

Telford Radio Limited

Report and Financial Statements

Period Ended

1 January 2011

Company Number 3304396



Telford Radio Limited

Report and financial statements for the period ended 1 January 2011

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Directors

M J Lowe
P G Wagstaff
B Blakemore
G W Evers
M G Douglas Graham
S J Smith

Secretary and registered office

D J Hughes, Ketley, Telford, Shropshire, TF1 5HU

Company number

3304396

Auditors

BDO LLP, 125 Colmore Row, Birmingham, B3 3SD

Telford Radio Limited

Report of the directors for the period ended 1 January 2011

The directors present their report together with the audited financial statements for the period ended 1 January 2011

Results

The profit and loss account is set out on page 5. The company did not trade during the period.

The directors do not propose to pay a final dividend in respect of 2010 (2009 - £Nil).

Principal activities

The principal activity of the company has been that of a radio broadcaster. The company transferred its business activity to its holding company, MNA Broadcasting Limited, on 3 January 2010.

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 overdraft facility is due for renewal in December 2011. The group also has a revolving credit facility and term loan facility until December 2014.

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.

Directors

The directors of the company during the period were:

M J Lowe
P G Wagstaff
B Blakemore
G W Evers
M G Douglas Graham
S J Smith
L Mahey (resigned 1 December 2010)
D Everington (resigned 15 February 2010)

Telford Radio Limited

Report of the directors for the period ended 1 January 2011 (*continued*)

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

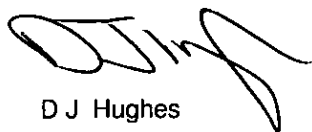
Auditors

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.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption.

By order of the board



D J Hughes

Secretary

Date 15 April 2011

Telford Radio Limited

Independent auditor's report

TO THE MEMBERS OF TELFORD RADIO LIMITED

We have audited the financial statements of Telford Radio Limited for the 52 week period ended 1 January 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 1 January 2011 and of its result for the period 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 period for which the financial statements are prepared is consistent with the financial statements.

Telford Radio Limited

Independent auditor's report (*continued*)

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 prepare the financial statements and the directors' report in accordance with the small companies' regime



*Graham Clayworth (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom*

Date 2014/11

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

Telford Radio Limited

Profit and loss account for the period ended 1 January 2011

| | Note | 52 weeks ended 1 January 2011 £ | 53 weeks ended 2 January 2010 £ |
|----------------------------------------------------|------|---------------------------------------------|---------------------------------------------|
| Turnover | 2 | - | 281,922 |
| Net operating expenses | | - | 288,884 |
| | | <hr/> | <hr/> |
| Loss on ordinary activities before taxation | | - | (6,962) |
| Taxation on loss on ordinary activities | 6 | - | 733 |
| | | <hr/> | <hr/> |
| Loss on ordinary activities after taxation | | - | (6,229) |
| | | <hr/> | <hr/> |

All amounts relate to discontinued activities

All recognised gains and losses in the current and prior period are included in the profit and loss account

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

Telford Radio Limited

Balance sheet at 1 January 2011

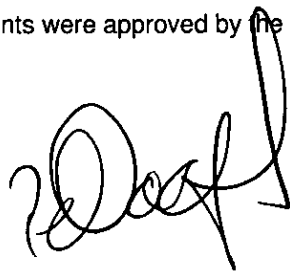
Company number 3304396

| | Note | 1 January 2011 £ | 1 January 2011 £ | 2 January 2010 £ | 2 January 2010 £ |
|-------------------------------------------------------|------|------------------------|------------------------|------------------------|------------------------|
| Fixed assets | | | | | |
| Tangible assets | 7 | | - | | 6,273 |
| Current assets | | | | | |
| Debtors | 8 | - | | 31,846 | |
| Cash at bank and in hand | | - | | 15,652 | |
| | | | | | |
| | | | | 47,498 | |
| Creditors: amounts falling due within one year | 9 | - | | 68,587 | |
| | | | | | |
| Net current liabilities | | | - | | (21,089) |
| Total assets less current liabilities | | | - | | (14,816) |
| Capital and reserves | | | | | |
| Called up share capital | 10 | | 141,000 | | 141,000 |
| Profit and loss account | 11 | | (141,000) | | (155,816) |
| Shareholders' deficit | 12 | | - | | (14,816) |

The financial statements were approved by the board of directors and authorised for issue on

15 April 2011

P G Wagstaff
Director



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

Telford Radio Limited

Notes forming part of the financial statements for the period ended 1 January 2011

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. They incorporate the results for the 52 weeks ended 1 January 2011 (2009 - 53 weeks ended 2 January 2010).

A summary of the more important accounting policies, which have been applied consistently throughout the period, unless otherwise stated, is set out below.

Fundamental accounting concept

The financial statements have been prepared on the going concern basis. As detailed in the Directors Report on pages 1 and 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.

Turnover

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

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

| | |
|-----------------------|-----------------|
| Studio Equipment | - 10% |
| Fixtures and fittings | - 12.5% - 33.3% |

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.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Defined contribution pension scheme

Pension costs for the company's defined contribution pension schemes are recognised within operating profit/(loss) 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 is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

Telford Radio Limited

Notes forming part of the financial statements
for the period ended 1 January 2011 *(continued)*

3 Operating loss

| | 52 weeks ended 1 January 2011 £ | 53 weeks ended 2 January 2010 £ |
|---------------------------------------------------------------------------------------------------------------|---------------------------------------------|---------------------------------------------|
| This is arrived at after charging | | |
| Depreciation of tangible fixed assets | - | 3,720 |
| Auditors' remuneration - fees payable to the company's auditor for the audit of the company's annual accounts | - | 2,244 |
| Auditors' remuneration - taxation services | - | 1,251 |
| Other operating charges | - | 166,403 |
| | <u> </u> | <u> </u> |

The company's audit fee was borne by MNA Broadcasting Ltd

4 Employees

Staff costs (including directors) consist of

| | 52 weeks ended 1 January 2011 £ | 53 weeks ended 2 January 2010 £ |
|-----------------------|---------------------------------------------|---------------------------------------------|
| Wages and salaries | - | 106,177 |
| Social security costs | - | 9,543 |
| Other pension costs | - | 3,041 |
| | <u> </u> | <u> </u> |
| | - | 118,761 |
| | <u> </u> | <u> </u> |

The average number of employees (including directors) during the period was Nil (2009 - 3)

5 Directors' remuneration

The remuneration in respect of Directors' amounts to £Nil (2009 - £39,693) The total contribution paid into the defined contribution scheme amounted to £Nil (2009 - £Nil)

Telford Radio Limited

Notes forming part of the financial statements for the period ended 1 January 2011 *(continued)*

6 Taxation on loss on ordinary activities

| | 52 weeks ended 1 January 2011 £ | 53 weeks ended 2 January 2010 £ |
|-------------------------------------------|---------------------------------------------|---------------------------------------------|
| <i>UK Corporation tax</i> | | |
| Adjustment in respect of previous periods | - | 79 |
| <i>Deferred tax</i> | | |
| Short term timing differences | - | 230 |
| Short term timing differences | - | (1,042) |
| | <hr/> | <hr/> |
| Movement in deferred tax provision | - | (812) |
| | <hr/> | <hr/> |
| Taxation on loss on ordinary activities | - | (733) |
| | <hr/> | <hr/> |

The tax assessed for the period is different to the standard rate of corporation tax in the UK applied to loss before tax. The differences are explained below:

| | 52 weeks ended 1 January 2011 £ | 53 weeks ended 2 January 2010 £ |
|---------------------------------------------------------------------------------------------------|---------------------------------------------|---------------------------------------------|
| Loss on ordinary activities before tax | - | (6,962) |
| | <hr/> | <hr/> |
| Loss on ordinary activities at the standard rate of corporation tax in the UK of 28% (2009 - 28%) | - | (1,949) |
| Effect of | | |
| Expenses not deductible for tax purposes | - | (3) |
| Depreciation for period in excess of capital allowances | - | 1,042 |
| Short term timing differences | - | (230) |
| Adjustment in respect of previous years | - | 79 |
| Transfer pricing adjustment | - | 24 |
| Group relief surrendered for nil payment | - | 1,116 |
| | <hr/> | <hr/> |
| Current tax charge for the period | - | 79 |
| | <hr/> | <hr/> |

As at 1 January 2011 the company had cumulative corporation tax losses of £Nil (2009 - £41,389) to relieve against future trading profits.

Telford Radio Limited

Notes forming part of the financial statements
for the period ended 1 January 2011 (*continued*)

7 Tangible fixed assets

| | Fixtures and fittings £ | Computer equipment £ | Total £ |
|--------------------------|-------------------------------|----------------------------|------------|
| <i>Cost or valuation</i> | | | |
| At 3 January 2010 | 37,365 | 90,735 | 128,100 |
| Transfers | (37,365) | (90,735) | (128,100) |
| | <hr/> | <hr/> | <hr/> |
| At 1 January 2011 | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| <i>Depreciation</i> | | | |
| At 3 January 2010 | 36,513 | 85,314 | 121,827 |
| Transfers | (36,513) | (85,314) | (121,827) |
| | <hr/> | <hr/> | <hr/> |
| At 1 January 2011 | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| <i>Net book value</i> | | | |
| At 1 January 2011 | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| At 2 January 2010 | 852 | 5,421 | 6,273 |
| | <hr/> | <hr/> | <hr/> |

Telford Radio Limited

Notes forming part of the financial statements
for the period ended 1 January 2011 (*continued*)

8 Debtors

| | 1 January 2011 £ | 2 January 2010 £ |
|------------------------------------|------------------------|------------------------|
| Amounts owed by group undertakings | - | 21,971 |
| Prepayments and accrued income | - | 3,108 |
| Deferred taxation | - | 6,767 |
| | <u>-</u> | <u>31,846</u> |

All amounts shown under debtors fall due for payment within one year

| | Deferred taxation £ |
|-----------------------|---------------------------|
| At 3 January 2010 | 6,767 |
| Transferred in period | (6,767) |
| | <u>-</u> |
| At 1 January 2011 | <u>-</u> |

Deferred taxation

| | 1 January 2011 £ | 2 January 2010 £ |
|-------------------------------------------------------|------------------------|------------------------|
| The amount of deferred tax provided for is as follows | | |
| Decelerated capital allowances | - | 6,767 |
| | <u>-</u> | <u>6,767</u> |

Telford Radio Limited

Notes forming part of the financial statements
for the period ended 1 January 2011 *(continued)*

9 Creditors' amounts falling due within one year

| | 1 January 2011 £ | 2 January 2010 £ |
|------------------------------------|------------------------|------------------------|
| Trade creditors | - | 8,490 |
| Amounts owed to group undertakings | - | 34,460 |
| Loan stock | - | 14,144 |
| Accruals and deferred income | - | 11,493 |
| | <u> </u> | <u> </u> |
| | - | 68,587 |
| | <u> </u> | <u> </u> |

10 Share capital

| | 1 January 2011 £ | 2 January 2010 £ |
|-------------------------------------------|------------------------|------------------------|
| <i>Allotted, called up and fully paid</i> | | |
| Ordinary shares of £1 each | 141,000 | 141,000 |
| | <u> </u> | <u> </u> |

11 Reserves

| | Profit and loss account £ |
|-----------------------------|---------------------------------|
| At 3 January 2010 | (155,816) |
| Waiver of intercompany loan | 14,816 |
| | <u> </u> |
| At 1 January 2011 | (141,000) |
| | <u> </u> |

During the period the immediate parent company, MNA Broadcasting Limited waived the intercompany loan of £14,816 in full by means of a capital contribution

Telford Radio Limited

Notes forming part of the financial statements
for the period ended 1 January 2011 (*continued*)

12 Reconciliation of movements in shareholders' deficit

| | 1 January 2011 £ | 2 January 2010 £ |
|----------------------------------------------------------|------------------------|------------------------|
| Loss for the period | - | (6,229) |
| Waiver of intercompany loan | 14,816 | - |
| | <hr/> | <hr/> |
| Net additions to/(deductions from) shareholders' deficit | 14,816 | (6,229) |
| Opening shareholders' deficit | (14,816) | (8,587) |
| | <hr/> | <hr/> |
| Closing shareholders' deficit | - | (14,816) |
| | <hr/> | <hr/> |

13 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 £Nil (2009 - £3,041). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

14 Contingent Liabilities

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. It has overdraft facilities set at £4m with Lloyds TSB (2009 - £4m) which are due for renewal in December 2011. The group also has a term loan and revolving credit facilities with Lloyds TSB until December 2014. The term loan has an outstanding balance of £15.0m (2009 - £17.5m) and incurs interest at between 2.5% to 3.0% per annum over Libor rate. The revolving credit facility has an outstanding balance of £3.0m (2009 - £7.5m) and incurs interest at between 2.25% to 2.75% per annum over Libor. The facilities are secured by a fixed and floating charge over the assets of the group.

As at 1st January 2011, the group's net debt under the above facilities totalled £17.9m (2009 - £19.0m).

15 Related party disclosures

The company had 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.

16 Ultimate parent company and parent undertaking of larger group

The company is a wholly owned subsidiary of MNA Broadcasting Limited, registered in England and Wales. It is also a wholly owned subsidiary of The Midland News Association Limited and is included in that company's group accounts.

The ultimate parent undertaking is Claverley Company, also registered in England and Wales.