

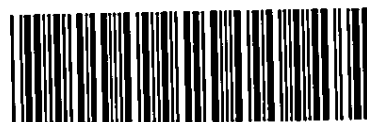
**Radio Aire Limited**

**Report and Accounts**

**For the year ended 31 March 2008**

**Company Registration No. 1466839**

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**Radio Aire Limited**  
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**For the year ended 31 March 2008**

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**Radio Aire Limited**  
**Directors, officers and auditors**

<b>Directors</b>	D Ford G White
<b>Company secretary</b>	Sisec Limited
<b>Auditors</b>	BDO Stoy Hayward LLP 55 Baker Street London W1U 7EU
<b>Registered office</b>	21 Holborn Viaduct London EC1A 2DY
<b>Company number</b>	1466839

# **Radio Aire Limited**

## **Directors' Report**

### **For the year ended 31 March 2008**

The directors submit their report and the accounts for the year ended 31 March 2008.

#### **Business review and principal activities**

The Company is engaged in the operation of independent radio stations in the Leeds area under licence from Ofcom. Trading is in line with expectations and revenues are anticipated to grow year on year.

The profit for the year before taxation amounted to £528,000 (2007: £517,000) on turnover of £4,050,000 (2007: £4,267,000). The directors do not recommend the payment of a final dividend (2007: £nil).

On 7 December 2007, Emap plc (now known as Emap International Limited, "Emap") announced the sale of its Radio division, which includes the Company, to Heinrich Bauer Verlag KG ("Bauer Group"). The disposal was completed on 29 January 2008.

On 3 March 2008, the Company's registered office was changed to 21 Holborn Viaduct, London EC1A 2DY.

#### **Directors**

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

J S Baldwin	(resigned 29 January 2008)
D Ford	(appointed 29 January 2008)
A Thompson	(resigned 29 January 2008)
G White	(appointed 3 April 2007)

#### **Insurance of directors**

Directors' and Officers' liability insurance has been maintained by Emap until 29 January 2008 and then maintained by Bauer Radio (Holdings) Limited for the remaining part of the year.

#### **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.

## **Radio Aire Limited**

### **Directors' Report**

**For the year ended 31 March 2008**

#### **Statement of directors' responsibilities (continued)**

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.

#### **Auditors**

PricewaterhouseCoopers LLP resigned as auditors of the Company during the year and BDO Stoy Hayward LLP were appointed as auditors of the Company by the directors.

The auditors, BDO Stoy Hayward LLP, have indicated their willingness to continue in office.

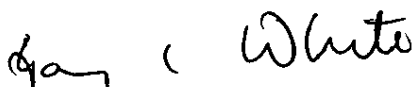
The Company has elected under section 386 of the Companies Act 1985 not to re-appoint auditors annually.

Therefore the auditors, BDO Stoy Hayward LLP, are deemed to be re-appointed for the next financial year.

#### **Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Approved by the board of directors on 8 May 2009.

A handwritten signature in black ink, appearing to read 'G White', is written over the printed name and title.

**G White**  
**Director**

**Radio Aire Limited**  
**Independent Auditor's Report**  
**For the year ended 31 March 2008**

**Independent auditor's report to the members of Radio Aire Limited**

We have audited the financial statements of Radio Aire Limited for the year ended 31 March 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 March 2008 and of its profit for the year 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 Stoy Hayward LLP*

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

**8 MAY 2009.**

**Radio Aire Limited**  
**Profit and Loss Account**  
**For the year ended 31 March 2008**

	Notes	2008 £'000	2007 £'000
<b>Turnover</b>	2	4,050	4,267
Cost of sales		(428)	(725)
<b>Gross profit</b>		3,622	3,542
Administrative expenses		(3,209)	(3,162)
<b>Operating profit</b>	3	413	380
Interest receivable		115	137
<b>Profit on ordinary activities before taxation</b>		528	517
Tax on profit on ordinary activities	5	(168)	(148)
<b>Profit for the year</b>	11, 12	360	369

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 the historical cost profits on ordinary activities before taxation for both years being reported.

*The notes on pages 7 to 13 form part of these accounts.*

**Radio Aire Limited**  
**Balance Sheet**  
**At 31 March 2008**

	Notes	2008 £'000	2007 £'000
<b>Fixed assets</b>			
Tangible assets	6	140	199
<b>Current assets</b>			
Debtors	7	3,411	3,043
Cash at bank and in hand		5	5
		<b>3,416</b>	<b>3,048</b>
<b>Creditors: amounts falling due within one year</b>	8	<b>(127)</b>	<b>(178)</b>
<b>Net current assets</b>		<b>3,289</b>	<b>2,870</b>
<b>Net assets</b>		<b>3,429</b>	<b>3,069</b>
<b>Capital and reserves</b>			
Called up share capital	10	1,933	1,933
Profit and loss account	11	1,496	1,136
<b>Total shareholders' funds</b>	12	<b>3,429</b>	<b>3,069</b>

The financial statements were approved by the Board of Directors and authorised for issue on 8 May, 2009.

*G White*

**G White**  
**Director**

The notes on pages 7 to 13 form part of these accounts.



# **Radio Aire Limited**

## **Notes to the accounts**

**For the year ended 31 March 2008**

### **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 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.

A summary of the more important 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:

Leasehold improvements	- over the period 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.

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.

#### **Leasing**

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

#### **Pension costs**

Emap operates a defined contribution pension plan, Flexiplan, for eligible staff across the Group. The cost of providing pensions under this scheme was charged to the profit and loss account as it became payable. Following the sale of the Company on 29 January 2008, its employees were no longer eligible to participate in this scheme. From 1 March 2008, staff were able to contribute to the defined contribution scheme provided by Scottish Widows known as Bauer Consumer Media Pension scheme. The costs of this pension scheme are charged to the profit and loss account as they become payable.

#### **Cash flow statement and related party disclosures**

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

# Radio Aire Limited

## Notes to the accounts

For the year ended 31 March 2008

### 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 £nil (2007: £52,506).

All turnover is derived from within the United Kingdom.

### 3 Operating profit

#### (a) This is stated after charging

	2008 £'000	2007 £'000
Depreciation of owned tangible fixed assets	62	65
Operating lease rentals		
- Plant and machinery	49	52
- Other	40	41

Fees for the audit of the Company were borne by Bauer Radio Limited (2007: Emap).

There were no fees paid to the Company's auditor, BDO Stoy Hayward LLP, for any non audit services to the Company (2007: non audit fees paid to PricewaterhouseCoopers LLP, the Company's previous auditors, were borne by Emap).

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

#### (b) Directors' emoluments

	2008 £'000	2007 £'000
Aggregate emoluments	163	149
Pension contributions under the defined contribution scheme	7	6
	170	155

Retirement benefits are accruing to 2 (2007: 2) directors under the defined contribution scheme.

# Radio Aire Limited

## Notes to the accounts

For the year ended 31 March 2008

### 4 Staff costs

(a) Costs (including directors' emoluments)	2008 £'000	2007 £'000
Wages and salaries	941	879
Social security costs	99	102
Other pension costs	29	29
	1,069	1,010

### (b) Pension costs

#### Defined contribution plan

Up to 29 January 2008, the Company contributed to the Flexiplan scheme which was operated by Emap and as such all outstanding liabilities were held by Emap. Following the sale of the Company on 29 January 2008 the employees were no longer eligible to participate in this scheme. From 1 March 2008, staff are able to join the Bauer Consumer Media Pension Scheme provided by Scottish Widows. The pension charge represents contributions due from the employer and during the year it amounted to £29,415 (2007: £28,556).

### (c) Employees

The average monthly number of persons (including executive directors) employed by the Company in the UK during the year was 30 (2007: 32).

### (d) Staff share bonus

Through the Emap All Employee Share Ownership Plan, Emap offered free shares to the value of £840 (2007: £840) to qualifying staff. Sharemap was part of Lifemap, Emap's flexible benefits plan and allowed staff to save up to £1,500 a year to buy Emap shares. Emap would then match the cumulative investment in shares on a one to one basis. The shares were held in trust for staff for three years, after which time they could be sold. After five years, the shares were free of income tax on release from the trust.

Following the completion of the sale of the Company on 29 January 2008, the Company's employees were no longer eligible to participate in these schemes.

# Radio Aire Limited

## Notes to the accounts

For the year ended 31 March 2008

### 5 Tax on profit on ordinary activities

	2008 £'000	2007 £'000
Corporation tax at 30% (2007: 30%)	167	158
Corporation tax prior year adjustment	-	(17)
<b>Total current tax</b>	<b>167</b>	<b>141</b>
Deferred tax - current year	1	6
Deferred tax - prior year	-	1
<b>Tax on profit on ordinary activities</b>	<b>168</b>	<b>148</b>

The tax assessed for the year is higher (2007: lower) 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:

	2008 £'000	2007 £'000
Profit before tax	528	517
Tax charge at 30% (2007: 30%)	158	155
Corporation tax prior year adjustments	-	(17)
Non-tax deductible expenses	10	9
Capital allowances in excess of depreciation	(1)	(6)
<b>Tax charge for the current year</b>	<b>167</b>	<b>141</b>

The UK nominal rate of tax reduced to 28%, effective from 1 April 2008.

**Radio Aire Limited**  
**Notes to the accounts**  
**For the year ended 31 March 2008**

**6 Tangible fixed assets**

	Leasehold improvements £'000	Office equipment and vehicles £'000	Total £'000
<b>Cost</b>			
At 1 April 2007	240	849	1,089
Additions	-	3	3
<b>At 31 March 2008</b>	<b>240</b>	<b>852</b>	<b>1,092</b>
<b>Depreciation</b>			
At 1 April 2007	240	650	890
Charge for the year	-	62	62
<b>At 31 March 2008</b>	<b>240</b>	<b>712</b>	<b>952</b>
<b>Net book value</b>			
At 31 March 2008	-	140	140
At 31 March 2007	-	199	199

**7 Debtors**

	2008 £'000	2007 £'000
Trade debtors	262	446
Amounts owed by Group undertakings	3,057	2,507
Other debtors	38	31
Prepayments and accrued income	39	43
Deferred taxation (Note 9)	15	16
	<b>3,411</b>	<b>3,043</b>

Amounts owed by Group undertakings are unsecured, bearing interest at the SONIA rate up to 30 September 2007 (2007: SONIA rate) 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.

# Radio Aire Limited

## Notes to the accounts

For the year ended 31 March 2008

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

	2008 £'000	2007 £'000
Trade creditors	12	10
Other taxation and social security	9	9
Accruals and deferred income	76	98
Other creditors	30	61
	127	178

### 9 Deferred taxation asset

The movement on deferred tax is:

	Deferred tax £'000
At 1 April 2007	16
Transferred from profit and loss account	(1)
At 31 March 2008	15

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

	2008 £'000	2007 £'000
Depreciation in excess of capital allowances	15	16

There is no unprovided deferred taxation (2007: £nil).

During the year, as a result of the change in the UK Corporation Tax rate from 30% to 28% effective from 1 April 2008, deferred tax balances have been re-measured.

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 Called up share capital

	2008 £'000	2007 £'000
<b>Authorised</b>		
200,000,000 ordinary shares of 1p each	2,000	2,000
<b>Allotted, called up and fully paid</b>		
193,333,300 ordinary shares of 1p each	1,933	1,933

# Radio Aire Limited

## Notes to the accounts

For the year ended 31 March 2008

### 11 Profit and loss account

	Profit and loss account £'000
At 1 April 2007	1,136
Profit for the year	360
At 31 March 2008	1,496

### 12 Reconciliation of movements in shareholders' funds

	2008 £'000	2007 £'000
At 1 April 2007	3,069	2,700
Profit for the year	360	369
At 31 March 2008	3,429	3,069

### 13 Lease commitments

At 31 March 2008 the Company had annual commitments under non cancellable operating leases expiring as follows:

	Land and buildings 2008 £'000	Other 2008 £'000	Land and buildings 2007 £'000	Other 2007 £'000
Within one year	-	1	-	-
Within two to five years	-	-	-	3
After five years	40	-	40	-
	40	1	40	3

### 14 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 Bauer UK Radio GmbH, registered in Germany. Copies of Bauer UK Radio GmbH accounts are publicly available.

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