

Radio Hallam Limited

Report and Accounts

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For the year ended 31 December 2009

Company Registration No. 1115073

Radio Hallam Limited
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For the year ended 31 December 2009

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Radio Hallam Limited
Directors, officers and auditors

Directors G White
 D Ford

Company secretary S1sec Limited

Auditors BDO LLP
 55 Baker Street
 London
 W1U 7EU

Registered office 21 Holborn Viaduct
 London
 EC1A 2DY

Company number 1115073

Radio Hallam Limited

Directors' Report

For the year ended 31 December 2009

The directors submit their report and the accounts for the year ended 31 December 2009

Principal activities and future developments

Radio Hallam Limited ("the Company") is engaged in the operation of independent radio stations in the South Yorkshire area under licence from Ofcom

No change in the nature of the Company's activities is anticipated to occur in the future

Review of the business

Following a difficult general economic environment prevailing in 2008, the directors are satisfied with the Company's performance in 2009

The results for the Company show a pre-tax profit for the year of £1,704,000 (9 months ended 31 December 2008 £1,531,000) and turnover of £5,174,000 (9 months ended 31 December 2008 £4,300,000) The directors do not recommend the payment of a final dividend (9 months ended 31 December 2008 £nil)

Principal risks and uncertainties

The Company, along with other businesses in the advertising sector, is exposed to the downturn in advertising market as a part of the wider economic downturn Other key risks include a loss of key personnel and increased competition in the marketplace

The Company's credit risk is primarily attributable to its trade debtors Credit risk is managed by obtaining prepayments from new customers, and running credit checks on existing customers Liquidity and cashflow risks are managed through support from the Company's parent

The Company is required to comply with the terms of its broadcast licence The Company mitigates the risk of non-compliance through the work of a compliance officer and by regular training of on and off-air personnel

Key performance indicators ("KPIs")

The Company uses a range of performance measures to monitor and manage the business effectively These are both financial and non-financial Key financial performance indicators are turnover (as shown above) and EBITDA on continuing operations The key non-financial performance indicators include the number of staff employed by the Company (note 4) and measurements of audience, as published by RAJAR on a quarterly basis

One of the key financial performance indicators for the year ended 31 December 2009, with comparatives for the 9 months ended 31 December 2008, is set out below

	Twelve months ended 31 December 2009 £'000	Nine months ended 31 December 2008 £'000
EBITDA	1,669	1,405

Directors

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

G White
D Ford

Radio Hallam Limited
Directors' Report
For the year ended 31 December 2009

Insurance of directors

Directors' and Officers' liability insurance has been maintained by Bauer Radio (Holdings) Limited for the year

Statement of directors' responsibilities

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 of the profit or loss of the Company for that period.

In preparing these financial statements the directors are required to

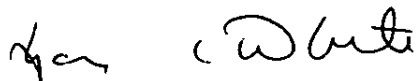
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

Auditors

The auditors, BDO LLP, have indicated their willingness to continue in office. The Company has elected under section 487 of the Companies Act 2006 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 14 JUNE, 2010



G White
Director

Radio Hallam Limited
Independent Auditor's Report
For the year ended 31 December 2009

Independent auditor's report to the members of Radio Hallam Limited

We have audited the financial statements of Radio Hallam Limited for the year ended 31 December 2009 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 (United Kingdom 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.

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 2009 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 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.



21 JUN 2010

Andrew Viner (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
55 Baker Street, London W1U 7EU
United Kingdom

2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Radio Hallam Limited
Profit and Loss Account
For the year ended 31 December 2009

		Twelve months ended 31 December 2009 £'000	Nine months ended 31 December 2008 £'000
	Notes		
Turnover	2	5,174	4,300
Cost of sales		(465)	(417)
Gross profit		4,709	3,883
Administrative expenses		(3,099)	(2,533)
Operating profit	3	1,610	1,350
Interest receivable		94	181
Profit on ordinary activities before taxation		1,704	1,531
Tax on profit on ordinary activities	5	(488)	(434)
Profit for the period	12, 13	1,216	1,097

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 periods being reported

The notes on pages 7 to 12 form part of these accounts

Radio Hallam Limited
Balance Sheet
At 31 December 2009
Company Registration No. 1115073

	Notes	2009 £'000	2008 £'000
Fixed assets			
Tangible assets	6	57	114
Current assets			
Debtors	7	8,787	7,741
Cash at bank and in hand		1	2
		8,788	7,743
Creditors: amounts falling due within one year	8	(251)	(523)
Net current assets		8,537	7,220
Total assets less current liabilities		8,594	7,334
Provisions for liabilities	10	(44)	-
Net assets		8,550	7,334
Capital and reserves			
Called up share capital	11	1,562	1,562
Profit and loss account	12	6,988	5,772
Total shareholders' funds	13	8,550	7,334

The financial statements were approved by the Board of Directors and authorised for issue on 14 June, 2010

G White

G White
Director

The notes on pages 7 to 12 form part of these accounts

Radio Hallam Limited

Notes to the accounts

For the year ended 31 December 2009

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 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.

A summary of the 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:

Short leasehold buildings	- 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.

Leasing

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

Pensions

Bauer operates a defined contribution pension scheme provided by Scottish Widows known as Bauer Consumer Media Pension scheme for all eligible staff across the Group. The costs of this pension scheme are charged to the profit and loss account as they become payable.

Provisions for liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be released, the release is recognised only when it is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the time value of money has a material effect on quantifying the provision, the provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance charge.

Cashflow statement and related party disclosures

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.

Radio Hallam Limited

Notes to the accounts

For the year ended 31 December 2009

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 £7,571 (9 months ended 31 December 2008: £8,510).

All turnover is derived from within the United Kingdom.

3 Operating profit

(a) This is stated after charging

	Twelve months ended 31 December 2009 £'000	Nine months ended 31 December 2008 £'000
Depreciation of owned tangible fixed assets	59	55
Operating lease rentals		
- Plant and machinery	36	25
- Other	105	63

Fees for the audit of the Company were borne by Bauer Radio Limited for 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 (9 months ended 31 December 2008: £nil).

Included in other operating leases are car leases for which there are no commitments at the year end for future rentals.

(b) Directors' emoluments

None of the directors received any payment for their services as directors of the Company (9 months ended 31 December 2008: nil).

4 Staff costs

(a) Costs (including directors' emoluments)

	Twelve months ended 31 December 2009 £'000	Nine months ended 31 December 2008 £'000
Wages and salaries	584	530
Social security costs	57	58
Other pension costs	12	14
	653	602

(b) Pension costs

Defined contribution plan

The Company has participated in a defined contribution pension scheme, the Bauer Consumer Media Pension Scheme operated by Scottish Widows. The pension charge represents contributions due from the employer and during the year it amounted to £12,179 (9 months ended 31 December 2008: £13,719).

(c) Employees

The average monthly number of persons (including executive directors) employed by the Company in the UK during the year was 26 (12 months ended 31 December 2008: 31).

Radio Hallam Limited

Notes to the accounts

For the year ended 31 December 2009

5 Tax on profit on ordinary activities

	Twelve months ended 31 December 2009 £'000	Nine months ended 31 December 2008 £'000
Corporation tax at 28%	495	439
Corporation tax prior year adjustment	(6)	(2)
Total current tax	489	437
Deferred tax - current year	(5)	(3)
Deferred tax - prior year	4	-
Tax on profit on ordinary activities	488	434

The tax assessed for the year is higher (9 months ended 31 December 2008 higher) 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

	Twelve months ended 31 December 2009 £'000	Nine months ended 31 December 2008 £'000
Profit before tax	1,704	1,531
Tax charge at 28%	477	429
Corporation tax prior year adjustments	(6)	(2)
Non-tax deductible expenses	13	7
Capital allowances in excess of depreciation	5	3
Tax charge for the current period	489	437

Radio Hallam Limited

Notes to the accounts

For the year ended 31 December 2009

6 Tangible fixed assets

	Short leasehold property £'000	Office equipment and vehicles £'000	Total £'000
Cost			
At 1 January 2009	218	891	1,109
Additions	-	2	2
At 31 December 2009	218	893	1,111
Depreciation			
At 1 January 2009	218	777	995
Charge for the year	-	59	59
At 31 December 2009	218	836	1,054
Net book value			
At 31 December 2009	-	57	57
At 31 December 2008	-	114	114

7 Debtors

	2009 £'000	2008 £'000
Trade debtors	206	338
Amounts owed by Group undertakings	8,474	7,262
Other debtors	37	42
Prepayments and accrued income	41	71
Deferred tax (Note 9)	29	28
	8,787	7,741

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 1.54% and the others at the average SONIA rate for the period (31 December 2008 5.16%).

Radio Hallam Limited

Notes to the accounts

For the year ended 31 December 2009

8 Creditors amounts falling due within one year

	2009 £'000	2008 £'000
Trade creditors	8	10
Other creditors	7	115
Other taxation and social security	6	9
Accruals and deferred income	126	84
Corporation tax	104	305
	251	523

9 Deferred taxation

	Deferred tax £'000
The movement on deferred tax is	
At 1 January 2009	28
Transferred from profit and loss account	1
At 31 December 2009	29

The deferred taxation asset has been recognised in the accounts as follows

	2009 £'000	2008 £'000
Depreciation in advance of capital allowances	29	28

There is no unprovided deferred taxation (9 months ended 31 December 2008 £nil)

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

10 Provisions for liabilities

	Property £'000
At 1 January 2009	-
Charged to the profit and loss account	44
At 31 December 2009	44

The property provision relates to properties no longer occupied by the Company. The provision represents the best estimate of the future net cash outflow expected to be incurred on either disposal of, or net rent shortfall incurred on each lease.

Radio Hallam Limited

Notes to the accounts

For the year ended 31 December 2009

11 Called up share capital

	2009 £'000	2008 £'000
Allotted, called up and fully paid 1 561 701 ordinary shares of £1 each	1,562	1,562

12 Profit and loss account

	Profit and loss account £'000
At 1 January 2009	5,772
Profit for the year	1,216
At 31 December 2009	6,988

13 Reconciliation of movements in shareholders' funds

	2009 £'000	2008 £'000
Opening shareholders' funds	7,334	6,237
Profit for the period	1,216	1,097
Closing shareholders' funds	8,550	7,334

14 Lease commitments

At 31 December 2009 the Company had annual commitments under non cancellable operating leases expiring as follows

	Land and buildings 2009 £'000	Other 2009 £'000	Land and buildings 2008 £'000	Other 2008 £'000
Within two to five years	-	7	-	-
After five years	90	-	84	-
	90	7	84	-

15 Immediate and ultimate controlling parties

The immediate parent undertaking is Bauer Radio Limited

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.