Registered number: 00715143

GWR GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

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GWR GROUP LIMITED

COMPANY INFORMATION

DIRECTORS	MD Connole SG Miron RFJ Park
COMPANY SECRETARY	CR Potterell
REGISTERED NUMBER	00715143
REGISTERED OFFICE	30 Leicester Square London WC2H 7LA
INDEPENDENT AUDITOR	Deloitte LLP Statutory auditor & Chartered accountants 2 New Street Square London EC4A 3BZ

GWR GROUP LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2014

The Directors present their Annual report for the Company.

BUSINESS REVIEW

GWR Group Limited, a subsidiary of This is Global Limited (the Group) carries investments in other Group companies.The directors expect the general level of activity to continue at current levels. On 3 June 2013, the Company purchased 2,232,534 ordinary £1 shares in its subsidiary, Castleform Limited, for £2,232,534 and purchased 6,166,891 ordinary £1 shares in its subsidiary Global Radio (AM) Limited (formerly GCap Media (AM) Limited. Both investments were fully written down.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is a subsidiary of This is Global Limited Group. From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. The review of the business of This is Global Limited and its subsidiaries which provide an analysis of the main trends and factors likely to affect the development, performance and position of the business, and a description of the principal risks and uncertainties facing the business can be found in the Group accounts of This is Global Limited.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses intercompany borrowings from other Group companies.

Market Risk

The key risk to the business is that an advertising slowdown may put pressure on traditional revenues, and reduce the value of the investments held. The risk is monitored and managed through Group management.

Interest rate risk

Interest rate risk arises from intercompany balances that bear interest at a fixed rate. The directors have reviewed the Company's exposure to interest rates and have concluded that the risk is appropriate in relation to the financial results of the Company.

FINANCIAL KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. The KPIs for the This is Global Limited Group can be found in the Annual Report of This is Global Limited, which is available to the public.

This report was approved by the board on 4 September 2014 and signed on its behalf.

MD Connole
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2014

The Directors present their Annual report and the financial statements for the year ended 31 March 2014.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £5,921,000 *(2013 - profit £26,433,000)*.

No dividends were paid during the year (2013: £27,993,000).

DIRECTORS

The Directors who served during the year and to the date of signing of this report were:

MD Connole
SG Miron
RFJ Park

GOING CONCERN

The directors confirm that, after making enquiries, they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis of accounting in preparing these financial statements. Further information around the assessment of Going Concern can be found on Note 1 of the financial statements.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Directors benefit from qualifying third party indemnity provisions in place.

MATTERS COVERED IN THE STRATEGIC REPORT

An indication of likely future developments in the business of the Company, and financial risk management objectives and policies are included in the Strategic report.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

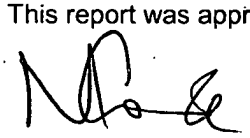
- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2014

AUDITOR

Under section 487(2) of the Companies Act 2006, Deloitte LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 4 September 2014 and signed on its behalf.



MD Connole
Director

30 Leicester Square
London
WC2H 7LA

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

The Directors are responsible for preparing the Annual 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 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GWR GROUP LIMITED

We have audited the financial statements of GWR Group Limited for the year ended 31 March 2014, set out on pages 6 to 15. 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 March 2014 and of its loss 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.

Andrew Evans.

Andrew Evans (Senior Statutory Auditor)
for and on behalf of
Deloitte LLP
Statutory auditor
& Chartered accountants
2 New Street Square
London
EC4A 3BZ

4 September 2014

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 £000	2013 £000
Operating charges		**(8,356)**	*30*
OPERATING (LOSS)/PROFIT	2	**(8,356)**	*30*
Income from other fixed asset investments		**213**	*24,008*
Profit on disposal of investments		**-**	*32*
Interest receivable and similar income	5	**2,888**	*3,111*
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**(5,255)**	*27,181*
Tax on (loss)/profit on ordinary activities	6	**(666)**	*(748)*
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	11	**(5,921)**	*26,433*

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

The notes on pages 8 to 15 form part of these financial statements.

GWR GROUP LIMITED
REGISTERED NUMBER: 00715143

BALANCE SHEET
AS AT 31 MARCH 2014

	Note	2014 £000	2013 £000
FIXED ASSETS			
Investments	7	**58,546**	*58,503*
CURRENT ASSETS			
Debtors	8	**46,275**	*52,239*
NET ASSETS		**104,821**	*110,742*
CAPITAL AND RESERVES			
Called up share capital	10	**6,586**	*6,586*
Share premium account	11	**54,115**	*54,115*
Special capital reserve	11	**369**	*369*
Merger reserve	11	**47,052**	*47,052*
Profit and loss account	11	**(3,301)**	*2,620*
SHAREHOLDERS' FUNDS	12	**104,821**	*110,742*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 September 2014.

MD Connole
Director

The notes on pages 8 to 15 form part of these financial statements.

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. They have been applied consistently throughout the current and prior year.

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's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Strategic Report on page 1. The Company participates in the Group centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries..

The This is Global group has prepared detailed forecasts of expected future cash flows for the three years ending 31 March 2017 ("the forecast"). The Board considers the forecast has been prepared on a prudent basis taking into account current consensus forecasts of the radio advertising market. However, the Group has also prepared a worse than expected downside scenario. Even under this sensitised scenario, the forecasts indicate that the Company can continue to trade for the foreseeable future and operate within its new facility and the associated financial covenants.

1.3 Cash flow

Under FRS 1, "Cash Flow Statement", the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

1.4 Investments

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

Where investments are listed they are revalued to market value at year end.

1.5 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1. ACCOUNTING POLICIES (continued)

1.6 Taxation

The charge or credit for the taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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.

2. OPERATING (LOSS)/PROFIT

Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, This is Global Limited. The audit fee for the company was £1,000 (2013:£1,000).

In the prior year the Company received £32,000 in respect of the sale of its investment in Kestrel FM. The investment had been previously fully written down.

On 3 June 2013, the Company purchased 2,232,534 ordinary £1 shares in its subsidiary, Castleform Limited, for £2,232,534 and purchased 6,166,891 ordinary £1 shares in its subsidiary Glabal Radio (AM) Limited (formerly GCap Media (AM) Limited. Both investments were fully written down.

3. STAFF COSTS

The Company does not directly employ any staff (2013: nil).

4. DIRECTORS' REMUNERATION

During the year ended 31 March 2014 MD Connole, RFJ Park and SG Miron received remuneration from Global Radio Services Limited and the majority of their time was spent on services to This is Global Limited, the ultimate parent company. Details of their remuneration as directors of This is Global Limited are disclosed in that company's accounts.

None of the Directors received remuneration in respect of qualifying services to this Company (2013:£nil).

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £000	*2013 £000*
Interest receivable from group undertakings	**2,888**	*3,110*
Other interest receivable	**-**	*1*
	2,888	*3,111*

6. TAXATION

	2014 £000	*2013 £000*
Analysis of tax charge in the year		
Current tax (see below)		
UK corporation tax charge on (loss)/profit for the year	**664**	*744*
Deferred tax (see note 9)		
Origination and reversal of timing differences	**2**	*4*
Tax on (loss)/profit on ordinary activities	**666**	*748*

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2013 - lower than)* the standard rate of corporation tax in the UK of 23% *(2013 - 24%)*. The differences are explained below:

	2014 £000	*2013 £000*
(Loss)/profit on ordinary activities before tax	**(5,255)**	*27,181*
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% *(2013 - 24%)*	**(1,209)**	*6,523*
Effects of:		
Expenses not deductible for tax purposes	**(10)**	*(14)*
Capital allowances for year in excess of depreciation	**-**	*(3)*
Dividends from UK companies	**(49)**	*(5,762)*
Impairment of investments	**1,932**	*-*
Current tax charge for the year (see above)	**664**	*744*

6. TAXATION (continued)

Factors that may affect future tax charges

On 20 March 2013 the Chancellor announced the reduction in the main rate of UK corporation tax to 21 per cent with effect from 1 April 2014. The Chancellor also proposed changes to further reduce the main rate of corporation tax by one per cent to 20 per cent by 1 April 2015; these changes were substantively enacted on 2 July 2013 and therefore the effect of the rate changes created a reduction in the deferred tax asset which has been included in the figures above. It is estimated that this will not have a material effect on the Company. There are no unrecorded deferred tax assets or liabilities.

7. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000	Investments in associates £000	Trade investments £000	Total £000
Cost or valuation				
At 1 April 2013	**66,415**	**337**	**673**	**67,425**
Additions	**8,399**	**-**	**43**	**8,442**
At 31 March 2014	**74,814**	**337**	**716**	**75,867**
Impairment				
At 1 April 2013	**8,922**	**-**	**-**	**8,922**
Impairment	**8,399**	**-**	**-**	**8,399**
At 31 March 2014	**17,321**	**-**	**-**	**17,321**
Net book value				
At 31 March 2014	**57,493**	**337**	**716**	**58,546**
At 31 March 2013	*57,493*	*337*	*673*	*58,503*

7. FIXED ASSET INVESTMENTS (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company. All were incorporated in the United Kingdom:

Name	Class of shares	Holding
Castleform Limited	Ordinary shares	100%
Central European Broadcasting Limited	Ordinary shares	100%
Classic FM Limited	Ordinary shares	100%
Ecast Ventures Limited	Ordinary shares	100%
Global Radio (AM) Limited (formerly GCap Media (AM) Limited)	Ordinary shares	100%
Global Radio Digital Limited (formerly GCap Media Digital Limited)	Ordinary shares	100%
Global Radio Services Limited	Ordinary shares	100%
GWR (Trustee Company) Limited	Ordinary shares	100%
GWR East Holdings Limited	Ordinary shares	100%
GWR Hungary (Investments) Limited	Ordinary shares	100%
GWR International Limited	Ordinary shares	100%
Iradio Limited	Ordinary shares	100%
Ram FM Limited	Ordinary shares	100%
Storm Broadcasting Limited	Ordinary shares	100%
Thames Valley Broadcasting Group Limited	Ordinary shares	100%
The Digital Radio Group Limited	Ordinary shares	100%
Warrington Runcorn Broadcasting Company Limited	Ordinary shares	100%
Wirral FM Limited	Ordinary shares	100%

Participating interests

Associates

Hit 40 UK Limited	Ordinary shares	34.2%	Commercial Radio Operator
Independent Radio News Limited	Ordinary shares	8.97%	Programme production

Trade investments

7Digital Group plc	Ordinary shares	3%	Commercial Radio Operator
Virtual Music Stores Limited	Ordinary shares	3%	Retail

All the above were incorporated in the United Kingdom.

The market value of the 7Digital Group (formerly UBC Media) investment was revalued to its market value at year end. The revaluation had been included in associates in the prior year, and this has been adjusted for in the current year.

On 3 June 2013, the Company purchased 2,232,534 ordinary £1 shares in its subsidiary, Castleform Limited, for £2,232,534 and purchased 6,166,891 ordinary £1 shares in its subsidiary Global Radio (AM) Limited (formerly GCap Media (AM) Limited. Both investments were fully written down.

8. DEBTORS

	2014 £000	2013 £000
Amounts owed by group undertakings	46,264	52,226
Deferred tax asset (see note 9)	11	13
	46,275	52,239

9. DEFERRED TAX ASSET

	2014 £000	2013 £000
At 1 April	13	17
Charged for year (P&L)	(2)	(4)
At 31 March	11	13

The deferred tax asset is made up as follows:

	2014 £000	2013 £000
Deferred capital allowances	11	13

10. SHARE CAPITAL

	2014 £000	2013 £000
Allotted, called up and fully paid		
131,710,143 *(2013 - 131,710,143)* Ordinary shares of £0.05 each	6,586	6,586

11. RESERVES

	Share premium account £000	Special capital reserve £000	Merger reserve £000	Profit and loss account £000
At 1 April 2013	54,115	369	47,052	2,620
Loss for the financial year	-	-	-	(5,921)
At 31 March 2014	54,115	369	47,052	(3,301)

The special capital and merger reserves arose on the acquisition of DMG Radio Holdings in 2000.

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014	*2013*
	£000	*£000*
Opening shareholders' funds	**110,742**	*112,302*
(Loss)/profit for the financial year	**(5,921)**	*26,433*
Dividends (Note 13)	**-**	*(27,993)*
Closing shareholders' funds	**104,821**	*110,742*

13. DIVIDENDS

	2014	*2013*
	£000	*£000*
Dividends paid on equity capital	**-**	*27,993*

14. CONTINGENT LIABILITIES

Contingent liabilities as at the balance sheet date were as follows:

a) An inter-group cross guarantee held by Barclays Bank (as agent) whereby the Company guarantees to meet the obligations of This is Global Limited under its banking facilities arrangements.

b) A floating charge over the assets of the Company held by Barclays Bank (as agent) by way of debenture.

c) The Company is a member of a group for VAT purposes, resulting in a joint and several liabilities for amounts owing by other group companies for unpaid VAT.

15. OPERATING LEASE COMMITMENTS

At 31 March 2014 the Company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014	*2013*
	£000	*£000*
Expiry date:		
Within 1 year	**-**	*7*
Between 2 and 5 years	**21**	*-*

16. RELATED PARTY TRANSACTIONS

As the Company is a wholly owned subsidiary of This is Global Limited the company has taken advantage of the exemption contained within FRS 8 'Related party disclosures' 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). The consolidated financial statements of This is Global Limited within which this Company is included, can be obtained from the address given in below.

During the year the Company received dividends of £213,000 (2013: £195,000) from its investment in Independent Radio News Limited.

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PART

The Directors regard This is Global Limited, a company incorporated in Great Britain and registered in England and Wales, as the Company's ultimate parent undertaking.

The Directors consider that Global Radio Group Limited, a company incorporated in Jersey, is the ultimate controlling party of the Company.

The largest and smallest group in which the results of the Company are consolidated is that headed by This is Global Limited. The consolidated financial statements of this group are available to the public and may be obtained from 30 Leicester Square, London WC2H 7LA.