

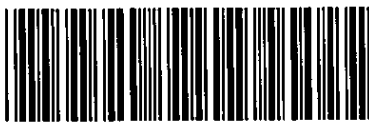
Registered Number: 4447039

KIDDERMINSTER RADIO LIMITED

ANNUAL REPORT AND ACCOUNTS FOR THE PERIOD (52 WEEKS) ENDED

27<sup>th</sup> DECEMBER 2008

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**KIDDERMINSTER RADIO LIMITED**

**ANNUAL REPORT AND ACCOUNTS FOR THE PERIOD ENDED 27<sup>th</sup> DECEMBER, 2008**

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## **KIDDERMINSTER RADIO LIMITED**

### **DIRECTORS' REPORT**

The Directors present their report and the accounts for the period (52 weeks) ended 27<sup>th</sup> December 2008 (2007: 52 weeks ended 29<sup>th</sup> December 2007).

### **ACTIVITIES AND BUSINESS REVIEW**

Throughout the period the principal activity of the company has been that of a radio broadcaster.

### **RESULTS AND DIVIDENDS**

The retained loss for the period amounted to £15,608 (2007: £38,620). The Directors do not propose a dividend (2007: Nil) and the loss for the period has been transferred to reserves.

### **BOARD OF DIRECTORS**

The members of the Board who held office during the period were Messrs. D. J. Hughes, K. J. Parker, R. Ison, P. G. Wagstaff, K. Harrison, Mrs R Darby and Mr S Clee. Mrs S Potts resigned on 17<sup>th</sup> January 2008. Mrs L Mahey was appointed to the Board with effect from 1<sup>st</sup> November 2008. Mr. K. J. Parker resigned on 31<sup>st</sup> March 2009.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The company manages competitive trading risk by providing an unrivalled service to its advertisers; however the performance of the company is dependant on the local economy.

### **FINANCIAL INSTRUMENTS**

The company is financed by a combination of loans from its immediate parent and the group's bankers.

As highlighted in note 14 to the financial statements, the company is party to group banking facilities. These facilities are made available to the company to meet its day to day working capital requirements. The group overdraft facility is due for renewal in January 2010. The group also has a term loan facility until December 2010.

The current economic conditions create uncertainty particularly with regard to the level of demand for products and services and the cost of raw materials. However, the group's forecasts and projections, taking account of changes in trading performance, show that the group should be able to operate within the level of its current facilities.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

### **AUDITORS**

So far as all the directors are aware, there is no relevant audit information of which the company's auditors are unaware and have taken all steps that ought to have been taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## **KIDDERMINSTER RADIO LIMITED**

### **DIRECTORS' REPORT (Continued)**

BDO Stoy Hayward LLP have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the Annual General Meeting.

### **SMALL COMPANY EXEMPTION**

This report has been prepared in accordance with the special provisions of parts VII of the Companies Act 1985 relating to small companies.

### **BY ORDER OF THE BOARD**



D J HUGHES  
Secretary  
27<sup>th</sup> April 2009

## **KIDDERMINSTER RADIO LIMITED**

### **DIRECTORS' REPORT (Continued)**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Annual Report and the accounts in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Directors to prepare financial statements for each financial period 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 judgments 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; and
- prepare the accounts 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KIDDERMINSTER RADIO LIMITED

We have audited the financial statements of Kidderminster Radio Limited for the period ended 27<sup>th</sup> December 2008 which comprise the Profit and Loss Account, 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 judgments 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 27<sup>th</sup> December 2008 and of its loss for the period 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 Auditor  
BIRMINGHAM

*27 April 2009*

## **KIDDERMINSTER RADIO LIMITED**

### **PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 27<sup>th</sup> DECEMBER 2008**

	Notes	2008	2007 £
<b>Turnover</b>	2	311,598	281,994
Net operating expenses	3	(330,787)	(337,570)
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>		( 19,189)	(55,576)
Taxation	6	3,581	16,956
<b>Retained loss for the period</b>	12	<u>(15,608)</u>	<u>(38,620)</u>

All activities of the company are continuing.

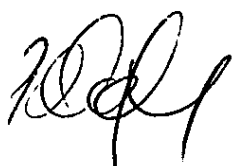
The company has no recognised gains or losses other than those included in the losses above, and therefore no separate statement of total recognised gains and losses has been presented.

# KIDDERMINSTER RADIO LIMITED

## **BALANCE SHEET AT 27<sup>th</sup> DECEMBER 2008**

	Notes	2008 £	2007 £
<b>Fixed Assets</b>			
Tangible fixed assets	7	32,071	54,046
<b>Current Assets</b>			
Debtors	8	148,443	192,784
Cash at bank and in hand		39,100	169,077
		187,543	361,861
<b>Creditors: amounts falling due within one year</b>	9	(409,637)	(590,322)
<b>Net current liabilities</b>		(222,094)	(228,461)
<b>Net liabilities</b>		(190,023)	(174,415)
<b>Capital and reserves</b>			
Called up share capital	11	175	175
Profit and loss account	12	(190,198)	(174,590)
<b>Shareholders' deficit</b>	13	(190,023)	(174,415)

The accounts on pages 6 to 14 were approved and authorised for issue by the Board of Directors on 27<sup>th</sup> April 2009 and signed on behalf of the Board.



P. G. Wagstaff  
Director



## **KIDDERMINSTER RADIO LIMITED**

### **NOTES TO THE ACCOUNTS FOR THE 52 WEEKS ENDED 27<sup>th</sup> DECEMBER 2008**

#### **1. ACCOUNTING POLICIES**

A summary of the principal accounting policies, which have been applied consistently throughout the period, unless otherwise stated, is set out below:-

##### **a) Fundamental accounting concept**

The financial statements have been prepared on the going concern basis. As detailed in the Directors Report on page 2, the Directors have considered the principal risks and uncertainties that apply to the business and believe that it is appropriate to continue to prepare the accounts on this basis.

##### **b) Basis of accounting**

The company prepares its accounts on the historical cost basis of accounting and in accordance with the applicable accounting standards in the United Kingdom. They incorporate the results for the 52 weeks ended 27<sup>th</sup> December 2008 (2007 - 52 weeks ended 29<sup>th</sup> December).

##### **c) Turnover**

Turnover represents amounts receivable (excluding VAT) for advertising services.

##### **d) Depreciation**

The depreciation charge is calculated on cost at equal annual rates estimated to write off the acquisition cost of tangible assets over their working lives as follows:

Fittings & equipment	20% - 33.3%
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The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

##### **e) Operating leases**

Costs in respect of operating leases are charged on a straight line basis over the lease term.

##### **f) Deferred Taxation**

The charge for taxation is based on the profit for the period 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 or a right to pay less tax in the future have occurred at the balance sheet date, with the following exceptions:

## **KIDDERMINSTER RADIO LIMITED**

### **NOTES TO THE ACCOUNTS (CONTINUED)**

#### **f) Deferred Taxation (Continued)**

- Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **g) Defined contribution pension scheme**

Pension costs for the company's defined contribution pension schemes are recognised within operating profit at an amount equal to the contributions payable to the scheme for the period. Any prepaid or outstanding contributions at the balance sheet date are recognised respectively as assets or liabilities within prepayments or accruals.

### **2. TURNOVER**

Turnover arises from commercial radio advertising carried out wholly within the United Kingdom.

### **3. NET OPERATING EXPENSES**

	2008	2007
	£	£
Staff Costs (note 4)	129,768	120,404
Depreciation of tangible fixed assets	22,469	23,592
Other operating charges	178,550	193,574
	<u>330,787</u>	<u>337,570</u>

Included in other operating charges are audit services for the company of £2,000 (2007: £1,900) and non-audit services relating to taxation of £1,150 (2007: £1,041)

### **4. EMPLOYEES**

The aggregate staff costs during the period were:

	2008	2007
	£	£
Wages and salaries	114,014	107,017
Social security costs	11,607	10,652
Other pension costs	4,147	2,735
	<u>129,768</u>	<u>120,404</u>

## **KIDDERMINSTER RADIO LIMITED**

### **NOTES TO THE ACCOUNTS (Continued)**

#### **4. EMPLOYEES (Continued)**

The monthly average number of employees throughout the period was:

	Number	Number
Sales and Administration	4	3
	==	==

#### **5. DIRECTORS' REMUNERATION**

The remuneration in respect of Directors' amounts to £29,832 (2007: £26,360). The total contribution paid into the defined contribution scheme amounted to £1,103 (2007: £1,298).

## **KIDDERMINSTER RADIO LIMITED**

### **NOTES TO THE ACCOUNTS (Continued)**

#### **6. TAXATION**

	2008	2007
	£	£
<b>UK Current Tax:</b>		
UK Corporation Tax on losses of the period	-	(9,321)
Adjustments in respect of prior period	921	(1,430)
Group relief payable	1,717	-
	<u>2,638</u>	<u>(10,751)</u>
<b>UK Deferred Tax (Note 10)</b>		
<b>Origination and reversal of timing differences</b>		
Depreciation in excess of capital allowances	(6,291)	(7,078)
Short term timing differences	72	(274)
Effect of changes in tax rate	-	1,217
Adjustments in respect of previous years	-	(70)
	<u>(3,581)</u>	<u>(16,956)</u>

#### **Factors affecting the tax charge for the period**

The tax credit on the loss on activities for the period differs from the standard rate of corporation tax in the UK. The differences are explained below:-

	2008	2007
	£	£
Loss on ordinary activities before tax	<u>(19,189)</u>	<u>(55,576)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2007 – 30%)	(5,373)	(16,673)
<b>Effects of:</b>		
Other timing differences	(72)	274
Depreciation in excess of capital allowance	6,291	7,078
Adjustments in respect of previous periods	921	(1,430)
Transfer pricing adjustment	839	-
Effect of tax rate change in the year	32	-
	<u>2,638</u>	<u>(10,751)</u>

# **KIDDERMINSTER RADIO LIMITED**

## **NOTES TO THE ACCOUNTS (Continued)**

### **7. TANGIBLE FIXED ASSETS**

	Fittings and Equipment
<b>At Cost:</b>	£
At 29 <sup>th</sup> December 2007	113,774
Additions	494
	<hr/>
At 27 <sup>th</sup> December 2008	114,268
	<hr/>
<b>Depreciation:</b>	
At 29 <sup>th</sup> December 2007	59,728
Amounts charged during the period	22,469
	<hr/>
At 27 <sup>th</sup> December 2008	82,197
	<hr/>
Net book value at 27 <sup>th</sup> December 2008	32,071
	<hr/>
Net book value at 29 <sup>th</sup> December 2007	54,046
	<hr/>

### **8. DEBTORS**

	2008	2007
	£	£
Deferred tax (note 10)	23,265	17,046
Trade debtors	43,274	59,908
Amounts due from fellow subsidiary undertaking	53,676	53,842
Group relief	-	52,543
Prepayments and accrued income	28,228	9,445
	<hr/>	<hr/>
	148,443	192,784
	<hr/>	<hr/>

### **9. CREDITORS:**

#### **Amounts falling due within one year**

	2008	2007
	£	£
Trade creditors	12,123	5,224
Amounts due to fellow subsidiary undertaking	363,266	576,062
Accruals and deferred income	32,531	9,036
Group relief payable	1,717	-
	<hr/>	<hr/>
	409,637	590,322
	<hr/>	<hr/>

**KIDDERMINSTER RADIO LIMITED****NOTES TO THE ACCOUNTS (Continued)****10. DEFERRED TAXATION**

The movement in deferred taxation during the current period is as follows

	£
At 29 <sup>th</sup> December 2007	(17,046)
Deferred tax credit for the period (note 6)	(6,219)
	<u>(23,265)</u>
Deferred tax asset as at 27 <sup>th</sup> December 2008 (note 8)	<u>(23,265)</u>

	2008 £	2007 £
The deferred taxation consists of :		
Decelerated capital allowances	(23,081)	(16,790)
Other timing differences	(184)	(256)
	<u>(23,265)</u>	<u>(17,046)</u>

**11. SHARE CAPITAL**

	Authorised £	Alloted called up and fully paid £
Ordinary shares of £1 each at 27 <sup>th</sup> December 2008 and 29 <sup>th</sup> December 2007	100,000	175

**12. PROFIT AND LOSS ACCOUNT**

	£
Retained losses at 29 <sup>th</sup> December 2007	(174,590)
Retained loss for the period	(15,608)
	<u>(190,198)</u>
Retained loss at 27 <sup>th</sup> December 2008	<u>(190,198)</u>

**13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT**

	£
Opening Shareholders' deficit at 29 <sup>th</sup> December 2007	(174,415)
Retained loss for the period	(15,608)
	<u>(190,023)</u>
Closing Shareholders' deficit at 27 <sup>th</sup> December 2008	<u>(190,023)</u>

## **KIDDERMINSTER RADIO LIMITED**

### **NOTES TO THE ACCOUNTS (Continued)**

#### **14. CONTINGENT LIABILITY**

During the year the company was party to group banking facilities. These facilities were made available to the company to meet its day to day working capital requirements. The group has overdraft facilities set at £9m (2007 - £11m) which are due for renewal in January 2010. The group also has a term loan facility until December 2010. The term loan which is with the group's principal bankers, Barclays Bank PLC has an outstanding balance of £25m (2007 - £35m) and incurs interest at 1.0% per annum above base rate with security provided by a fixed and floating charge over the assets of the group.

As at 27<sup>th</sup> December 2008, the group's net debt under the above facilities totalled £26.7m (2007 - £36.1m).

#### **15. PENSION ARRANGEMENTS**

The company operates defined contribution pension schemes. The assets of the scheme are held separately from those of the company in independently administered funds. The pension charge represents contributions payable by the company to these funds and amounted to £4,147 (2007 - £2,735). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

#### **16. OPERATING LEASE COMMITMENTS**

At 27<sup>th</sup> December 2008 the company had annual commitments under operating leases as follows:

	Property Leases	
	2008	2007
	£	£
Leases expiring within one year	-	9,600
Leases expiring after one but within 5 years	8,880	-
	<u>8,880</u>	<u>9,600</u>

#### **17. RELATED PARTY DISCLOSURE**

The company has taken advantage of the exemption in FRS8 as a wholly owned subsidiary not to disclose details of related party transactions as required by the standard.

#### **18. ULTIMATE PARENT UNDERTAKING**

The company is a wholly owned subsidiary of The Midland News Association Limited, registered in England & Wales and is included within that Company's group accounts. The ultimate parent undertaking is Claverley Company, also registered in England and Wales.