of previous periods	(223)	(586)
	<u>57,298</u>	<u>74,472</u>

### 9 Debtors

	2013 £	2012 £
Amounts falling due within one year:		
Trade debtors	72,665	90,207
Amounts owed by group undertakings	417,610	660,356
Prepayments and accrued income	28,062	27,988
	<u>518,337</u>	<u>778,551</u>

## Notes to the accounts

### 10 Deferred tax asset

The amounts recognised and unrecognised in respect of deferred tax assets are as follows:

	Recognised		Unrecognised	
	2013	2012	2013	2012
	£	£	£	£
Timing differences	19,364	20,368	-	-

The deferred tax asset is primarily recoverable in greater than one year.

### 11 Creditors: amounts falling due within one year

	2013	2012
	£	£
Amounts owed to group undertakings	212,124	257,720
Corporation tax	36,952	45,057
Other taxation and social security	2,291	6,527
Accruals and deferred income	14,726	16,000
	<u>266,093</u>	<u>325,304</u>

### 12 Called-up share capital

	2013	2012
	£	£
<i>Allotted, called-up and fully paid</i>		
20 (2012 - 20) "A" ordinary shares of £1 each	20	20
80 (2012 - 80) "B" ordinary shares of £1 each	80	80
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

### 13 Reserves

	Profit and loss account £
Retained profit brought forward at 1 January 2013	520,063
Profit for the period	180,087
Dividends declared and paid	(405,000)
At 31 December 2013	<u>295,150</u>

## Notes to the accounts

### 14 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Opening shareholders' funds	520,163	299,487
Profit for the period	180,087	220,676
Dividends declared and paid	(405,000)	-
Closing shareholders' funds	<u>295,250</u>	<u>520,163</u>

### 15 Dividends

2013 Other £	2012 Other £
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#### Equity dividends on "A" and "B" ordinary shares:

*Declared and paid during the year*

Interim dividend for 2013: £4,050.00 (2012: £Nil)	<u>405,000</u>	<u>-</u>
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### 16 Off balance sheet arrangements and financial commitments

The company has entered into operating lease arrangements for the hire of equipment as these arrangements are a cost efficient way of obtaining the short term benefits of these assets. The rental charges in respect of these arrangements are disclosed in note 5. The company's annual commitments under these arrangements are disclosed below. There are no other material off balance sheet arrangements.

	2013 Other £	2012 Other £
Expiry date:		
- In less than one year	322,910	-
- in two to five years	<u>-</u>	<u>336,807</u>

### 17 Capital commitments

The company had no capital commitments at 31 December 2013 (2012 - £Nil).

## Notes to the accounts

### 18 Related party disclosures

Up to 29 November 2013, the "A" Ordinary shares in the Company were held by Bauer Digital Radio Limited and the "B" Ordinary shares were held by UTV Media (GB) Limited. On 29 November 2013, UTV Media (GB) Limited bought the "A" Ordinary shares and the company became a wholly owned subsidiary.

During the year, the company has billed fellow group undertakings and one of its shareholders the following revenues (net of VAT) for the transmission of their digital output on the multiplex:

	2013 £	2012 £
<i>Transmission charges:</i>		
Pulse FM a trading division of talkSPORT Limited (fellow subsidiary undertaking)	179,855	174,381
Bauer Digital Radio Limited ('A' ordinary shareholder up to 29 November 2013)	<u>179,855</u>	<u>174,381</u>

During the year, the UTV Media plc Group provided management and accounting support to the company. Banking facilities for the company are provided and managed by the UTV Media plc Group and as part of this process, surplus cash balances within the company are transferred to the UTV Media plc Group. In the prior year, the UTV Media plc Group paid the company interest at a prevailing market rate on the closing intercompany balances created as a result of these transfers and other intercompany transactions.

	2013 £	2012 £
<i>Interest paid and payable</i>		
talkSPORT Limited	<u>-</u>	<u>253</u>

	2013 £	2012 £
<i>Dividends paid</i>		
Bauer Digital Radio Limited ('A' ordinary shareholder up to 29 November 2013)	81,000	-
UTV Media (GB) Limited ('B' ordinary shareholder)	<u>324,000</u>	<u>-</u>

The following balances (including VAT where appropriate) were outstanding at the current and prior year ends:

	2013 £	2012 £
<i>Trade Debtors:</i>		
Bauer Digital Radio Limited	<u>18,408</u>	<u>35,339</u>
<i>Intercompany debtor balances:</i>		
UTV Media plc	<u>417,610</u>	<u>660,356</u>
<i>Intercompany creditor balances:</i>		
UTV Media plc	<u>212,124</u>	<u>257,720</u>

### 19 Ultimate parent company

The immediate parent undertaking is UTV Media (GB) Limited. The ultimate parent undertaking and controlling party at 31 December 2013 was UTV Media plc, a company incorporated in Northern Ireland. UTV Media plc was the smallest and largest group to prepare consolidated financial statements that include the company for the year ended 31 December 2013. Copies of the consolidated accounts of UTV Media plc are available from its registered office at Ormeau Road, Belfast BT7 1EB.