

Registered number. 03798969

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**REAL RADIO (YORKSHIRE) LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2013**

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**REAL RADIO (YORKSHIRE) LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	CD Everitt MA Lee
<b>COMPANY SECRETARY</b>	CD Everitt
<b>REGISTERED NUMBER</b>	03798969
<b>REGISTERED OFFICE</b>	Laser House Waterfront Quay Salford Quays Manchester M50 3XW
<b>INDEPENDENT AUDITORS</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 101 Barbican Square Lower Mosley Street Manchester M2 3PW
<b>BANKERS</b>	The Royal Bank of Scotland plc 135 Bishopsgate London EC2M 3UR
<b>SOLICITORS</b>	Davenport Lyons 30 Old Burlington Street London W1S 3NL

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**REAL RADIO (YORKSHIRE) LIMITED**

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## **REAL RADIO (YORKSHIRE) LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2013**

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The Directors present their report and the audited financial statements for the year ended 31 March 2013. In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company is that of a radio broadcaster in the Yorkshire County of England.

#### **DIRECTORS**

The Directors who served during the year and to the date of signing of these financial statements were:

S Taylor (Resigned 22nd June 2012)  
PE Boardman (Resigned 15th June 2012)  
SP Kilby (Resigned 31st March 2013)  
CD Everitt (Appointed 24th June 2012)  
MA Lee (Appointed 24th June 2012)

No director had any interest in contracts made by the company.

#### **QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

The company has granted indemnity in favour of its directors and officers against the financial exposure that they may incur in the context of their professional duties and officers of the company.

#### **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 prepared 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,
- 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.

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**REAL RADIO (YORKSHIRE) LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2013**

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**Statement of provision of information to auditors**

Each director in office at the date the directors' report is approved confirms that

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This report was approved by the board on 31<sup>st</sup> July 2013 and signed on its behalf



**CD Everitt**  
Director

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## REAL RADIO (YORKSHIRE) LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REAL RADIO (YORKSHIRE) LIMITED FOR THE YEAR ENDED 31 MARCH 2013

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We have audited the financial statements of Real Radio (Yorkshire) Limited for the year ended 31 March 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).

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 1 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **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 directors' report to identify material inconsistencies with the audited financial statements. 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 March 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**REAL RADIO (YORKSHIRE) LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REAL RADIO (YORKSHIRE) LIMITED  
FOR THE YEAR ENDED 31 MARCH 2013**

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**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, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report



Benjamin Parrott (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
30<sup>th</sup> July 2013

**REAL RADIO (YORKSHIRE) LIMITED**  
**REGISTERED NUMBER 03798969**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 £000	2012 £000
<b>TURNOVER</b>	2	<b>4,302</b>	<b>3,881</b>
Operating costs		<u>(3,696)</u>	<u>(3,669)</u>
<b>OPERATING PROFIT</b>		<b>606</b>	<b>212</b>
Interest receivable and similar income		<u>34</u>	<u>35</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	<b>640</b>	<b>247</b>
Tax on profit/(loss) on ordinary activities	5	<u>(156)</u>	<u>(69)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	14	<u><b>484</b></u>	<u><b>178</b></u>

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

There is no material difference between the profit on ordinary activities before taxation and profit for the financial years stated above, and their historical cost equivalents



**REAL RADIO (YORKSHIRE) LIMITED**  
**REGISTERED NUMBER 03798969**

**BALANCE SHEET**  
**AS AT 31 MARCH 2013**

	Note	£000	2013 £000	£000	2012 £000
<b>FIXED ASSETS</b>					
Tangible assets	6		74		100
<b>CURRENT ASSETS</b>					
Debtors	8	3,609		3,439	
Cash at bank and in hand		<u>71</u>		<u>81</u>	
		3,680		3,520	
<b>CREDITORS</b> amounts falling due within one year	9	<u>(337)</u>		<u>(337)</u>	
<b>NET CURRENT ASSETS</b>			<u>3,343</u>		<u>3,183</u>
<b>NET ASSETS</b>			<u>3,417</u>		<u>3,283</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		3,300		3,300
Profit and loss account	14		<u>117</u>		<u>(17)</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>	12		<u>3,417</u>		<u>3,283</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31<sup>st</sup> July 2013



**CD Eventt**  
Director

The notes on pages 7 to 13 form part of these financial statements

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## REAL RADIO (YORKSHIRE) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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#### 1 ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The 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 principal accounting policies, which have been applied consistently throughout the year, are set out below.

##### 1.2 Cash flow statement

The company, being a subsidiary undertaking whose cash flows are included in the consolidated cash flow of its parent company whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

##### 1.3 Turnover

Revenue comprises the fair value of consideration received or receivable for the sale of goods and services in the ordinary course of business (net of VAT, trade discounts and anticipated returns). Revenue is recognised when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company.

Online advertising revenue is recognised as page impressions are served or evenly over the period, depending on the terms of the contract.

Radio airtime, advertising, sponsorship and other revenue is recognised as the advertising or channel is aired.

Radio advertisement production revenue is recognised when the advert is produced.

Deferred income is recognised in the balance sheet and represents amounts invoiced but not yet recognised in the profit and loss account.

##### 1.4 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:

Studio and office equipment	-	12.5% - 33%
Furniture, fixtures & fittings	-	5% - 33%

The carrying value of fixed assets is reviewed for impairment if events or changes in circumstances suggest that their carrying amount may not be recoverable. When an impairment review is undertaken, the recoverable amount is calculated as the net present value of expected future cash flows of the relevant income generating unit. Any impairment is recognised in the profit and loss account in the period it occurs.

##### 1.5 Operating leases

Leases in which a significant proportion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals under operating leases are charged to the Profit and Loss account on a straight line basis over the lease term.

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REAL RADIO (YORKSHIRE) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013

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**1 6 Current tax**

The company provides for corporate taxation on the results for the year at the normal rate applicable to that year and recognises group relief when made available

**1 7 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

**1.8 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

**2 TURNOVER**

All turnover arose within the United Kingdom

**3 STAFF COSTS**

a) Staff costs during the year	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	<b>878</b>	<b>894</b>
Social security costs	<b>110</b>	<b>121</b>
Other pension costs	<b>52</b>	<b>63</b>
	<b>1,040</b>	<b>1,078</b>
b) Monthly average number of persons employed		
Admin	<b>8</b>	<b>14</b>
Sales	<b>14</b>	<b>17</b>
	<b>22</b>	<b>31</b>
c) Directors' emoluments		

The emoluments of the directors are paid by the ultimate parent company which makes no recharge to the company. All of the directors are directors of the ultimate parent company and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the ultimate parent company

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**REAL RADIO (YORKSHIRE) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

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**4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

The following amounts have been charged in arriving at the profit on ordinary activities before taxation

	<b>2013 £'000</b>	<b>2012 £'000</b>
Depreciation of tangible fixed assets	27	21
Hire of assets under operating leases – land and buildings	164	124
Hire of assets under operating leases – equipment and vehicles	238	233
Auditors' remuneration – audit of company	<u>9</u>	<u>9</u>

**5 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2013 £000</b>	<b>2012 £000</b>
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**Analysis of tax charge in the year**

**Current tax (see note below)**

UK corporation tax charge on profit for the year	150	51
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**Total current tax**

<u>150</u>	<u>51</u>
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**Deferred tax (see note 10)**

Origination and reversal of timing differences	<u>6</u>	<u>18</u>
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**Tax on profit on ordinary activities**

<u>156</u>	<u>69</u>
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**Factors affecting tax charge for the year**

The tax assessed for the year is equal to the standard rate of corporation tax in the UK of 24% (2012 - 26%). The differences are explained below

	<b>2013 £000</b>	<b>2012 £000</b>
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**Profit on ordinary activities before tax**

<u>640</u>	<u>247</u>
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Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 26%)

153	64
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**Effects of**

Expenses not deductible for tax purposes, other than goodwill amortisation and impairment

1	3
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Capital allowances for year in excess of depreciation

(5)	(11)
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Adjustments to tax charge in respect of prior periods

1	(5)
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<u>150</u>	<u>51</u>
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**REAL RADIO (YORKSHIRE) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

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**Factors that may affect future tax charges**

On 21 March 2012 the Chancellor announced the reduction in the main rate of UK corporation tax to 23 per cent with effect from 1 April 2013. This change had been substantively enacted on 3 July 2012 and therefore the effect of the rate change creates a reduction in the deferred tax asset which has been reflected in the figures above. The Chancellor also proposed changes to further reduce the main rate of corporation tax by two per cent to 21 per cent from 1 April 2014 and then by one per cent to 20 per cent from 1 April 2015, these changes were substantively enacted on 2 July 2013, but as they were not substantively enacted at the balance sheet date, the impact has not been included in the figures above. It is estimated that this will not have a material effect on the Company.

**6 TANGIBLE FIXED ASSETS**

	Studio and Office Equipment £000	Fixtures and fittings £000	Total £000
<b>Cost</b>			
At 1 April 2012	569	505	1,074
Additions	<u>1</u>	<u>-</u>	<u>1</u>
At 31 March 2013	<u>570</u>	<u>505</u>	<u>1,075</u>
<b>Accumulated Depreciation</b>			
At 1 April 2012	507	467	974
Charge for the year	<u>21</u>	<u>6</u>	<u>27</u>
At 31 March 2013	<u>528</u>	<u>473</u>	<u>1,001</u>
<b>Net book value</b>			
At 31 March 2013	<u><u>42</u></u>	<u><u>32</u></u>	<u><u>74</u></u>
At 31 March 2012	<u><u>62</u></u>	<u><u>38</u></u>	<u><u>100</u></u>

**7. DIVIDENDS**

	2013 £'000	2012 £'000
Interim dividend paid 11p (2012 £nil) per share	<u>350</u>	<u>-</u>
The directors do not propose a final dividend (2012 £nil)		

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**REAL RADIO (YORKSHIRE) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

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**8. DEBTORS**

	2013 £000	2012 £000
Trade debtors	182	189
Amounts owed by group undertakings	3,275	2,997
Prepayments and accrued income	114	209
Deferred tax asset (see note 10)	38	44
	<u>3,609</u>	<u>3,439</u>

Amounts owed by group undertakings are unsecured, bear interest at Libor +0.5% and are repayable on demand

**9. CREDITORS**

Amounts falling due within one year

	2013 £000	2012 £000
Trade creditors	18	117
Other creditors	20	-
Taxation and social security	31	34
Accruals and deferred income	268	186
	<u>337</u>	<u>337</u>

**10 DEFERRED TAX ASSET**

	2013 £000	2012 £000
At beginning of year	44	62
Charged for year	(7)	(18)
Adjustments in respect of prior periods	1	-
	<u>38</u>	<u>44</u>

The deferred tax asset is made up as follows

	2013 £000	2012 £000
Accelerated capital allowances	<u>38</u>	<u>44</u>

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

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**REAL RADIO (YORKSHIRE) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

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**11. CALLED UP SHARE CAPITAL**

	2013 £000	2012 £000
<b>Allotted, called up and fully paid</b>		
3,300,000 Ordinary shares of £1 each	<u>3,300</u>	<u>3,300</u>

**12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2013 £000	2012 £000
Opening shareholders' funds	3,283	3,105
Profit for the financial year	484	178
Dividends	<u>(350)</u>	<u>-</u>
Closing shareholders' funds	<u>3,417</u>	<u>3,283</u>

**13 OPERATING LEASE COMMITMENTS**

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as follows

	<b>Land and buildings</b>		<b>Equipment and vehicles</b>	
	2013 £000	2012 £000	2013 £000	2012 £000
<b>Expiry date:</b>				
Within 1 year	-	-	-	1
Between 2 and 5 years	164	-	234	231
After more than 5 years	<u>-</u>	<u>164</u>	<u>-</u>	<u>-</u>

Included in the above annual commitments is £233,921 (2012 £232,079) in respect of equipment and vehicles. Where leases are held in the name of fellow group undertakings they are recharged to Real Radio (Yorkshire) Limited.

**14. PROFIT AND LOSS ACCOUNT**

	2013 £000	2012 £000
At 1 April	(17)	(195)
Profit for the financial year	484	178
Dividends	<u>(350)</u>	<u>-</u>
At 31 March	<u>117</u>	<u>(17)</u>

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## **REAL RADIO (YORKSHIRE) LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013**

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#### **15 RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Group (or investees of the Group qualifying as related parties)

During the year Real Radio (Yorkshire) Limited incurred recharges from Smooth Radio Limited for transmission costs from MXR Limited (an associate in which Real and Smooth Limited has a 36.8% shareholding). Charges from MXR Limited incurred by Real Radio (Yorkshire) Limited during the year have totalled £106,644 (2012: £102,769) for annual DAB transmission fees. There are no outstanding creditors as at 31 March 2013.

#### **16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

Global Radio Holdings Limited acquired 100% of the share capital of the Group headed by Real and Smooth Limited (formerly GMG Radio Holdings Limited) on 24 June 2012. The acquisition is however subject to a Competition Commission enquiry during which period Global Radio Holdings does not control the company. The Competition Commission has released its findings from the enquiry. Global Radio Holdings Limited is currently considering the findings and related required outcomes, which would result in the divestment of radio stations from the Real and Smooth Limited group.

The Company is a subsidiary undertaking of Real and Smooth Limited, which is the controlling company. The largest and smallest Group in which the results of the Company are consolidated is that headed by Real and Smooth Limited.