

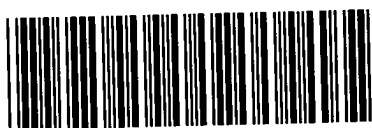
Registered number: 1394141

BAUER RADIO LIMITED

Directors' Report and Financial Statements

For the Year Ended 31 December 2013

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BAUER RADIO LIMITED

Company Information

Directors	P Keenan D A Ford D P Goodchild G M Beddard
Company secretary	Bauer Group Secretariat Limited
Company number	1394141
Registered office	1 Lincoln Court Lincoln Road Peterborough PE1 2RF
Auditor	Grant Thornton UK LLP Registered Auditor & Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP

BAUER RADIO LIMITED

Contents

	Page
Directors' Report	1 - 2
Strategic Report	3 - 4
Independent Auditor's Report	5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8 - 18

BAUER RADIO LIMITED

Directors' Report For the Year Ended 31 December 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

Results and dividends

The profit for the year, after taxation, amounted to £18,490,000 (2012 - £40,492,000).

An interim dividend of £35,000,000 was paid during the year (2012: £NIL). The directors do not recommend the payment of a final dividend (2012: £NIL).

Directors

The directors who served during the year were:

P Keenan
D A Ford
D P Goodchild
G M Beddard
S D Parkinson (resigned 20 March 2013)
G C White (resigned 31 August 2013)

Employee involvement

The directors attach great importance to keeping staff fully informed of the Company's financial progress to involve them as much as possible in the activities of the Company. Information is communicated through Bauer's Intranet - Media Vine - and periodic discussions take place to keep people informed and seek out their ideas and opinions.

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. This support will be available 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.

BAUER RADIO LIMITED

Directors' Report For the Year Ended 31 December 2013

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.

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

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

6 August 2014

and signed on its behalf.



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P Keenan
Director

BAUER RADIO LIMITED

Strategic Report For the Year Ended 31 December 2013

Introduction

The Company operates as an investment holding company and provides management services to other Group companies.

Through its subsidiaries, it has 42 local and 11 national radio stations and has one of the largest digital radio networks in the UK and is the largest commercial digital radio provider on Freeview.

Business review

Our Radio business is built on influential brands with millions of personal relationships with engaged listeners. Our strategy is to connect audiences with excellent content and our wide portfolio of influential brands gives us advantages over our competitors. With over 6 million connections through mobile and social media channels we continue to invest in providing an engaging multi-platform offering for both listeners and advertisers.

Bauer Radio intends to continue to invest in relevant programming for the communities and audiences it serves and in personalised interaction with its listeners.

We work on the product and personality of each individual station to ensure it is reflective of the passions of our audiences.

On 5 February 2013, the Company acquired the entire share capital of Planet Rock Limited, the multi Sony Award-winning national digital radio station which broadcasts classic rock music to listeners across the UK. Planet Rock joins Bauer's growing portfolio of national radio brands, which champion a variety of music formats across the UK. Planet Rock Limited is an established national digital radio station with an audience of more than 877,000 listeners a week. The acquisition advances Bauer Media's commitment to digital radio and its continuing growth and development in the UK.

On 31 December 2013, the Company completed the acquisition of Absolute Radio Limited by acquiring the entire share capital of one of its parent companies, Bauer Golden Square Limited (formerly TIML Golden Square Limited). Absolute Radio and its sister stations will strengthen and extend Bauer Media's national radio portfolio beyond 10 million listeners. This will lead to our total audience reach across all Bauer Media platforms in excess of 20 million. Our intention is to grow Absolute Radio brands for the benefit of both listeners and commercial partners and its premises at One Golden Square will become the London broadcasting centre for the Bauer Group.

On reviewing the Company's overall business model and contracts the directors decided the advertising business from its digital radio multiplex subsidiary be transferred to the Company. Also for this subsidiary to license and charge the Company carriage costs for digital radio broadcasting and for the Company to recharge the carriage to other Radio Group companies for their usage. The directors consider the provision of management services is a principal activity of the business and require this to be reflected in its Profit and Loss Account with Turnover including its recharges to other Group undertakings. A reclassification of the Company's 2012 Profit and Loss is considered necessary to provide a better understanding for its members.

On 28 March 2013, the Company increased its share capital by 85,806,341 ordinary shares of 10p each for 37p per share in consideration for the release of Group debt of £31.8m.

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

Principal risks and uncertainties

The Company, along with other businesses in the advertising sector, is exposed to cyclical advertising markets.

The Company's credit risk is primarily attributable to its own trade debtors, excluding its subsidiaries trade debtors that are now held centrally by the Company. Credit risk is managed by obtaining prepayments from new customers, and running credit checks on existing customers. Liquidity and cashflow risks are managed

BAUER RADIO LIMITED

Strategic Report (continued)

through support from the Company's parent.

Other key risks include a loss of key personnel and increased competition in the marketplace.

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.

Financial key performance indicators

The Company reviews the financial performance of its investments on a regular basis to monitor and manage the business effectively. The EBITDA was a loss of £1,821,000 (2012: £1,308,000)

Other key performance indicators

The key non-financial performance indicators include advertising and audience market share, the latter as independently measured by RAJAR on a quarterly basis.

This report was approved by the board on

6 August 2014

and signed on its behalf.



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P Keenan
Director

BAUER RADIO LIMITED

Independent Auditor's Report to the Members of Bauer Radio Limited

We have audited the financial statements of Bauer Radio Limited for the year ended 31 December 2013, 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 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 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

Date: *12 August 2014*

BAUER RADIO LIMITED

**Profit and Loss Account
For the Year Ended 31 December 2013**

	Note	2013 £000	Restated 2012 £000
Turnover	1,2	10,486	8,720
Cost of sales		(6,515)	(10,029)
Gross profit/(loss)		3,971	(1,309)
Administrative expenses		(5,792)	-
Operating loss	3	(1,821)	(1,309)
Income from shares in group undertakings		19,300	41,750
Income from other participating interests		514	494
Interest receivable and similar income	7	246	166
Interest payable and similar charges	8	(182)	(865)
Profit on ordinary activities before taxation		18,057	40,236
Tax on profit on ordinary activities	9	433	256
Profit for the financial year		18,490	40,492

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and Loss Account.

The notes on pages 8 to 18 form part of these financial statements.

BAUER RADIO LIMITED
Registered number: 1394141

Balance Sheet
As at 31 December 2013

	Note	£000	2013 £000	£000	2012 £000
Fixed assets					
Investments	11		212,025		188,488
Current assets					
Debtors	12	16,719		14,979	
Investments	13	5,000		-	
Cash at bank		11,767		45,236	
		<u>33,486</u>		<u>60,215</u>	
Creditors: amounts falling due within one year	14	<u>(162,973)</u>		<u>(181,403)</u>	
Net current liabilities			<u>(129,487)</u>		<u>(121,188)</u>
Net assets			<u>82,538</u>		<u>67,300</u>
Capital and reserves					
Called up share capital	16		12,507		3,926
Share premium account	17		33,947		10,780
Profit and loss account	17		36,084		52,594
Shareholders' funds	18		<u>82,538</u>		<u>67,300</u>

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



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P Keenan
Director

6 August
2014.

The notes on pages 8 to 18 form part of these financial statements.

BAUER RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2013

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 its immediate parent undertaking. 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. The Company's immediate parent, 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 Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

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.

Radio advertising revenue is recognised on the date of broadcast.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment and vehicles - 3 - 5 years

1.6 Investments

Investments held as fixed assets are shown at cost less provision 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.

BAUER RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2013

1. Accounting Policies (continued)

1.7 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

1.8 Dividends receivable

Dividends receivable are recognised as income in the Profit and Loss account in the period in which they are approved by the shareholders of the investment company. Interim dividends receivable are recorded in the period in which they are paid.

1.9 Dividends payable

Dividend distributions to the Company's shareholders are recognised as a liability either in the period in which the dividends are approved by the Company's shareholders or, in the case of interim dividends when the dividend is paid.

1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.11 Pensions

The Bauer Media Group (the Group), of which the Company is a subsidiary, has operated a defined contribution pension scheme known as the Bauer Consumer Media Pension scheme for all eligible staff across the Group. The Scheme was provided by Scottish Widows up to May 2013 and by Aviva from 1 June 2013. From 1 November 2013 the Group has also operated an auto-enrolment pension scheme for all eligible staff as required by current legislation. The costs of these pension schemes are charged to the profit and loss account as they become payable.

2. Turnover

All turnover arose within the United Kingdom.

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2013**

3. Operating loss

The operating loss is stated after charging:

	2013	2012
	£000	£000
Depreciation of tangible fixed assets:		
- owned by the company	-	1
Operating lease rentals:		
- plant and machinery	94	145
	<u>94</u>	<u>145</u>

Some operating leases refer to car leases and there are no commitments at the year end for future rentals.

4. Auditors' remuneration

	2013	2012
	£000	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	107	103
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	5	-
All other non-audit services not included above	-	57
	<u>5</u>	<u>57</u>

The audit fee for both periods represents fees payable in respect of the audit of Bauer Radio Limited and its subsidiaries.

5. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2013	2012
	£000	£000
Wages and salaries	4,533	7,534
Social security costs	518	802
Other pension costs	185	302
	<u>5,236</u>	<u>8,638</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2013	2012
	No.	No.
UK full-time employees	87	175
	<u>87</u>	<u>175</u>

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2013**

6. Directors' remuneration

	2013	2012
	£000	£000
Remuneration	491	709
Company pension contributions to defined contribution pension schemes	3	36

During the year retirement benefits were accruing to 1 director (2012 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £440,000 (2012 - £451,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2012 - £19,000).

7. Interest receivable

	2013	2012
	£000	£000
Other interest receivable	246	166

8. Interest payable

	2013	2012
	£000	£000
On loans from group undertakings	182	865

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2013**

9. Taxation

	2013 £000	2012 £000
Analysis of tax credit in the year		
Current tax (see note below)		
UK corporation tax credit on profit for the year	(377)	(263)
Adjustments in respect of prior periods	(24)	(14)
Total current tax	<u>(401)</u>	<u>(277)</u>
Deferred tax		
Effect of decreased tax rate on opening asset	7	6
Deferred tax - current year	8	12
Deferred tax - prior year	(47)	3
Total deferred tax (see note 15)	<u>(32)</u>	<u>21</u>
Tax on profit on ordinary activities	<u>(433)</u>	<u>(256)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £000	2012 £000
Profit on ordinary activities before tax	<u>18,057</u>	<u>40,236</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	4,198	9,858
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	42	242
Capital allowances for year in excess of depreciation	(10)	(13)
Adjustments to tax charge in respect of prior periods	(24)	(14)
Dividends from UK companies	(4,607)	(10,350)
Current tax credit for the year (see note above)	<u>(401)</u>	<u>(277)</u>

Factors that may affect future tax charges

The standard rate of Corporation Tax in the UK reduced from 24% to 23% with effect from 1 April 2013. Accordingly the Company's profits for this accounting period are taxed at an effective rate of 23.25%.

The March 2012 Budget announcement proposed that the main rate of corporation tax would be reduced to 23% from 1 April 2013, with a further reduction of the rate to 21% by 1 April 2014.

The March 2013 Budget announcement included a further proposal to reduce the main rate of corporation tax to 20% from 1 April 2015. As this change was substantively enacted at the balance sheet date, the deferred tax asset has been restated to reflect the reduced tax rate of 20%.

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2013**

10. Tangible fixed assets

	Office equipment and vehicles £000
Cost	
At 1 January 2013	33
Transfers intra group	(33)
	<hr/>
At 31 December 2013	-
	<hr/>
Depreciation	
At 1 January 2013	33
Transfers intra group	(33)
	<hr/>
At 31 December 2013	-
	<hr/>
Net book value	
At 31 December 2013	-
	<hr/> <hr/>

11. Fixed asset investments

On 5 February 2013, the Company acquired the entire share capital of Planet Rock Limited for a nominal consideration.

On 31 December 2013, the Company completed the acquisition of Absolute Radio Group by acquiring the entire share capital Bauer Golden Square Limited (formerly TIML Golden Square Limited) for cash consideration of £23.5m.

	Investments in subsidiary companies £000	Investments in associates £000	Total £000
Cost or valuation			
At 1 January 2013	452,340	233	452,573
Additions	23,537	-	23,537
	<hr/>	<hr/>	<hr/>
At 31 December 2013	475,877	233	476,110
	<hr/>	<hr/>	<hr/>
Impairment			
At 1 January 2013 and 31 December 2013	264,085	-	264,085
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2013	211,792	233	212,025
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2012	188,255	233	188,488
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2013**

11. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Bauer Digital Radio Limited	Ordinary	100 %
Bauer Group Secretariat Limited	Ordinary	100 %
Kerrang! Radio (West Midlands) Limited	Ordinary	100 %
Kiss FM Radio Limited	Ordinary	100 %
Magic 105.4 Limited	Ordinary	100 %
Metro Radio Limited	Ordinary	100 %
Key 103 Limited	Ordinary	100 %
Piccadilly Radio Limited	Ordinary	100 %
Radio Aire Limited	Ordinary	100 %
Radio City (Sound of Merseyside) Limited	Ordinary	100 %
Radio Hallam Limited	Ordinary	100 %
Red Rose Radio Limited	Ordinary	100 %
Scottish Radio Holdings Limited	Ordinary	100 %
TFM Radio Limited	Ordinary	100 %
Viking Radio Limited	Ordinary	100 %
Bauer Golden Square Limited	Ordinary	100 %
Planet Rock Limited	Ordinary	100 %

Name	Business	Registered office
Bauer Digital Radio Limited	Digital radio	UK
Bauer Group Secretariat Limited	Dormant	UK
Kerrang! Radio (West Midlands) Limited	Radio broadcasting	UK
Kiss FM Radio Limited	Radio broadcasting	UK
Magic 105.4 Limited	Radio broadcasting	UK
Metro Radio Limited	Radio broadcasting	UK
Key 103 Limited	Radio broadcasting	UK
Piccadilly Radio Limited	Dormant	UK
Radio Aire Limited	Radio broadcasting	UK
Radio City (Sound of Merseyside) Limited	Radio broadcasting	UK
Radio Hallam Limited	Radio broadcasting	UK
Red Rose Radio Limited	Radio broadcasting	UK
Scottish Radio Holdings Limited	Investment holding	UK
TFM Radio Limited	Radio broadcasting	UK
Viking Radio Limited	Radio broadcasting	UK
Bauer Golden Square Limited	Investment holding	UK
Planet Rock Limited	Radio broadcasting	UK

Joint ventures

Name	Country of incorporation	Class of shares	Holding	Principal activity
CE Digital Limited	UK	Ordinary	50%	Digital radio services

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2013**

11. Fixed asset investments (continued)

Associates

Name	Country of incorporation	Class of shares	Holding	Principal activity
Independent Radio News Limited	UK	Ordinary	22%	Radio broadcasting

Joint ventures

Name	Aggregate of share capital and reserves £000	Profit/(loss) £000
CE Digital Limited	326	544

Associates

Name	Aggregate of share capital and reserves £000	Profit/(loss) £000
Independent Radio News Limited	480	517

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.

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

12. Debtors

	2013 £000	2012 £000
Trade debtors	14,878	13,712
Other debtors	68	-
Prepayments and accrued income	1,684	1,210
Deferred tax asset (see note 15)	89	57
	16,719	14,979

The trade debtors of the Company's subsidiaries are now held centrally by the Company.

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2013**

13. Current asset investments

	2013	2012
	£000	£000
Cash on deposit	5,000	-

The cash placed on deposit matured during March 2014.

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

	2013	2012
	£000	£000
Trade creditors	98	41
Amounts owed to group undertakings	151,206	172,801
Other taxation and social security	4,909	5,131
Other creditors	450	521
Accruals and deferred income	6,310	2,909
	162,973	181,403

Amounts due to other group undertakings are unsecured, repayable on demand and bore interest at the SONIA rate to 31 March 2013 and was interest free from 1 April 2013 (2012: SONIA rate).

15. Deferred tax asset

	2013	2012
	£000	£000
At beginning of year	57	78
Released during/(charged for) year (P&L)	32	(21)
At end of year	89	57

The deferred tax asset is made up as follows:

	2013	2012
	£000	£000
Depreciation in advance of capital allowances	41	57
Timing differences	48	-
	89	57

BAUER RADIO LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2013**

16. Share capital

	2013	2012
	£000	£000
Allotted, called up and fully paid		
125,065,938 (2012 - 39,259,597) Ordinary shares of £0.10 each	12,507	3,926

On 28 March 2013, the Company allotted and issued 85,806,341 ordinary shares of 10p for consideration of £31,748,346. The Company's then parent undertaking, Bauer Radio (Holdings) Limited, released its inter-company debt in consideration for the entire number of ordinary shares allotted and issued.

17. Reserves

	Share premium account £000	Profit and loss account £000
At 1 January 2013	10,780	52,594
Profit for the financial year	-	18,490
Dividends: Equity capital	-	(35,000)
Premium on shares issued during the year	23,167	-
At 31 December 2013	33,947	36,084

18. Reconciliation of movement in shareholders' funds

	2013	2012
	£000	£000
Opening shareholders' funds	67,300	26,808
Profit for the financial year	18,490	40,492
Dividends (Note 19)	(35,000)	-
Shares issued during the year	8,581	-
Share premium on shares issued (net of expenses)	23,167	-
Closing shareholders' funds	82,538	67,300

19. Dividends

	2013	2012
	£000	£000
Dividends paid on equity capital	35,000	-

BAUER RADIO LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2013

20. Pension commitments

The Company participates in a defined contribution pension scheme, the Bauer Consumer Media Pension Scheme. The pension charge represents contributions due from the employer and during the year it amounted to £185,307 (2012: £301,844).

21. Related party transactions

At 31 December 2013 the Company owed to CE Digital Limited £189,000 (2012: owed by CE Digital Limited: £31,000). During the year, the Company received a dividend of £650,000 (2012: £1,250,000) from its joint venture.

One of the Company's subsidiaries, Bauer Digital Radio Limited, owns 51% of the share capital of EG Digital Limited, a joint venture company. At 31 December 2013, EG Digital Limited owed the Company £5,399,000 (2012: £5,060,000).

The Company owns 22% of the share capital of Independent Radio News Limited and during the year received a dividend of £514,000 (2012: 494,000) and a rebate of £116,610 (2012: £NIL) from its associate.

Bauer Consumer Media Limited, another fellow Group undertaking of the Company, owns 50% of the share capital of Box Television Limited, a joint venture Company registered in England and Wales. The Company had sales of £16,500 during the year (2012: the Company invoiced £24,800 of sales and purchases of £22,500) with Box Television Limited. At 31 December 2013 the Company was owed £2,400 (2012: £NIL) from Box Television.

22. Ultimate controlling parties and related party transactions

The immediate parent company is HBVB from 5 April 2013 and was Bauer Radio (Holdings) Limited prior to that date.

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 as it is the controlling party of Heinrich Bauer Verlag Beteiligungs GmbH.

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.