Global Media & Entertainment Limited

Annual Report and Financial Statements
Year ended 31 March 2019

Company number 06251684

Global Media & Entertainment Limited

Contents

Directors and advisers

Directors

Lord Allen of Kensington CBE (Chairman)
A D Tabor OBE
S G Miron
R F J Park
M Gordon
W Harding
I L Hanson
D D Singer

Company secretary

R P Daniels

Registered office

30 Leicester Square
London
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Company number

06251684

Auditor

Deloitte LLP
Statutory Auditor
Abbotts House
Abbey Street
Reading
United Kingdom
RG1 3BD

Global Media & Entertainment Limited

Group Strategic Report

The Directors present their strategic report for Global Media & Entertainment Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 March 2019

Principal activity

The Group's principal activity during the year was the operation of commercial radio stations in the United Kingdom, although the Group has diversified into out-of-home media advertising during the year

Business review

This business review gives greater emphasis to those matters which are significant to Global Media & Entertainment Limited and its subsidiary undertakings (i e the Group) when viewed as a whole

The Group's revenue has grown for the tenth consecutive year, 24% up on prior year, organically and through acquisitions This has been supported by increased engagement with the Global portfolio of brands, both through innovative content for consumers and through creative partnering with clients Total hours have increased 1.7% year on year, with listeners engaging with 233 1m hours of radio content in this financial year[1], as well as the Group's strongest performance to date from content solutions partnerships

Commercial revenue has continued to outperform the market in revenue terms, increasing by 7% against market growth of 2%[2]

Global's Digital Audio Exchange (DAX) remains the world's largest digital audio advertising platform and is a key player in the programmatic advertising arena, with a growing number of publishers selling their inventory through DAX In the UK alone, the number of publishers has almost tripled year on year to 44 (2018 16) The market remains dynamic and advertisers are increasingly directing greater levels of spend towards tools and channels which allow more targeted and transparent campaigns The Group further extended its reach into North America through the acquisition of Leanstream Inc in Canada.

Digital engagement with Global's brands has grown year on year, with average monthly unique engagements up 30% in 2018-19. The Group has also continued to invest in the Global Player, improving functionality through sustained technological innovation, while growing the user base

This year has seen Global continue to diversify its revenue streams beyond traditional airtime, making a series of acquisitions in the out-of-home sector, purchasing Outdoor Plus, Primesight and Exterion Global will be able to reach more consumers than ever before and generate significant synergies through the integration of these businesses

The Group's adjusted EBITDA[3] of £117 2m increased by 13% on the prior year figure of £104 0m Adjusted EBITDA margin dropped slightly from 27% to 24%, generating a statutory loss of £32 7m compared to the prior year profit of £19 7m, largely due to increased digital investment, costs of entering the out-of-home advertising market and the impact of refinancing within the Group

In October 2018, Ofcom amended the regulations around local programming to ensure that radio broadcasting was able to remain competitive amidst changing listener habits and an increasingly digitised landscape Global responded by launching nationwide breakfast shows across Capital and Heart, and announcing a national drivetime show on Smooth. The changes will allow the Group to offer true national competition to the breakfast shows across BBC Radio 1 and Radio 2

Now in its second year, the prestigious Global Awards brought together all of Global's radio stations, including Capital, Heart, Smooth, Classic FM, LBC, Radio X, Capital XTRA and Gold, with award categories reflecting the music, programmes and news aired throughout the year Global has continued to host world-class live music, from small-scale gigs with Radio X and Heart, to Capital's long-established stadium events, securing internationally-renowned talent across the brand portfolio

At the end of the financial year, the Group sought to dispose of its interests in music festivals to allow the Group to focus on the opportunities offered by the new Outdoor division The Group has recorded an impairment to goodwill and brand values during the year (note 10) The transactions occurred after the reporting date, with the majority completed at the date of signing

Global's Make Some Noise, the Group's charity, continued to raise money for disadvantaged children and young people and to give a voice to smaller charities that find it hard to get heard Global's Make Some Noise raised over £4 5m (2018 £3 7m) in the year, awarding grants to 31 charities and projects across the UK. Since its launch in

[1] RAJAR website
[2] Radiocentre website
[3] As defined in the appendix to the accounts

Group Strategic Report (continued)

2014, Global's Make Some Noise has raised more than £15 million for 224 charities around the UK, helping more than 73,000 children and young people

Global continues to sponsor the Global Academy, a university technical college in Hayes, Middlesex, which opened in 2016 and provides academic and vocational education for students who want to work in the broadcast and digital media industry

In December 2018, the Group undertook refinancing of its external banking facilities, entering new term loans for £350 0m, and completed a restructuring of shareholder debt No shares were issued or converted during the year

Financial performance

The consolidated income statement is set out on page 20 and shows revenue for the year ended 31 March 2019 of £480 0m, an increase of 24% on last year's figure of £388 0m Operating profit of £42 3m decreased by £40 8m compared to last year's figure of £83 1m Operating profit is stated after charging depreciation of £11 5m (2018 £4 4m) and amortisation of £25 1m (2018 £19 4m) The loss before taxation of £19 4m (2018: profit of £25 1m) is largely due to revenue growth offset by deal-related costs, non-recurring items, impairment of assets and increased finance charges as a result of the debt restructuring

The Directors consider that adjusted EBITDA (as defined in the appendix to the Group Financial Statements) represents a key measure of the business performance as it demonstrates the underlying trading by excluding the effects of non-recurring items The results for the year set out below show growth of £13 2m (13%) in adjusted EBITDA from £104 0m in 2018 to £117 2m for the year ended 31 March 2019

	Year ended 31 March 2019 £m	Year ended 31 March 2018 £m
Radio	**358.4**	329 5
Outdoor (note 1)	**52.0**	-
Music festivals	**69.6**	58 5
Total revenue	**480.0**	388 0
Direct costs	**(166.2)**	(107 2)
Gross profit	**313.8**	280 8
Other operating costs (note 2)	**(196.6)**	(176 8)
Adjusted EBITDA (appendix)	**117.2**	104 0

Note 1 Outdoor comprises Outdoor Plus and Primesight consolidated from the dates of acquisition, and excludes Exterion

Note 2 Other operating costs represent administrative expenses and exclude depreciation, amortisation and impairment, as well as charges or credits relating to non-recurring items, which include restructuring and integration costs, such as launch costs including rebranding, redundancy costs and vacant property provisions Costs associated with acquisitions are also excluded This is consistent with prior year

As defined in the appendix to the accounts, adjusted EBITDA comprises earnings before interest, tax, depreciation and amortisation and is stated before any charges or credits relating to non-recurring items including restructuring and integration costs, such as launch costs including rebranding, redundancy costs and vacant property provisions, as well as costs of acquisition This classification is consistent with prior year

Going concern

At 31 March 2019 the Group had net liabilities of £368 6m (2018 £331 7m) The Directors confirm that, after making enquiries, they have a reasonable expectation that the Company has adequate resources and the support of the holders of the related party loans, principally owed to owner-shareholders, 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 in note 1 of the financial statements

Future developments

The Directors believe that the year ended 31 March 2019 reflected a return to the Radio operating segment's typical trading levels after the prior year's exceptional results The Group expects moderate but stable growth across its commercial radio and out-of-home advertising operations in the short and medium term, although the wider market

Group Strategic Report (continued)

outlook remains uncertain The Directors continue to explore a number of opportunities to grow and expand the existing business

Principal risks and uncertainties

The principal risks faced by the business can be divided into operational, commercial, financial, credit and liquidity risks The risks are monitored and managed at a Group level and by local management teams

Operational risk

Audience levels at the Group's stations could erode the Group's position, both in local markets and in the national marketplace, if they were to decline To address this, the Group markets its radio brands regularly and continually strives to improve programming standards to increase audiences, investing in the best on-air talent in order to create high-quality content The Group carries out research on its listeners, building profiles of their likes and dislikes, and uses this to develop both the sound of the stations, and the music they play

The Group has tried to mitigate these risks by extending its presence in the digital advertising market with further investment in its DAX proposition, including international expansion, and by diversifying into out-of-home media, in order to extend its impact across a wider consumer base

Commercial risk

There is a risk that weakness in the advertising market could put pressure on traditional revenue streams. To address this, the Group has been developing its relationship with advertisers and agencies to ensure that the value of its brands is fully realised This includes offering tailored solutions to advertisers and highlighting the breadth of the Group's products, which was enhanced with the creation of the new Outdoor division The development of new media opportunities is at the heart of the Group's strategy, which will continue to reduce the pressure on traditional revenue generators

While the impact of the United Kingdom leaving the European Union remains uncertain and hard to assess, based on current UK growth forecasts there is a risk that revenues will be lower than forecast in the coming years In addition, there are other related factors which affect the Group, for example, the impact of a tougher UK business environment on interest rates and therefore long-term bond yields and the Group pension liabilities, or changes in foreign exchange rates, as the Group expands internationally and increases trading in other currencies

The Group has analysed the potential impact on the business of a financial downturn through detailed scenario modelling and assessments of performance during historic economic recessions In a downside scenario, the Group would implement various cost reduction strategies in order to preserve margin performance and no breach of financial covenants would be expected as a result

Financial risk

The Group is primarily funded by both related party and bank debt Bank debt increased in the year after the refinancing in December 2018 The Group's operations are cash-generative, and general exposure to liquidity risk is considered to be low The Group monitors performance against its banking covenants on a quarterly basis

Credit risk

The Group actively mitigates the risk of payment default by its customers using trade credit insurance and by regularly reviewing outstanding payments and provisions for payment default

Liquidity risk

To maintain liquidity and ensure that sufficient funds are available for ongoing operations and future developments, the Company uses long-term debt finance The Group has not significantly altered its working capital management strategies during the year and is not subject to any externally-imposed requirement in this regard

Key performance indicators

The business uses key performance indicators which are monitored on a regular basis and include audience trends such as weekly reach, listening hours, share of the market and demographic mix as well as financial indicators such as revenue, adjusted EBITDA and operating margins. Variance analysis is performed monthly, the results of which are monitored and discussed within a formal meeting structure

This report was approved by the Board and signed on its behalf by

D Singer

D D Singer
Director
26 July 2019

Group Directors' Report

The Directors present the Directors' report and the audited financial statements of the Group and the Company for the year ended 31 March 2019

Results and dividends

The loss for the year after taxation amounted to £32 7m (2018 profit of £19 7m) The Directors do not recommend the payment of a dividend (2018 £nil)

Directors

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

Lord Allen of Kensington CBE (Chairman)
A D Tabor OBE
S G Miron
R F J Park
M Gordon
W Harding
I L Hanson
D D Singer

Political and charitable contributions

The Group is involved with several charities linked to its radio operations and, during the course of the financial year, the Group's charities were involved in fundraising activities which generated £4 5m (2018 £3 7m) as part of Global's Make Some Noise The Group's charities also received funding of £0 4m (2018 £1 5m) for the Big Music Project, which has been fully funded by grants from The National Lottery Community Fund, previously know as the Big Lottery Fund, as in the prior year

As well as providing radio airtime and outdoor inventory to promote the activities and events of its charities, the Group provides a number of services to these charities, including the use of offices and administration services, free of charge

The Group's donations to charities amounted to £0 2m (2018 £0 2m) No contributions were made to political organisations

Future developments

The Directors believe that the level of activity will remain at current levels of growth for the foreseeable future The Directors continue to explore several opportunities to grow and expand the existing business

Financial instruments

The Group's risk management process and the policies for mitigating certain type of risks are set out in note 20 Details of the financial instruments used for these purposes are in note 16 to the consolidated financial statements

Non-financial key performance indicators

The Directors regularly assess the performance of the Group with a number of financial indicators, though the main non-financial measures are audience figures, as recorded in RAJAR surveys, and outdoor advertising reach, as measured by Route, a joint industry body producing estimates for out-of-home advertising These figures are used commercially, in terms of determining campaign value, but also as a guide as to how each brand, location and format is performing Both RAJAR results and Route data are based on statistical calculations based on surveys completed by members of the public, and are published quarterly

Employee involvement

The Group places considerable value on the involvement of its people and has continued to keep them informed on matters affecting their employment and on a range of factors affecting the performance of the Group and the Company This is achieved through formal and informal meetings, including regular panel interviews with Board members and presenters, such as James O'Brien and recently Tom Swarbrick, across the Group's broadcast centres Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests with the majority of the workforce engaged in shaping the Group's refreshed culture and wellbeing policies

Climate change

The Group takes its environmental stewardship seriously, acknowledging its impact at its own sites and from staff travel Global's transmitters are powered 99% from renewable energy sources through the Group's third party transmissions provider, and all offices use sustainable sources of energy Global continues to pursue a policy of reducing and recycling waste across its broadcast centres, and has committed to eliminating single-use plastics backstage at events and throughout offices by December 2019

While climate change is not seen as a significant risk to the group, Global's belief is that everyone has a responsibility to reduce their own impact, and the areas outlined above are the first steps in that direction

Group Directors' Report (continued)

Social matters and human rights

Global impacts the social fabric of the United Kingdom both through its programming and events it provides to its audiences, and also through how it operates as an organisation As an employer, Global seeks to create a socially diverse environment where individuals are able to thrive regardless of ethnicity, gender, age, disability or sexuality, and upholds a fairness policy addressing equal opportunities and diversity throughout the Group's operations

The Group is fully committed to ensuring it does not participate in, or facilitate, the violation of human rights Its Modern Slavery Act Statement addresses how the Group identifies, addresses and prevents modern slavery in its business and wider supply chain This statement is available on the company website and is reviewed annually

Global has also published Privacy and Data Protection policies, as well as an Information Security policy, detailing how it manages and stores individuals' information whether they are employed by, or providing information to, the Group

Global interacts with a large number of individuals during the ordinary course of its operations and as such, has a safeguarding policy in place for dealing with children or vulnerable adults to ensure their safety while they are with us

Anti-corruption and anti-bribery

All of the Group's employees are required to read and to acknowledge the policy on anti-corruption and bribery. The implications of not following the policy are set out in the guide issued and available to all staff

Disabled employees

Applications for employment from disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned As a people-focussed business, we make sure that we recruit the right person for the job every time, whatever their background

In the event of a member of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate adjustments are made It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees

Qualifying third party indemnity provisions

The Directors benefit from qualifying third party indemnity provisions in place The Group also provided qualifying *third-party indemnity provisions to certain Directors of associated companies during the financial year*

Matters covered in the strategic report

Details of the principal risks faced by the Group, including operational, commercial, financial, credit and liquidity risks, are discussed in the Group Strategic Report

Provision of information to the auditor

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

• so far as that each Director is aware, there is no relevant audit information of which the Group and the Company's auditor is unaware, and

• that each 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 Group and the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006

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 and signed on its behalf by

D D Singer
Director
26 July 2019

Statement of Directors' Responsibilities

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 group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework" 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 the parent company 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

In preparing the group financial statements, International Accounting Standard 1 requires that Directors

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the company's ability to continue as a going concern

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

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Independent Auditor's Report to the Members of Global Media & Entertainment Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- ***the financial statements of Global Media & Entertainment Limited (the 'parent company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 March 2019 and of the Group's loss for the year then ended;***
- **the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European *Union;***
- **the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and**
- **the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.**

We have audited the financial statements which comprise:

- the Group income statement;
- the Group statement of comprehensive income;
- the Group statement of financial position and parent company balance sheet;
- the Group and parent company statements of changes in equity;
- the Group statement of cash flows; and
- the related notes 1 to 38.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and IFRSs as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) *and applicable law. Our responsibilities under those standards are further described in the auditor's* responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report to the Members of Global Media & Entertainment Limited (continued)

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Completeness of Airtime revenue; • Valuation of related party loans; and • Outdoor plus and Primesight IFRS 3 acquisition accounting judgements.
Materiality	The materiality that we used for the Group financial statements was £6.0m which was determined using 5% of annualised adjusted EBITDA, representing a full year's results of Outdoor Plus and Primesight and excluding Festivals.
Scoping	Our Group audit was split into three separate components: • Commercial radio broadcasting ("Radio"); • Music festivals ("Festivals"); and • Outdoor Plus and Primesight ("Outdoor"). We performed a full scope audit in respect of Radio and specified audit procedures over select account balances for Festivals and Outdoor with a collective representation of 100% of the Group's revenue and 100% of the adjusted EBITDA.
Significant changes in our approach	Our FY19 report includes one new key audit matter being the IFRS 3 acquisition accounting judgements in relation to the Outdoor plus and Primesight acquisitions.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Independent Auditor's Report to the Members of Global Media & Entertainment Limited *(continued)*

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The most significant change in the current year is in respect to the acquisition of Outdoor Plus and Primesight, we have included this as a key audit matter below.

Completeness of Airtime revenues	
Key audit matter description	Airtime revenues totalled £194.7m in FY19 accounting for 41% of the Group's revenue. Airtime revenues are generated via placement of customer advertisements on the Group's radio networks; whereby advertisements are allocated to pre-determined slots, with the corresponding revenue recognised at the point at which the associated advertisement is broadcast. Billing and revenue recognition processes are highly automated and dependent on the operating effectiveness of certain key IT controls and the interfacing capability of the Group's IT and finance systems. Accordingly, we consider the completeness of Airtime revenues recognised in the year ending 31 March 2019 to represent a key audit matter on account of the reliance placed on the interaction between systems and the quantitative significance of Airtime revenues recorded (see accounting policy note bb).
How the scope of our audit responded to the key audit matter	We performed the following audit procedures to assess the completeness of Airtime revenues: • Gained an understanding of the control environment in place, specifically the processes and controls deployed to mitigate the risk of material misstatement; • Assessed the design and implementation and tested the operating effectiveness of relevant automated and manual controls surrounding the Group's revenue recognition processes, specifically the reconciliations performed between scheduling, play out and billing systems; • Engaged our internal IT specialists to assess the Group's general IT controls pertaining to key systems to include review interfacing and flow of information, report logic, change management and data export and import processes; and • Agreed a sample of advertisements from the list of live broadcasts throughout the year to the Group's scheduling and finance systems.
Key observations	We did not identify any material misstatements in the course of our work. Accordingly we are satisfied as to the completeness of Airtime revenues recognised in the year.

Independent Auditor's Report to the Members of Global Media & Entertainment Limited (continued)

Valuation of related party loans	
Key audit matter description	The Group is funded in part through related party loans in the form of shareholder and senior term loan notes and loans from its parent and connected parties (collectively "the loans"). As at 31 March 2019 related party loans amounted to a fair value of £1,251m (FY18 £649.6m), the significant increase was owing to the loans received from related parties in order to fund the Group's acquisition of Outdoor Plus, Primesight and the investment in Exterion. See borrowings accounting policy note 1u and critical accounting judgement note 1i. As set out in note 16 to the Financial Statements, the loans are individually extended at below (0%) around (7% + Libor) and above (10.5% + Libor) market rates of interest. In line with the requirements of IFRS 9 *Financial Instruments*, management is required to make an assumption as to the market rate of interest applicable in determining the fair value of related party loans. Management have determined a market rate of interest to be 7.9%. Owing to the quantitative significance of the loans, the applicable interest rate is considered highly sensitive whereby a marginal change could result in a material change in the fair value of borrowings recognised.
How the scope of our audit responded to the key audit matter	We performed the following audit procedures to assess the valuation of related party loans recognised: • Gained an understanding of the control environment in place, specifically the processes and controls deployed to mitigate the risk of material misstatement; • Assessed the design and implementation of relevant controls in respect of management's judgements and calculations; • Challenged management's assessment of the changes to the loans and whether these were modifications or extinguishments; • Challenged the reasonableness of the interest rate applied by management through review of equivalent rates applied by comparable companies in the sector and calculating our own independent interest rate; • Challenged and assessed the mechanical accuracy of management's sensitivity analysis and reviewed the required disclosures; • Assessed the integrity of key inputs and the mechanical accuracy of management's fair value calculation through recalculation; and • Obtained copies of supporting agreements to validate keys terms of the loans and any extensions.
Key observations	We did not identify any material misstatements in the course of our work. Accordingly we are satisfied as to the valuation of the related party loans. We considered the disclosure in accounting policy note 1i showing management's sensitivity of the discount rate was appropriate.

Outdoor plus and Primesight IFRS 3 acquisition accounting judgements	
Key audit matter description	As described in Note 24, during the year, the Group completed the acquisition of Outdoor plus and Primesight (together "Outdoor"). The transactions have been accounted for in accordance with IFRS 3 'Business Combinations'. £149.3m of goodwill has been recognised, in addition to £5.6m of net liabilities, of which £179.9m represents right-of-use assets.

Independent Auditor's Report to the Members of Global Media & Entertainment Limited (continued)

	We have identified a key audit matter in relation to the completeness and valuation of separately identifiable assets recognised upon acquisition due to the judgement required in this assessment. See business combinations accounting policy note 24 and critical accounting judgement note 1i. Management's calculation of the price allocation valuation in respect of the Outdoor tangible fixed assets is provisional as at 31 March 2019 and this has been disclosed within note 24 of the Financial Statements.
How the scope of our audit responded to the key audit matter	We performed the following audit procedures to gain comfort over management's assessment of the acquisition balance sheets: • Gained an understanding of the control environment in place, specifically the processes and controls deployed to mitigate the risk of material misstatement, and tested management's implementation of this; • Performed specified audit procedures on the underlying net liability position; • Challenged revenue growth and profit margin assumptions considering historical accuracy of budgeting and benchmark data; • Engaged our valuation specialists in order to assess the reasonableness of intangible assets identified and IFRS 3 valuation adjustments; • Tested the valuation input data to board approved forecasted data; and • Assessed management's workings on Goodwill impairment as at the year end.
Key observations	We considered that management's judgement on the valuation of acquisition net assets is appropriate and is this approach is permitted under IFRS 3.

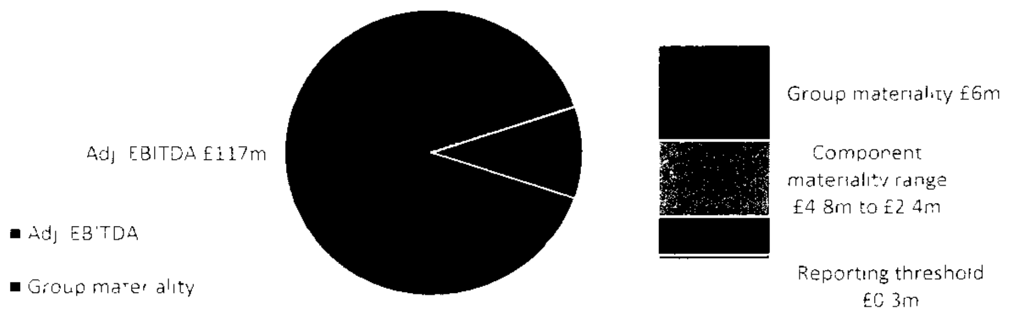
Independent Auditor's Report to the Members of Global Media & Entertainment Limited (continued)

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£6m (2018: £5m)	£4.5m (2018: £4.9m)
Basis for determining materiality	Our determination of materiality is reflective of our consideration of a range of possible outcomes using an annualised adjusted EBITDA and a full year's results of Outdoor Plus and Primesight and excluding Festivals. Materiality of £6.0m represents 5% of this measure.	Parent company materiality equates to 2% of company only net liabilities and is capped at 75% of Group materiality.
Rationale for the benchmark applied	Adjusted EBITDA is considered to represent the single most important key performance indicators of the Group and the area of interest of major stakeholders.	The parent company holds the Group's related party borrowings, these are the only instruments of significance in the parent only financial statements.



We agreed with the Board of Directors that we would report all audit differences in excess of £0.3m (2018: £0.25m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Board of Directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Independent Auditor's Report to the Members of Global Media & Entertainment Limited (continued)

An overview of the scope of our audit

The Group operates predominantly in the United Kingdom. The parent company and all subsidiaries of the Group are centrally managed from the head office in London. Our audit was scoped by obtaining an understanding of the Group and its control environment, and assessing the risks of material misstatement at the Group level. No component auditors were engaged as part of our audit of the Group.

We consider that the Group comprises three key components:

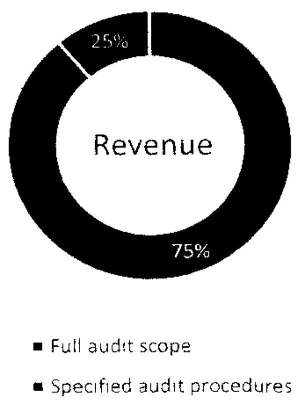
- Radio: the Radio component is considered a financially significant component of the Group representing 75% of the Group's revenue and 89% of the Group's adjusted EBITDA. Accordingly, full scope audit procedures have been performed to a component materiality of £4.8m.

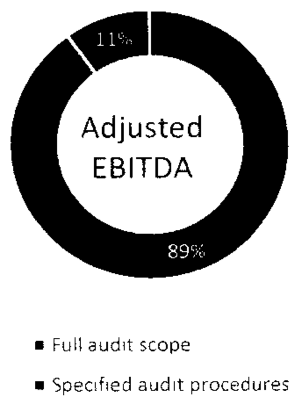
- Festivals: Festival entities are individually immaterial to the Group with the aggregate accounting for 14% of the Group's revenue and 3% of the Group's adjusted EBITDA. Accordingly, certain specified audit procedures have been performed over selected account balances using a component materiality of £2.4m.

- Outdoor: The acquired businesses Outdoor Plus and Primesight are not financially significant to the Group with the aggregate accounting for 11% of the Group's revenue and 8% of the Group's adjusted EBITDA. Accordingly, certain specified audit procedures have been performed using a component materiality of £2.4m.

The components identified above are consistent with the reportable segments set out in note 2 to the financial statements and have been selected based on their size in the context of the Group as a whole.

Our audit work on these components, excluding the parent company, was executed at levels of materiality ranging between £2.4m and £4.8m which were lower than Group materiality of £6.0m. Our audit coverage with respect to Group revenue, adjusted EBITDA:





Independent Auditor's Report to the Members of Global Media & Entertainment Limited (continued)

Other information

We have nothing to report in respect of these matters.

The directors are responsible for the other information. The other information comprises the information included in the Group strategic and Group Directors' report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report to the Members of Global Media & Entertainment Limited (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Group directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Group directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Group directors' report.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

Independent Auditor's Report to the Members of Global Media & Entertainment Limited (continued)

Use of our report

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.

Andrew Evans

Andrew Evans

FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Reading, UK

26 July 2019

Group Income Statement

For the year ended 31 March 2019

	Note	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Revenue	4	**480,045**	388,009
Direct costs		**(166,256)**	(107,210)
Gross profit		**313,789**	280,799
Administrative expenses		**(271,447)**	(197,703)
Operating profit	3	**42,342**	83,096
Finance income	7	**18,702**	1,211
Finance expense	8	**(81,702)**	(60,431)
Net finance costs		**(63,000)**	(59,220)
Share of profit of equity-accounted investees, net of tax	12	**1,281**	1,260
(Loss) / profit before taxation		**(19,377)**	25,136
Income tax charge	9	**(13,360)**	(5,452)
(Loss) / profit for the year		**(32,737)**	19,684
Attributable to:			
Owners of the Company		**(34,977)**	18,666
Non-controlling interests	21	**2,240**	1,018
		(32,737)	19,684

The notes on pages 26 to 67 form part of these financial statements

Group Statement of Comprehensive Income

For the year ended 31 March 2019

	Note	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
(Loss) / profit for the year		**(32,737)**	19,684
Items that will not be reclassified to profit or loss:			
Actuarial loss related to the pension scheme	26	**(1,365)**	(207)
Foreign exchange losses		**(510)**	
Deferred tax on actuarial loss	18	**98**	32
Other comprehensive (loss) / profit for the year, net of tax		**(1,777)**	(175)
Total comprehensive (loss) / profit for the year		**(34,514)**	19 509
Attributable to			
Owners of the Company		**(36,754)**	18,491
Non-controlling interests		**2,240**	1,018
		(34,514)	19,509

The notes on pages 26 to 67 form part of these financial statements

Global Media & Entertainment Limited

Group Statement of Financial Position

As at 31 March 2019
Registered number: 06251684

	Note	31 March 2019 £'000	31 March 2018 £'000
ASSETS			
Non-current assets			
Intangible assets	10	**716,707**	417,046
Property, plant and equipment	11	**96,570**	26,678
Equity accounted investments	12	**1,464**	1,152
Investments	13	**428,237**	5,780
Surplus on defined benefit pension scheme	26	**1,626**	1,089
Deferred tax asset	18	-	1,622
		1,244,604	453,367
Current assets			
Inventory		**257**	-
Current tax assets		-	-
Trade and other receivables	14	**124,990**	84,104
Cash and cash equivalents		**88,271**	57,203
		213,518	141,307
Total assets		**1,458,122**	594,674
LIABILITIES			
Current liabilities			
Trade and other payables	15	**160,475**	105,323
Borrowings	16	**64,134**	38,294
Income tax liabilities		**5,852**	3,618
Provisions	17	**1,413**	807
		231,874	148,042
Non-current liabilities			
Trade and other payables	15	-	16,332
Borrowings	16	**1,552,349**	761,476
Provisions	17	**10,051**	567
Deferred tax liabilities	18	**32,419**	-
		1,594,819	778,375
Total liabilities		**1,826,693**	926,417
Net liabilities		**(368,571)**	(331,743)
EQUITY			
Share capital	19	**171,889**	171,889
Retained deficit		**(540,460)**	(503,632)
		(368,571)	(331,743)
Attributable to:			
Shareholders funds		**(380,292)**	(344,453)
Non-controlling interests	21	**11,721**	12,710
Total equity		**(368,571)**	(331,743)

The notes on pages 26 to 67 form part of these financial statements

The financial statements were approved and authorised for issue by the board of Directors on 26 July 2019 and were signed on its behalf by

D. Singer

D D Singer
Director
26 July 2019

Global Media & Entertainment Limited

Group Statement of Changes in Equity

For the year ended 31 March 2019

	Note	Share capital	Put option reserve	Retained deficit	Total	Non-controlling interests	Total equity
		£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2017		165 310	(16,679)	(509,418)	(360,787)	12,128	(348 659)
Shares issued in the year		6,579	-	-	6,579	-	6,579
Profit for the year		-	-	18,666	18 666	-	18 666
Non-controlling interest share of profit	21	-	-	-	-	1,018	1 018
Dividends paid to non-controlling interests	21	-	-		-	(1,654)	(1 654)
Non-controlling interests acquired during the year	21	-	-	-		1,218	1 218
Actuarial loss related to the pension scheme	26	-	-	(207)	(207)	-	(207)
Fair value of put option payments		-	(8 736)	-	(8 736)	-	(8 736)
Deferred tax on actuarial loss	18	-	-	32	32	-	32
At 31 March 2018		**171,889**	**(25,415)**	**(490,927)**	**(344,453)**	**12,710**	**(331,743)**
At 1 April 2018		171 889	(25,415)	(490,927)	(344,453)	12 710	(331,743)
Shares issued in the year	19	-	-	-	-	-	-
Profit for the year		-		(34 977)	(34,977)	-	(34,977)
Non-controlling interest share of profit	21	-	-	-	-	2,240	2 240
Dividends paid to non-controlling interests	21	-	-	-	-	(3,428)	(3 428)
Non-controlling interests acquired during the year	21	-		-	-	199	199
Actuarial loss related to the pension scheme	26	-		(1 365)	(1 365)	-	(1 365)
Foreign exchange movements				(510)	(510)		(510)
Fair value of put option payments		-	915	-	915	-	915
Deferred tax on actuarial loss	18	-	-	98	98	-	98
At 31 March 2019		**171,889**	**(24,500)**	**(527,681)**	**(380,292)**	**11,721**	**(368,571)**

The notes on pages 26 to 67 form part of these financial statements

Global Media & Entertainment Limited

Group Statement of Cash Flows

For the year ended 31 March 2019

	Note	**Year ended 31 March 2019**	Year ended 31 March 2018
		£'000	£'000
Cash flows from operating activities			
(Loss) / profit for the year		**(32,737)**	19,684
Adjustments for:			
Depreciation	11	**11,543**	4,445
Amortisation	10	**25,058**	19,412
Loss on disposal of property, plant and equipment	11	**32**	297
Net finance costs		**63,000**	59,220
Share of profits of equity-accounted investments	12	**(1,281)**	(1,260)
Movement in retirement benefit obligations		**(1,844)**	139
Movement in put option reserve		**(962)**	(9,083)
Profit on disposal of investments	13	**(5,874)**	–
Impairment loss	10	**25,419**	
Income tax charge		**13,360**	5,452
		95,714	98,306
Changes in:			
Inventories		**(85)**	-
Trade and other receivables		**(4,734)**	(15,142)
Trade and other payables		**(6,338)**	254
Provisions		**2,711**	(1,347)
Cash generated from operating activities		**87,268**	82,071
Interest paid		**(5,129)**	(3,224)
Income taxes paid		**(9,093)**	(5,102)
Net cash from operating activities		**73,046**	73,745
Cash flows from investing activities			
Interest received		**28**	23
Dividends received from associates	12	**969**	1,905
Acquisition of subsidiaries, net of cash acquired		**(355,938)**	(5,249)
Acquisition of investments	13	**(428,057)**	–
Additions of property, plant and equipment	11	**(18,702)**	(6,252)
Additions of intangible assets	10	**(7,634)**	(5,176)
Proceeds from disposal of investments		**11,474**	–
		(797,860)	(14,749)
Cash flows from financing activities			
Proceeds from borrowings		**1,138,000**	4,271
Repayments of loans and borrowings		**(373,392)**	(45,716)
Payment of debt issue costs		**(5,298)**	(32)
Dividends paid to non-controlling interests	21	**(3,428)**	(1,654)
		755,882	(43,131)
Increase in cash and cash equivalents		**31,068**	15,865
Cash and cash equivalents at the start of the year		**57,203**	41,338
Cash and cash equivalents at the end of the year		**88,271**	57,203

Group Statement of Cash Flows (continued)

The movements in Group liabilities in the year as a result of financing activities are set out within the below reconciliation

Liabilities	Year ended 31 March 2018	Cash flows	Accrued Interest	Debt issuance costs	Changes in fair value	**Year ended 31 March 2019**
	£'000	£'000	£'000	£'000	£'000	**£'000**
Long-term borrowings	799 770	764,607	74,107	(4,452)	(17,549)	**1,616,483**
Total Liabilities from financing activities	799 770	764,607	74,107	(4,452)	(17,549)	**1,616,483**

The notes on pages 26 to 67 form part of these financial statements

Notes to the Group Financial Statements

1. Accounting policies

a) Reporting entity

Global Media & Entertainment Limited (the "Company") is an incorporated company limited by shares and domiciled in the United Kingdom Its registered address is 30 Leicester Square, London, WC2H 7LA

These consolidated financial statements are for the Global Media & Entertainment Limited group (the "Group") and they comprise the Company and its subsidiaries which are listed in full in note 32 of the Company financial statements

The Group's principal activity during the year was the operation of commercial radio stations in the United Kingdom

The Group financial statements were approved by the Board of Directors on 26 July 2019

b) Statement of compliance

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and the Companies Act 2006

c) Functional and presentational currency

These financial statements are presented in pound sterling (£), which is the Group and the Company's functional and presentational currency All amounts have been rounded to the nearest thousand, unless otherwise indicated

d) Basis of preparation

The financial statements have been prepared on a historical cost basis The accounting policies set out below have been applied consistently to the Group to all periods presented in these financial statements, except in the case of new accounting standards adopted in the year, detailed below

e) Basis of consolidation

The Group financial statements comprise the financial statements of the Company and its subsidiaries The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies

A subsidiary is an entity controlled, either directly or indirectly, by the Company An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee The Group has recorded the acquisition in Semper Veritas S a r l ("Exterion") as a financial asset as at the year end given the restrictions on control (see note 24)

The results of a subsidiary acquired during the period are included in the Group's results from the effective date on which control is transferred to the Group All intercompany balances and transactions, including unrealised profits arising from intra-Group transactions, have been eliminated in full.

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of transition

f) Interests in equity-accounted investments

The Group's interests in equity-accounted investments comprise interests in associates and joint ventures

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities

Interests in associates and joint ventures are accounted for using the equity method They are initially recognised at cost, which includes transaction costs Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity-accounted investments, until the date on which significant influence or joint control ceases

g) Call and put options

Valuation of call and put options

When the Group enters in to call or put options to purchase equity, the fair value of the option is recorded on the statement of financial position Any subsequent movement in the fair value of the option is taken to profit and loss

Put option reserve

The put option reserve is the estimated cost of settling the Group s put options for non-controlling interest shareholdings

Notes to the Group Financial Statements

1. Accounting policies (continued)

h) New accounting standards and interpretations not yet effective

New accounting standards
The following new standards, amendments to standards and interpretations issued by the International Accounting Standards Board ("IASB") became effective during the year ended 31 March 2019 The accounting policies adopted in the presentation of these financial statements reflect the adoption of the following new standards, amendments to standards and interpretations as of 1 April 2018 The adoption of these standards has not impacted the Group's earnings, however has required certain reclassifications in the Group Statement of Financial Position and introduced additional disclosure requirements

- IFRS 9 *Financial Instruments*
- IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 *Revenue from contracts with customers*

Background

Replacing IAS 18 'Revenue' and related interpretations, IFRS 15 *Revenue from Contracts with Customers* (as amended in April 2016) establishes new requirements for recognising revenue from contracts with customers The standard introduces a five-step model which, in summary, requires entities to determine the total transaction price of the contract and allocate that value to individual performance obligations within the contract based on their relative standalone selling prices Revenue is then recognised as each performance obligation is satisfied, either at a point in time (generally for the transfer of goods) or over time (for the provision of services)

Transition

IFRS 15 has been adopted using the cumulative effect method Under this transition method, the full cumulative impact of adopting the standard is recognised as an adjustment to the retained earnings balance at the date of adoption However, the Group's assessment of the impact of adopting this standard has resulted in no material differences to the Group's retained earnings balance as at 1 April 2018

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe 'accrued revenue' and 'deferred revenue' and the Group has adopted this terminology

Apart from providing more extensive disclosures for the Group's revenue transactions and changes in terminology, the application of IFRS 15 has not had a significant impact on the overall financial performance or position of the Group

The amount of adjustment for each financial statement line item affected by the application of IFRS 15 is illustrated below

Group Statement of Financial Position

As at 31 March 2019	As reported (IFRS 15) £000	Adjustments £000	Without adoption of IFRS 15 (IAS 18) £000
Current assets			
Contract assets	11,267	(11,267)	-
Accrued income	-	11,267	11,267
Total current assets	11,267	-	11,267
Current liabilities			
Contract liabilities	23,891	(23,891)	-
Deferred income	-	23,891	23,891
Total current liabilities	23,891	-	23,891

The transition has not resulted in any differences to the Group statement of comprehensive income

Notes to the Group Financial Statements

1. Accounting policies (continued)

IFRS 9 *Financial instruments*

Background
Under IFRS 9, the treatment for financial liabilities remains largely consistent with IAS 39, with most changes related to the treatment of financial assets

Transition
Given that the Group does not take part in hedging or complex derivative-based arrangements, the financial assets of the Group have been largely unimpacted by the transition to IFRS 9 and no matters have been identified with any material impact as part of the Group-wide review

Standards effective in future periods

Certain new standards, amendments and interpretations to existing standards have been published that are relevant to the Company's activities and are mandatory for the Company's accounting periods beginning after 1 January 2019 or later and which the Company has decided not to adopt early

Effective for periods starting on or after 1 January 2019

- IFRS 16 *Leases* (will become effective for accounting periods starting on or after 1 January 2019)
- IFRIC 23 *Uncertainty over Income Tax Treatments*
- Amendments to IFRS 9 *Prepayment Features with Negative Compensation*
- Amendments to IAS 28 *Long-term Interests in Associates and Joint Ventures*
- Amendments to IAS 19 *Employee Benefits – Plan Amendment, Curtailment or Settlement*
- Annual improvements to IFRS Standards IFRS 3 *Business Combinations,* IFRS 11 *Joint Arrangements,* IAS 12 *Income Taxes* and IAS 23 *Borrowing Costs*

Effective for periods starting on or after 1 January 2020

- *Definition of a Business* – Amendments to IFRS 3
- *Definition of Material* – Amendments to IAS 1 and IAS 8
- *The Conceptual Framework for Financial Reporting*
- IFRS 17 *Insurance Contracts*

The Directors considered the impact on the Group's financial information and have considered only IFRS 16 to have a material effect immediately upon adoption on 1 April 2019.

IFRS 16 *Leases*

The new accounting standard, IFRS 16 *Leases,* endorsed by the EU on 9 November 2017 and effective for the Group from 1 April 2019, provides a comprehensive model for the identification of lease arrangements and their treatment for both lessors and lessees, superseding IAS 17 *Leases*

Impact of the new definition of a lease

The Group will make use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to apply to those leases entered or modified before 1 April 2019

The change in definition of a lease mainly relates to the concept of control IFRS 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer

Impact on lessee accounting

IFRS 16 introduces changes to lease accounting for lessees under operating leases, requiring recognition of an asset and a liability to represent the right of use and future lease payments respectively, where previously these leases were 'off-balance sheet' Lease costs (such as rent) will be recognised in the form of depreciation and interest, rather than as an operating cost, which will also impact the classification of associated cashflows in the Group Statement of Cash Flows

The Group plans to adopt on a modified retrospective basis with the right of use asset equal to the lease liability at transition date, less any lease incentives received No prior year restatement will be required

Under IFRS 16, right-of-use assets will be tested for impairment in accordance with IAS 36 *Impairment of Assets,* replacing the previous requirement to recognise a provision for onerous lease contracts

For leases with terms of 12 months or less, and for those of low-value assets, the Group will opt to recognise a lease expense on a straight-line basis as permitted by IFRS 16

Notes to the Group Financial Statements

1. Accounting policies (continued)

The Directors expect the revisions to have a material impact on the presentation of the Company's assets and liabilities due to the changes in lease accounting, primarily driven by property leases and advertising sites Given the acquisition accounting as disclosed in note 24 (business combinations) is provisional within the measurement period defined in IFRS 3, the Directors' impact assessment over IFRS 16 remains ongoing

An impact assessment has been completed using estimated discount rates based on lease-specific incremental borrowing rates, with the following changes to reported financial information expected

Income statement

Lease costs of between £45m and £50m would be expected to be partially offset by an increase in depreciation of £20m to £25m on the right-of-use asset Finance costs would be expected to increase by less than £10m, incorporating the unwind of the discounted lease liability

Statement of financial position

At 31 March 2019, a right-of-use asset of between £310m and £330m would be recognised as a non-current asset, along with a lease liability in the same range

Statement of cash flows

The lease payments would be reclassified from operating activities to financing activities

Finance leases

The key differences between IFRS 16 and IAS 17 with respect to assets formerly held under a finance lease is the measurement of the residual value guarantees provided by the lessee to the lessor IFRS 16 requires that the Group recognises as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by IAS 17

Based on an analysis of the Group's finance leases as at 31 March 2019, the Directors have assessed that this change will not have an impact on amounts recognised in the Group's consolidated financial statements

The Directors do not expect a material impact on the Group financial statements as a result of the impact of IFRS 16 on lessor accounting

i) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in this note, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not clear from other sources The estimates and associated assumptions are based on historical experience and other relevant factors Actual results may differ from these estimates

The estimates and underlying assumptions are reviewed on an ongoing basis Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

Critical judgements

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant impact on the amounts recognised in financial statements

Impairment of goodwill

At each reporting date the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss These assets are reviewed annually for impairment or more frequently if there is an indication of impairment to ensure that they are not carried above their estimated recoverable amounts, being the higher of fair value less costs to sell and value in use To assess if any impairment exists, estimates are made of the future cash flows expected to result from the use of the asset and its eventual disposal, alongside a consideration of financial performance against expectation

Useful economic life of assets

The Group's policy for applying useful economic lives and residual values of assets has been determined through applying historical experience and taking into consideration the nature of assets and their intended use

Notes to the Group Financial Statements

1. Accounting policies (continued)

Revenue from contracts with customers

The Group uses estimates when determining the transaction price of customer contracts when the contract includes variable consideration At the reporting date, the Group has used forward looking estimates to determine the most likely amount of variable consideration applicable to the contract

Control over the Group's subsidiaries

The Group must assess whether it controls its subsidiaries when determining whether to consolidate its subsidiaries Note 24 outlines the judgements made with regards to the acquisition of Exterion in the year

Adjusted EBITDA

Adjusted EBITDA comprises earnings before interest, tax, depreciation and amortisation and is stated before any charges or credits relating to non-recurring items including restructuring and integration costs such as launch costs including rebranding, redundancy costs, acquisition-related costs and vacant property provisions This is consistent with prior year

Adjusted EBITDA is a non-statutory reporting measure and, as such, is not presented in the primary financial statements of the Group, however it is an important element of the Group's internal reporting and impacts certain performance-related remuneration costs, as reported in the financial statements

Key sources of estimation uncertainty

Determination of discount rate – impact on Group borrowings

The Group uses a discount rate based on unobservable inputs (level 3) to value its borrowings The valuation of the borrowings is sensitive to the discount rate used at the loans' inception

The discount rate used by management in determining the value of the borrowings varies depending on the loans' significant modification

	Latest modification	Discount rate
Shareholder loan notes	31 December 2018	7 9%
Connected party loan	31 December 2018	7 9%
Loan from parent entity	31 December 2018	7 9%

An increase and decrease in the discount rate by 1% would result in the following movements in the valuation of the Group's borrowings

	Increase 1%	Decrease 1%
	Increase/(decrease) in borrowing (£'000)	
Shareholder loan notes	(49,016)	52,353
Connected party loan	(5,355)	5,715
Loan from parent entity	(7,374)	7,923

Acquisition accounting

The Group has made significant acquisitions during the year and key judgements exist as part of an assessment of the fair values of assets acquired, including the identification of intangible assets such as right-of-use assets and brand values These fair values are sensitive to changes in the discount rate used and given the complexity and size of the business combinations during the year, the Group has engaged specialists to assist in the determination of the fair value of material acquired asset classes across the Primesight and Outdoor Plus groups

Provisions have been made in the opening statements of financial position of the acquired entities as part of the provisional fair value exercise and significant judgements are involved when assessing the value and nature of potential future costs under IAS 37 Any provisions included as part of management's assessments of the opening statements of financial position impact the value of recognised goodwill, as discussed below The Group's property provisions have materially increased as a result of management and external due diligence procedures performed as part of the acquisition accounting

Determination of discount rate – impact on impairment assessments

The Group uses its weighted average cost of capital to discount expected future cashflows across its operating segments The value in use of each CGU, and therefore the headroom above carrying value, is sensitive to changes in this discount rate

Notes to the Group Financial Statements

1. Accounting policies (continued)

Management have performed sensitivity analysis and have determined that an increase of 1 4% in the discount rate would result in £nil headroom across the Outdoor division There is significant headroom in the Radio division and the value in use is not materially sensitive to changes in the discount rate applied to future cash flows

j) Going concern

At 31 March 2019 the Group had net liabilities of £368 6m (2018 £331 7m) The Directors confirm that, after making enquiries, they have a reasonable expectation that the Company has adequate resources, and support of the holders of the related party loans, to continue in operational existence for the foreseeable future The related party loans are principally held with the ultimate owners of the Group

The Group has prepared forecasts of expected future cash flows for the three years ending 31 March 2022 ("the forecasts") The Board considers the forecasts have been prepared on a prudent basis taking into account current consensus forecasts of the radio and out-of-home advertising markets However, the Group has also prepared a worse than expected downside scenario Even under this sensitised scenario, the forecasts indicate that the Group can continue to trade for the foreseeable future and operate within its facility and the associated financial covenants

The Directors consider it appropriate to prepare the financial statements on a going concern basis The Directors' forecasts show sufficient cash will be generated from the Group's operations to be able to repay the bank loan and other obligations as they fall due

k) Segment reporting

A segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components All operating segments' operating results are reviewed regularly by the Group's board of Directors to make decisions about resources to be allocated to a segment and assess its performance, and for which discrete financial information is available (see note 2)

l) Foreign currency translation

Foreign currency transactions are translated into pound sterling (£), the Group's functional currency, using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured Foreign currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement Foreign currency translation gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within finance income or finance expense All other foreign currency translation gains and losses are presented in the Income Statement within direct costs and administrative expenses

The assets and liabilities of foreign operations, including fair value adjustments arising on consolidation, are translated to the Group's functional currency at foreign currency exchange rates ruling at the reporting date Goodwill remains translated at the historic exchange rate

The revenues and expenses of foreign operations are translated at an average rate for the period, which approximates the foreign currency exchange rates ruling at the dates of the transactions Exchange differences arising from the translation of foreign operations are reported in other comprehensive income

m) Investments

Investments are included in the Statement of Financial Position (or Balance Sheet) at cost less amounts written-off, representing impairment in value Impairment charges are recorded if events or changes in circumstances indicate that the carrying value may not be recoverable The Group has recorded its interest in Exterion as an investment at fair value as at 31 March 2019, given the restriction on control described in note 24

n) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and impairment losses Cost includes the original purchase price of the assets and costs attributable to bringing the asset to its working condition for its intended use

Notes to the Group Financial Statements

1. Accounting policies (continued)

Property, plant and equipment is depreciated at rates calculated to write off the cost less residual value of each asset over its useful economic life on a straight-line basis over the following periods

Freehold property	25 to 50 years
Capitalised leasehold costs	Over the term of the lease
Fixtures, fittings and technical equipment	3 to 10 years
Festival assets	3 to 10 years
Advertising panels	7 5 to 20 years
Transmitters	10 years

Gains and losses on disposals of assets are calculated as the difference between the proceeds received and the carrying value of the asset at the time of disposal and are recognised in profit or loss

Impairment of property, plant and equipment

Impairment reviews of property, plant and equipment are undertaken whenever events or changes in circumstances indicate their carrying value may not be recoverable. If the fair value of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount Where an impairment loss subsequently reverses, the carrying amount is increased to the revised estimate, but restricted so that the increased amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years Any impairment losses or reversals are recognised immediately in the income statement

o) Intangible assets

Software costs

Purchased software costs are stated at cost, net of accumulated depreciation and impairment losses Costs associated with maintaining computer software are recognised as an expense as incurred

Software development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met

- it is technically feasible to complete the software product so that it will be available for use,
- management intends to complete the software product and use or sell it,
- there is an ability to use or sell the software product,
- it can be demonstrated how the software product will generate probable future economic benefits,
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available, and
- the expenditure attributable to the software product during its development can be reliably measured

Software costs recognised as assets are amortised on a straight-line basis over their estimated useful lives of three years. Acquired domain names are amortised over seven years

Radio licences

Radio licences are valued at cost less accumulated amortisation and any accumulated impairment losses Radio licences are amortised over the period of the licence on a straight-line basis

Festival licences

Festival licences are valued at cost less accumulated amortisation and any accumulated impairment losses Festival licences are amortised over the period of the licence on a straight-line basis

Festival brands

The Group's festival brands are amortised on a straight-line basis over their useful economic lives of seven years

Impairment of intangible assets (excluding goodwill)

Impairment reviews are undertaken whenever events or changes in circumstances indicate their carrying value may not be recoverable If the fair value of an intangible asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount Where an impairment loss subsequently reverses, the carrying amount is increased to the revised estimate, but restricted so that the increased amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years Any impairment losses or reversals are recognised immediately in the Income Statement

Notes to the Group Financial Statements

1. Accounting policies (continued)

p) Goodwill

Business combinations are accounted for using the acquisition method The costs of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree Acquisition costs incurred are expensed and included in administrative expenses

Any contingent consideration to be transferred by the Group will be recognised at fair value at the acquisition date Subsequent changes to the fair value will be recognised either within the Income Statement or in other comprehensive income

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities Identifiable intangible assets, meeting either the contractual-legal or separability criterion are recognised separately from goodwill Following initial recognition, goodwill is measured at cost less any accumulated impairment losses

Goodwill in respect of an acquired subsidiary is recognised as an intangible asset Goodwill in respect of an acquired associate or joint venture is included within investments accounted for using the equity method

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired

Where the fair value of the interest acquired in an entity's assets, liabilities and contingent liabilities exceeds the consideration paid, the excess is recognised immediately as a gain in the Income Statement

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies Impairment is determined by assessing the recoverable amount of the cash generating unit, to which the goodwill relates Where the recoverable amount of the cash generating unit is less than the carrying amount, an impairment loss is recognised Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation

Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash generating unit retained

q) Trade and other receivables

Trade and other receivables are recognised initially at fair value, which is deemed to be the transaction price Subsequently, trade and other receivables are measured at amortised cost using the effective interest method, less any provision for impairment

r) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and money market deposits Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the Statement of Cash Flows

s) Share capital

Ordinary shares

Ordinary shares are classified as equity Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects

Share premium

The share premium account represents the amount subscribed for share capital in excess of nominal value, less any costs directly attributable to the issue of new shares

Reserves

The retained deficit represents the cumulative net gains and losses recognised in the Income Statement and Statement of Comprehensive Income

Dividends

Dividends on ordinary share capital are recognised as a liability in the Group's financial statements in the period in which they are declared In the case of interim dividends, these are considered to be declared when they are paid and in the case of final dividends these are declared when authorised by the shareholders

Notes to the Group Financial Statements

1. Accounting policies (continued)

t) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers Trade payables are recognised initially at fair value and subsequently measured at amortised cost Trade payables are classified as current liabilities if payment is due within one year or less, otherwise they are presented as non-current liabilities

u) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred Borrowings are subsequently carried at amortised cost Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Income Statement over the period of the borrowings using the effective interest method

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down In this case, the fee is deferred until the draw-down occurs To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates

v) Finance income and expense

Finance income comprises interest received on cash balances

Finance expense comprises interest payable on borrowings, amortisation and write off of debt issuance costs and the unwinding of the discount on non-current provisions

Interest is recognised in profit or loss as it accrues, using the effective interest rate Interest payable on borrowings includes a charge in respect of attributable transaction costs, which are recognised in profit or loss over the period of the borrowings on an effective interest basis

w) Financial instruments

A financial instrument is initially recognised at fair value on the Statement of Financial Position (or Balance Sheet) when the entity becomes party to the contractual provisions of the instrument A financial instrument is derecognised when the contractual rights to the cash flows expire or substantively all risks and rewards of ownership are transferred

The Group's financial assets are classified in accordance with IFRS 9 and subsequently measured at amortised cost or fair value, depending on classification

Debt instruments that meet the following conditions are measured subsequently at amortised cost

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Impairment of financial assets

The Group recognises a provision for expected credit losses on financial assets The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the financial instrument

In assessing whether the credit risk has increased significantly, the Group considers both quantitative and qualitative information that is both reasonable and supportable, including historical experience and forward-looking information The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date

For all financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group and the cash flows the Group expects to receive, discounted at the original effective interest rate

Financial liabilities

Subsequent to initial recognition, all financial liabilities are stated at amortised cost using the effective interest method, or at fair value through profit and loss (FVTPL)

Notes to the Group Financial Statements

1. Accounting policies (continued)

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as FVTPL

Financial liabilities at FVTPL are measured at fair value with any gains or losses arising on changes in fair value recognised in profit or loss (except for those attributable to changes in the credit risk of the liability, which is instead recorded in other comprehensive income) Amounts recognised in other comprehensive income are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings upon derecognition of the financial liability

Financial liabilities measured subsequently at amortised cost

All other financial liabilities are measured at amortised cost using the effective interest method

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss

x) Current and deferred income tax

The tax expense for the period comprises current and deferred tax Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity In this case the tax is also recognised in other comprehensive income or directly in equity, respectively

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Statement of Financial Position However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the Statement of Financial Position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis

y) Employee benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits The Group recognises termination benefits at the earlier of the following dates (a) when the Group can no longer withdraw the offer of those benefits, and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37

Notes to the Group Financial Statements

1. Accounting policies (continued)

Provisions, contingent liabilities and contingent assets ("IAS 37") and involves the payment of termination benefits In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer Benefits falling due more than one year after the end of the reporting period are discounted to their present value

Defined contribution pension scheme

The Group operates employee stakeholder retirement and death benefit schemes Both employees and employers are required to make contributions with the employers' contributions for each employee determined by the level of contribution made by the employee and the employee's length of service within the Group or subsidiary company The employer's contributions are charged to profit and loss in the year in which the contributions are due

Defined benefit pension schemes

The Group operates two defined benefit pension schemes which require contributions to be made to separately administered funds The cost of providing benefits under the plans are determined using independent actuarial valuations These are based on the projected unit credit method and are recognised in accordance with the advice of a qualified actuary Past service costs resulting from enhanced benefits are recognised on a straight-line basis over the vesting period or immediately if the benefits have vested

Re-measurement gains and losses, and taxation thereon, are recognised in other comprehensive income and are not reclassified to profit or loss in subsequent periods Re-measurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest) and changes in the amount of any asset restrictions

Actuarial gains and losses may result from differences between the actuarial assumptions underlying the plan liabilities and actual experience during the year or changes in the assumptions used in the valuation of the plan liabilities

The aggregate defined benefit liability or asset recognised in the Statement of Financial Position comprises the present value of the benefit obligation using a discount rate based on appropriate high quality corporate bonds, at the reporting date, minus any past service costs not yet recognised, minus the fair value of the plan assets, if any, at the reporting date Where the plans are in surplus, the asset recognised is limited to the amount which the Group expects to recover by way of refunds or reduction in future contributions

z) Share-based payments

The Group has a long-term incentive share scheme under which it makes equity-settled share-based payments to eligible employees The cost of equity-settled share-based payments are measured at fair value at the date of grant and recognised as an expense over the vesting period, which ends on the date on which the employees become fully entitled to the reward.

Fair value is estimated using appropriate models for the awards under consideration In valuing equity settled transactions, no account is taken of any vesting conditions, other than the performance conditions linked to the price of the shares of the Company (market conditions) Any other conditions which are required to be met in order for an employee to become fully entitled to an award are considered to be non-vesting conditions These are also taken Into account In determining the grant date fair value

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied

At each reporting date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the number of the achievement or otherwise of non-market vesting conditions and of the number of equity instruments that will ultimately vest or, in the case of an instrument subject to a market condition, be treated as vesting The movement in cumulative expense since the previous reporting date is recognised in the Income Statement, with a corresponding entry in equity

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of the modification, based on the difference between the fair value of original award and the fair value of the modified award, both as measured at the date of modification No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled (where non-vesting conditions within the control of either the entity or the employee are not met), it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is expensed immediately Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the Income Statement.

Notes to the Group Financial Statements

1. Accounting policies (continued)

aa) Provisions

Provisions for onerous leases, restructuring costs, legal claims and other future costs are recognised when

- the Group has a present legal or constructive obligation as a result of past events,
- it is probable that an outflow of resources will be required to settle the obligation, and
- the amount has been reliably estimated

Provisions are not recognised for future operating losses Provisions are measured at the present value of the costs expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation

Restructuring provisions are recognised only when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected The measurement of such a provision includes only the direct expenditures arising from the restructuring, not those associated with the ongoing activities of the entity

bb) Revenue recognition

Revenue recognition is based on the satisfaction of performance obligations, and an assessment of when control is transferred to the customer The transaction price is allocated to these identified performance obligations, including an estimate of any variable consideration and stated net of any sales taxes, agency commissions and trade discounts

Customer contracts vary across the Group and contain a variety of performance obligations Under IFRS 15, the Group must evaluate whether the goods or services are transferred over time or at a point in time for each performance obligation

A summary of how the key classes of revenue are recognised is provided below

Radio advertising	Point in time, at date of broadcast
Sponsorship	Over the term of the contract
Internet revenue	Over the term of the contract
Transmission fees	Over the term of the contract
Production of adverts	Point in time, on date of release to clients
Enterprise revenue	Point in time, on agreed settlement with all parties
Festival ticket revenue	Point in time, on the day of the festival
Festival non-ticket sales	Point in time, at the point of sale
Out-of-home media revenue	Over the term of the contract
Out-of-home production revenue	Point in time, when provided for use

For goods and services that are transferred over time, revenue is recognised based on the number of days that have transpired at the reporting date

Customer contracts are generally less than one year in duration, as are all standard payment terms, and therefore no significant financing components exist within the Group's operations

The transaction price is determined by the agreed terms of the contract In some instances, contracts will comprise an element of variable consideration, often in the form of volume-based rebates In these instances, the total transaction price of the contract is reduced by the estimated variable consideration

The Group applies the practical expedient to expense all incremental costs in obtaining new contracts when incurred on the condition that the contract is less than one year in duration

Revenue on barter transactions is recognised only when the services being exchanged are of a similar nature

cc) Leases

The Group is both a lessor and lessee of property, plant and equipment Any sub-let income received in the year is immaterial

Notes to the Group Financial Statements

1. Accounting policies (continued)

dd) Fair value measurement

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities Set out below is an analysis of the valuation method of the Group's financial instruments

The different levels in the fair value hierarchy have been defined as follows.

• Level 1	quoted (unadjusted) prices in active markets for identical assets or liabilities
• Level 2	inputs other than quoted prices included within level 1 that are observable, for the asset or liability, either directly (i e as prices) or indirectly (i e derived from prices)
• Level 3	inputs for the asset or liability that are not based on observable market data (*unobservable inputs*)

The Group has no assets or liabilities where fair values have been determined for measurement purposes

Borrowings (level 3)

Borrowings, as disclosed in note 16 and note 20, are calculated as the present value of the estimated future cash flows based on the term and maturity of the loan and using estimated market interest rate available to the Group for similar instruments at the loans' inception The Group uses a discount rate based on unobservable inputs (level 3) to value its other borrowings (shareholder loan notes, connected party loan and loan from parent entity) The valuation of the borrowings is sensitive to the discount rate used at the loans' inception The discount rate is reassessed when new off-market loans are introduced or existing other borrowings are significantly modified

ee) Financial guarantee contracts

Where the Group enters into financial guarantee contracts to guarantee the indebtedness of other companies within the Group, the Group considers these to be insurance arrangements, and accounts for them as such In this respect, the Group treats the guarantee contact as a contingent liability until as such time as it becomes probable that the Group will be required to make a payment under the guarantee

2. Operating segments

The Group's chief operating decision maker has been identified as the Board of Directors The Board of Directors review the Group's internal reporting monthly in order to assess performance and allocate resources

Management has determined the operating segments based on the reports used by the Board The Board mainly assesses performance based on adjusted EBITDA

The Group has three reportable segments being commercial radio broadcasting, including associated operations in the United Kingdom, music festivals and out-of-home advertising (Outdoor)

Most of the Group's trading is carried out and recognised within the United Kingdom, though the Group also operates across North America and Europe

All transactions between segments are completed on an arm's length basis

The Group is not reliant on any major customers and no single customer provides more than 10% of Group revenue

Global Media & Entertainment Limited

Notes to the Group Financial Statements

2. Operating segments (continued)

	Radio		Music festivals		Outdoor		Group		Total	
	Year ended 31 March 2019	Year ended 31 March 2018	**Year ended 31 March 2019**	Year ended 31 March 2018	**Year ended 31 March 2019**	Year ended 31 March 2018	**Year ended 31 March 2019**	Year ended 31 March 2018	**Year ended 31 March 2019**	Year ended 31 March 2018
	£'000	£'000	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000
Total revenue	**368,403**	329 545	**69,561**	58 464	**52 081**		**-**		**480,045**	388 009
Revenue from external customers	**368,403**	329 545	**69,561**	58 464	**52,081**				**480,045**	388 009
Direct costs	**(69,463)**	(61 183)	**(60 721)**	(46 027)	**(36,072)**		**-**		**(166,256)**	(107 210)
Gross profit	**298,940**	268 362	**8,840**	12 437	**16,009**		**-**		**313,789**	280 799
Operating expenses	**(195,261)**	(172 195)	**(5,087)**	(4 594)	**(6,233)**		**-**		**(196,581)**	(176 789)
Adjusted EBITDA	**103,679**	96 167	**3,753**	7 843	**9,776**		**-**		**117,208**	104 010
Other expenses	**(27,966)**	(14 285)	**(10,712)**	(6 629)	**(10 769)**		**(25,419)**		**(74,866)**	(20 914)
Operating profit / (loss)	**75,713**	81 882	**(6,959)**	1 214	**(993)**		**(25,419)**		**42,342**	83 096
Net finance expense	**(53,663)**	(59 222)	**(9)**	2	**(9,328)**		**-**		**(63,000)**	(59 220)
Share of profit / (loss) of equity accounted investees, net of tax	**1,108**	1 179	**173**	81			**-**		**1,281**	1 260
Profit / (loss) before taxation	**23,158**	23 839	**(6 795)**	1 297	**(10,321)**		**(25,419)**		**(19,377)**	25 136

Notes to the Group Financial Statements

3. Operating profit

Operating profit is stated after charging/(crediting)

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Amortisation of intangible assets	**25,058**	19,412
Depreciation of property, plant and equipment	**11,543**	4,445
Loss on disposal of property, plant and equipment	**32**	296
Operating lease rentals		
- land and buildings	**42,610**	6,675
- motor vehicles and other leases	**1,331**	1 037
Lease income received	**(447)**	(66)

Auditor's remuneration for audit and non-audit services during the year was

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Fees payable to the Company's auditor and its associates for the audit of the *Company's annual financial statements*	**377**	175
Fees payable to the Group's auditor and its associates in respect of		
Other services pursuant to legislation	**13**	13
Taxation compliance services	**459**	-
All taxation advisory services not included above	**-**	192
Corporate finance services	**2,710**	264
Pension services	**-**	25
Share option plan services	**53**	53
IT services	**-**	19

As the Group's interest in Exterion is recognised as an investment as at 31 March 2019, audit and non-audit fees payable to the Group's auditor have not been included in the above, as it did not meet the definition of an affiliate and was under hold-separate.

4. Revenue from contracts with customers

a) Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers

	Year ended 31 March 2019 £000	Year ended 31 March 2018 £000
Radio revenue	358,403	329,545
Festivals revenue	69,561	58,464
Outdoor revenue	52,081	-
	480,045	388,009

Notes to the Group Financial Statements

4. Revenue from contracts with customers (continued)

Timing of revenue recognition.

	Year ended 31 March 2019 £000	Year ended 31 March 2018 £000
Goods and services transferred at a point in time	418,725	377,788
Goods and services transferred over time	61,320	10,221
	480,045	388,009

Goods and services transferred over time includes commission revenue, sponsorships, transmission fees and outdoor media revenue All other revenue for the group relates to goods and services that are transferred at a point in time

b) Contract balances

	As at 31 March 2019 £000
Contract assets	11,267
Contract liabilities	23,871

The timing of invoicing, cash collection and revenue recognition results in trade receivables contracts assets and contract liabilities in the Group's statement of financial position Contract assets and liabilities are included in trade receivables and trade payables balances within the Statement of Financial Position

As at the reporting date, any goods or services that have been transferred to customers for which consideration has not yet been received (or invoiced for) are recognised as a contract asset Any consideration that has been received (or invoiced for) in relation to goods or services that have not been transferred to the customer is recognised as a contract liability

Contract asset balances, where applicable, are stated net of provisions for impairment All contract balances relate to performance obligations expected to be settled within a year, and are classified as current in the consolidated statement of financial position

Revenue recognised in the current period that was included in the contract liability balance at the beginning of the period was £23 7m There was no revenue recognised in the period from performance obligations satisfied (or partially satisfied) in previous periods

The Group applies the practical expedient provided by the standard not to disclose information about unsatisfied performance obligations on the basis that all such performance obligations are part of contracts that have an expected duration of less than one year

5. Employees

The average number of people employed by the Group (including Directors) during the year was as follows

	Year ended 31 March 2019 Number	Year ended 31 March 2018 Number
Sales	**719**	664
Programming	**410**	384
Administration	**354**	275
	1,483	1,323

All members of staff are contractually employed by subsidiary companies within the Group and not under direct employment by Global Media & Entertainment Limited (the Company)

Notes to the Group Financial Statements

5. Employees (continued)

The aggregate remuneration costs of these employees were as follows

	Year ended 31 March 2019	Year ended 31 March 2018
	£'000	£'000
Wages and salaries	88,045	75,653
Social security costs	9,947	8,603
Contributions to defined benefit pension schemes	2,368	142
Contributions to defined contribution pension schemes	2,657	1,892
	103,017	86,290

6. Directors

The remuneration costs of the Group's Directors were

	Year ended 31 March 2019	Year ended 31 March 2018
	£'000	£'000
Remuneration	7,345	7,181
	7,345	7,181

The remuneration of the highest paid Director was

	Year ended 31 March 2019	Year ended 31 March 2018
	£'000	£'000
Aggregate emoluments	2,522	2,456
	2,522	2,456

The amounts disclosed above represent the remuneration for the qualifying services of the Directors of the Group

IAS 24 *Related party transactions* ("IAS 24") requires the Group to disclose all transactions and outstanding balances with the Group's key management personnel IAS 24 defines key management personnel as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity

The key management personnel who are responsible for planning, directing and controlling the activities of the Group and the Company are the Group's Directors

During the prior year, a number of Directors were granted loans in relation to an equity-settled share-based payment arrangement The loans are due for repayment on the settlement of the scheme The loan balances outstanding are

	Year ended 31 March 2019	Year ended 31 March 2018
	£'000	£'000
Loans to directors in relation to cash-settled share based payment arrangement	142	142

No interest has been charged on the loans made to directors (2018 £nil)

7. Finance income

	Year ended 31 March 2019	Year ended 31 March 2018
	£'000	£'000
Bank interest receivable	28	23
Interest on pension scheme assets	1,124	1,188
Movement in fair value adjustments on borrowings	17,550	-
	18,702	1,211

Notes to the Group Financial Statements

8. Finance expense

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Interest payable on bank loans and overdrafts	**5,167**	3,230
Interest payable on other loans	**74,107**	55,290
Amortisation of debt issue costs	**845**	584
Movement in fair value adjustments on borrowings	**-**	179
Interest on pension scheme liabilities	**1,583**	1,148
	81,702	60,431

9. Income tax charge

Analysis of tax charge in the year

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Current tax expense		
UK corporation tax on the (loss) / profit for the year	**11,569**	9,902
Adjustments in respect of prior years	**94**	(344)
Total current tax expense	**11,663**	9,558
Deferred tax charge / (credit)		
Origination and reversal of temporary differences	**1,651**	(2,664)
Adjustments in respect of prior years	**46**	(1,442)
Total deferred tax charge / (credit)	**1,697**	(4,106)
Income tax charge	**13,360**	5,452

(b) Factors affecting the tax charge in the year

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
(Loss) / profit before tax	**(19,377)**	25,136
(Loss) / profit before tax multiplied by the standard rate of corporation tax of 19% (2018 19%)	**(3,682)**	4,776
Effects of		
Expenses not deductible for tax purposes	**6,195**	609
Interest expense not deductible for tax purposes	**533**	-
Recognition of deferred tax on temporary differences	**9,918**	2,139
Share of profit of equity accounted investments	**592**	-
Special factors affecting joint-ventures and associates	**(72)**	(280)
UK Dividend income from associates	**(717)**	(1)
Effects of changes in tax rates	**314**	(31)
Adjustments in respect of prior years	**139**	(1,785)
Overseas rates vs UK rates	**140**	25
Income tax charge	**13,360**	5,452

Notes to the Group Financial Statements

9. Income tax charge (continued)

(c) Factors that may affect future tax charge

The standard rate of corporation tax in the UK changed from 20% to 19% with effect from 1 April 2017 Accordingly, the effective rate of 19% has been used in the computation of current tax

The 2016 Finance Act includes legislation to reduce the main rate of corporation tax from 19% to 17% from 1 April 2020. The reduction in tax rates was substantively enacted on 15 September 2016.

The tax rates used to measure the deferred tax assets and liabilities recorded in these financial statements are the tax rates in the period in which we expect the deferred tax assets or liabilities to crystallise

10. Intangible assets

	Software costs	Right-of-use assets	Licenses	Brands and trademarks	Goodwill	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2018	31,641	-	20,861	75,860	645,809	774,171
Acquisitions	-	179,936	1,179	9,773	151,617	342,505
Additions	7,603	-	23	8	-	7,634
Disposals	(7,915)	-	-	-	-	(7,915)
At 31 March 2019	31,329	179,936	22,063	85,641	797,426	1,116,395
Amortisation and impairment						
At 1 April 2018	18,882	-	6,266	16,000	315,977	357,125
Charge for the year	6,358	4,481	3,171	11,048	-	25,058
Disposals	(7,915)	-	-	-	-	(7,915)
Impairment	-	-	-	16,456	8,963	25,419
At 31 March 2019	17,325	4,481	9,437	43,504	324,940	399,687
Net book value						
At 31 March 2019	**14,004**	**175,455**	**12,626**	**42,137**	**472,486**	**716,707**

	Software costs	*Right-of-use* assets	Licenses	*Brands and* trademarks	Goodwill	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2017	26,465	-	13,032	75,860	640,295	755,652
Acquisitions	-	-	7,829	-	5,514	13,343
Additions	5,176	-	-	-	-	5,176
At 31 March 2018	31,641	-	20,861	75,860	645,809	774,171
Amortisation and impairment						
At 1 April 2017	12,526	-	4,047	5,163	315,977	337,713
Charge for the year	6,356	-	2,219	10,837	-	19,412
At 31 March 2018	18,882	-	6,266	16,000	315,977	357,125
Net book value						
At 1 April 2017	13,939	-	8,985	70,697	324,318	417,939
At 31 March 2018	12,759	-	14,595	59,860	329,832	417,046

During the year the Group acquired festival brands with a value of £9 8m (2018 £nil) At 31 March 2019 the carrying value of the festival brands was £58 6m and they had remaining useful economic lives of between four and seven years During the prior year, the Group acquired a festival licence with a value of £2.0m and a useful life of two years.

All other acquisitions of intangible assets during the year were in relation to the new Outdoor division (see note 24 – Business Combinations)

During the year, the Group capitalised £6 9m (2018 £4 7m) of software development costs

Notes to the Group Financial Statements

10. Intangible assets (continued)

Goodwill

The Group completes an impairment review of goodwill annually In accordance with IAS 36 Impairment of assets ("IAS 36") the Group has completed a review of its operations and determined that the Group has three cash-generating units ("CGU") Only the goodwill allocated to the Radio and to the Festivals components have been tested for impairment during the year, given that the values attributed to the acquired assets and recognised goodwill are provisional as at the year end, though management have performed an initial assessment and have not identified indicators of impairment within the Outdoor division

The Group estimates value in use by projecting pre-tax cash flows for the next five years together with a terminal value using a long-term growth rate and compares this to the fair value less costs to sell in the assessment of the recoverable amount The key assumptions underpinning the recoverable amounts of the CGUs tested for impairment are forecast revenue and EBITDA

Radio CGU goodwill impairment review

The five-year plans used in the impairment models are based on management's experience and future expectations of performance

The key assumptions used are a pre-tax discount rate of 6 2% (2018 7 8%), a short to medium term growth rate of 3% (2018 3%), and a long-term growth rate of 3% (2018 3%)

The pre-tax discount rate used is derived from a weighted average cost of capital ("WACC") calculation for the Group and benchmarked against similar organisations operating within the sector

The total recoverable amount in respect of goodwill, as assessed by management using the above assumptions, is greater that the carrying amount and therefore no impairment charge has been booked

Management consider that it is not reasonably possible for the assumptions to change so significantly as to eliminate the excess

Festivals CGU goodwill impairment review

The recoverable amount of the goodwill allocated to the Festivals CGU has been determined as lower than the carrying value

The assessment of fair value less costs to sell has been determined using management's best estimates of a market value, informed by sales values close to the year-end as an approximation of fair value, representing measurements within Level 2 of the fair value hierarchy This information has also informed the value in use calculation performed by management

In accordance with IAS 36 Impairment of assets ("IAS 36") the Group has completed a review of its operations and has identified performance-related indicators of impairment in relation to the Festivals division, prompting an impairment assessment over the carrying value of festival intangible assets, mainly brands

As part of the assessment, management determined that the carrying values of certain brands as at the year-end were higher than the recoverable amount Analysis of the component's performance over the past twelve months was used in this assessment, along with expectations of future trading and wider market conditions Following the assessment, an impairment charge of £25 4m has been recognised in profit and loss, £9 0m relating to goodwill and £16 4m relating to brands

Goodwill allocated to each component is as follows

	Goodwill NBV (£'m)	
Component	**31 March 2019**	**31 March 2018**
Radio	323 1	322 0
Festivals	-	7 8
Outdoor	149 3	-

Global Media & Entertainment Limited

Notes to the Group Financial Statements

11. Property, plant and equipment

	Land and buildings	Transmitters, fixtures and technical equipment	Festival assets	Leasehold improvements	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2018	19,309	13,287	1,204	245	34,045
Additions	1,320	16,330	1,052	-	18,702
Acquisitions	-	*62,763*	*2*	-	*62,765*
Disposals	(628)	(3,289)	-	-	(3,917)
At 31 March 2019	20,001	89,091	2,258	245	111,595
Depreciation					
At 1 April 2018	3,251	3,879	237	-	7,367
Charge for the year	1,487	9,085	726	245	11,543
Disposals	(628)	(3,257)	-	-	(3,885)
At 31 March 2019	4,110	9,707	963	245	15,025
Net book value					
At 31 March 2019	**15,891**	**79,384**	**1,295**	**-**	**96,570**

	Land and buildings	Transmitters, fixtures and technical equipment	Festival assets	Leasehold improvements	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2017	18,621	8,784	608	245	28,258
Additions	877	4,526	849	-	6,252
Acquisitions	-	35	15	-	50
Disposals	(189)	(58)	(268)	-	(515)
At 31 March 2018	19,309	13,287	1,204	245	34,045
Depreciation					
At 1 April 2017	1,921	1,205	15	-	3,141
Charge for the year	1,512	2,711	222	-	4,445
Disposals	(182)	(37)	-	-	(219)
At 31 March 2018	3,251	3,879	237	-	7,367
Net book value					
At 1 April 2017	*16,700*	*7,579*	*593*	*245*	*25,117*
At 31 March 2018	16,058	9,408	967	245	26,678

Notes to the Group Financial Statements

12. Equity accounted investments

	Investments in joint ventures £'000	Investments in associates £'000	Total £'000
Cost			
At 1 April 2018	606	546	1,152
Share of profit of equity accounted investments	740	541	1 281
Dividends received from equity accounted investments	(700)	(269)	(969)
At 31 March 2019	**646**	**818**	**1,464**

	Investments in joint ventures	Investments in associates	Total
Cost			
At 1 April 2017	1,220	577	1,797
Share of profit of equity accounted investments	736	524	1,260
Dividends received from equity accounted investments	(1,350)	(555)	(1,905)
At 31 March 2018	606	546	1,152

The Group's investments in associates are

Name	Country	% of ordinary share capital ownership
EG Digital Limited	UK	49 0
The Digital Radio Group (London) Limited	UK	46 5
Lost Ventures Limited	UK	30 0

The Group's investments in joint ventures are

Name	Country	% of ordinary share capital ownership
CE Digital Limited	UK	50 0
InLink Limited	UK	50 0

The principal activity of CE Digital is that of managing multiplexes and is considered strategic to the Group's activities InLink Limited is a joint venture between Primesight Limitedand Intersection and its principal activity is the provision of advertising combined with Wi-Fi to enhance multi-screen communication

The registered addresses of the Group's joint ventures and associates are

Company	Registered Address
EG Digital Limited	Media House, Peterborough Business Park, Lynch Wood Peterborough, PE2 6EA
The Digital Radio Group (London) Limited	30 Leicester Square London WC2H 7LA
Lost Ventures Limited	15 Newland, Lincoln, LN1 1XG
CE Digital Limited	30 Leicester Square, London, WC2H 7LA
InLink Limited	5th Floor, The Met Building, 22 Percy Street, London, England, W1T 2BU

Notes to the Group Financial Statements

13. Investments

	Cost £'000	Fair value £'000	Total £'000
Cost			
At 1 April 2018	6,088	-	6 088
Additions	-	428,057	428,057
Disposals	(5,600)	-	(5,600)
At 31 March 2019	488	428,057	428,545
Provision for impairment			
At 1 April 2018	308	-	308
At 31 March 2019	308	-	308
Net book value			
At 31 March 2019	**180**	**428,057**	**428,237**

	Cost £'000	Fair value £'000	Total £'000
Cost			
At 1 April 2017	6,088	-	6,088
At 31 March 2018	6,088	-	6,088
Provision for impairment			
At 1 April 2017	308	-	308
At 31 March 2018	308	-	308
Net book value			
At 31 March 2018	5,780	-	5,780

During the year the Group acquired 100% of the share capital in Semper Veritas Holdings S àr l and its subsidiaries ("Exterion") On 14 November 2018, the CMA served an initial enforcement order (IEO) under section 72(2) of the Enterprise Act 2002 in relation to the completed acquisition, placing significant restrictions on Global's management of the Exterion business As a result the Exterion group is not consolidated and is held as an investment as at 31 March 2019 at fair value, as assessed under Level 3 of the fair value hierarchy under IFRS 13

Post year-end, the Group has consolidated the results of the Exterion group from the date at which control was obtained, and as such, will not recognise its interest as an equity accounted investment in the Group statement of financial position beyond this date (see note 28)

The Group sold its entire investment in AdsWizz Inc in June 2018 for a combination of cash and share consideration, recognising a gain on sale of £5 9m

Details of the Group's investments are as follows

Notes to the Group Financial Statements

13. Investments (continued)

Name	Country	% of ordinary share capital ownership
Semper Veritas Holdings S àr l	Lux	100
Doubleplay I Limited	UK	100
Doubleplay II Limited	UK	100
Doubleplay III Limited	UK	100
Exterion Media Holdings Limited	UK	100
Exterion Limited	UK	100
Exterion Group Holdings Limited	KY	100
Exterion Media Metro Services (UK) Limited	UK	100
Exterion Leasing (BDA) Limited	BDA	100
Exterion Media (UK) Limited	UK	100
Exterion Leasing (UK) Limited	UK	100
Exterion Partner (BDA) GP	BDA	100
Exterion Holdings (UK) Ltd	UK	100
Exterion Holdings I (Netherlands) B V	NL	100
Exterion Media (Netherlands) B V	NL	100
Exterion Holdings II (Netherlands) B V	NL	100
Exterion Media (Italy) S r L	IT	100
Exterion Holdings (BVI) Limited	BVI	100
Exterion Holdings (HK) Limited	HK	100
Exterion Media (Ireland) Limited	IE	100
Exterion Holdings (France) SAS	FR	100
Exterion Media (France) SA	FR	100
Exterion Media Spain, S A U	ES	100

The registered address of these investments is 7th Floor, Lacon House, 84 Theobald's Road, London, England, WC1X 8NL, with the exception of the following entities

Company	Registered Address
Semper Veritas Holdings S àr l	8-10, Avenue de la Gare, L1610 Luxembourg
Exterion Group Holdings Limited	Floor 4 Willow House Cricket Square, PO BOX 268, Grand Cayman, K1 1104, Cayman Islands
Exterion Leasing (BDA) Limited	Cumberland House 1 Victoria Street, 9th Floor, Hamilton, Hm11, Bermuda
Exterion Partner (BDA) GP	Cumberland House 1 Victoria Street, 9th Floor, Hamilton, Hm11, Bermuda
Exterion Holdings I (Netherlands) B V	Karspeldreef 8 Amsterdam Z O , 1101 CJ Netherlands
Exterion Media (Netherlands) B V	Karspeldreef 8 Amsterdam Z O , 1101 CJ Netherlands
Exterion Holdings II (Netherlands) B V	Karspeldreef 8 Amsterdam Z O , 1101 CJ Netherlands
Exterion Media (Italy) S r L	Vicolo cieco S Giacometto, 2 – Verona, Italy
Exterion Holdings (BVI) Limited	2/F Palm Grove House, P O Box 3340, Road Town, Tortola, British Virgin Islands
Exterion Holdings (HK) Limited	Level 54, Hopewell Center, 183 Queen's Road East, Hong Kong
Exterion Media (Ireland) Limited	25-28 Adelaide Road, Dublin 2D02 RY98
Exterion Holdings (France) SAS	3 Espl du Foncet, 92130 Issy-les-Moulineaux, France
Exterion Media (France) SA	3 Espl du Foncet, 92130 Issy-les-Moulineaux, France
Exterion Media Spain, S A	Calle Valle de la Fuenfria, 3, 28034 Madrid, Spain

Notes to the Group Financial Statements

14. Trade and other receivables

	31 March 2019	31 March 2018
	£'000	£'000
Gross trade receivables	85,677	55,247
Less provision for impairment	(358)	(418)
	85,319	54,829
Other debtors	5,544	3,281
Prepayments	22,860	17,943
Accrued income	-	8,051
Contract assets	11,267	-
	124,990	84,104

	31 March 2019	31 March 2018
	£'000	£'000
Balance at the beginning of the year	418	117
Movement in provision	(60)	301
Balance at the end of the year	358	418

The above table details the movements in the provision for the impairment of trade receivables

The carrying value of trade and other receivables is a reasonable approximation of the fair value of trade and other receivables The Group measures the provision for impairment at an amount equal to lifetime expected credit losses (ECL), estimated with reference to past default experience as well as the debtor's current financial position

There has been no change in significant assumptions made during the current reporting period and the provision remains immaterial to the Group's trade receivable balances

The Group writes off a trade receivable where there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery

There are no material overdue trade receivables that have not been provided against and there is no contractual balance outstanding on financial assets written off during the year The Group considers its exposure to credit risk as immaterial given the majority of trade receivables are insured

Notes to the Group Financial Statements

15. Trade and other payables

Current	31 March 2019	31 March 2018
	£'000	£'000
Trade payables	27,812	15,150
Other taxes and social security costs	9,882	13,481
Other creditors	13,249	8,756
Accruals	85,661	44,285
Deferred income	-	23,651
Contract liabilities	23,871	-
	160,475	105,323

Non-current	31 March 2019	31 March 2018
	£'000	£'000
Accruals	-	16,332
	-	16,332

The carrying value of trade and other payables is a reasonable approximation of the fair value of trade and other payables All of the Group's trade and other payables are held at amortised cost using the effective interest method

16. Borrowings

Current	31 March 2019	31 March 2018
	£'000	£'000
Bank loans and overdrafts	35,000	23,303
Accrued interest	29,134	14,991
	64,134	38,294

Non-current	31 March 2019	31 March 2018
	£'000	£'000
Bank loans	301,407	111,857
Other loans	1,250,942	649,619
	1,552,349	761,476
Total borrowings	1,616,483	799,770

Notes to the Group Financial Statements

16. Borrowings (continued)

The nominal value of the Group's borrowings at each reporting date is as follows

	31 March 2019	31 March 2018
	£'000	£'000
Accrued interest	29,134	14,991
Senior term loans	341,250	135,550
Shareholder loan notes	950,079	340,984
Connected party loan	97,328	87,551
Loan from parent entity	204,165	204,166
	1,621,956	783,242

The fair value of the Group's borrowings at each reporting date is as follows

	31 March 2019	31 March 2018
	£'000	£'000
Accrued interest	29,134	14 991
Senior term loans	336,407	135,160
Shareholder loan notes	1,014,192	379,415
Connected party loan	114,594	91,965
Loan from parent entity	122,156	178,239
	1,616,483	799,770

The interest rates on the Group's borrowings are as follows

Interest rates on variable interest borrowings	31 March 2019	31 March 2018
	% above LIBOR	% above LIBOR
Shareholder loan notes	7.00%	-
Senior term loans	2.25%	1 60%
Connected party loan	10.50%	10 50%

Interest rates on fixed interest borrowings	31 March 2019	31 March 2018
	Fixed rate	Fixed rate
Shareholder loan notes	15.00%	15.00%
Loan from parent entity	0.00%	0 00%
Fair value discount rate	7.91%	7 80%

An analysis of the sensitivity of the fair value of borrowings to changes in the discount rate has been disclosed in Note 1 to the Group Financial Statements

Notes to the Group Financial Statements

16. Borrowings (continued)

The Group's borrowings have the following maturity profile

	31 March 2019	31 March 2018
	£'000	£'000
Less than one year	**174,284**	101,600
Two to five years	**735,802**	808,078
Over five years	**1,451,158**	-
	2,361,244	909,678
Less interest cash flows		
Senior term loans	**(40,737)**	(4,846)
Shareholder loan notes	**(620,840)**	(102,295)
Connected party loan	**(77,711)**	(19,295)
Loan from parent entity	-	-
Total principal cash flows	**1,621,956**	783,242

During the year, the Group underwent significant refinancing of both external and shareholder debt On 14 December 2018, the Group settled existing borrowings under the 2014 facility and entered into a term loan of £350 0m, resulting in a net increase in borrowings of £229 1m These funds were used to repay shareholder loans of £179 8m along with accrued interest of £49 3m Interest on the new loans is charged at a margin of between 1 5 and 2 5% plus LIBOR depending on leverage in the preceding quarter, as calculated as part of the covenant compliance requirements Information about the security related to these loans is included in note 30

The Company issued £788 0m loan notes to the shareholder during the year, which attract annual interest at 7% + LIBOR

The shareholder loan and connected party loans are listed on the International Stock Exchange ("TISE") On 31 December 2018 the Shareholder Loan notes had interest of £0 9m capitalised to the loan principal, and the Connected party loan had interest of £9 8m capitalised to the loan principal These, together with the extension of the loans to 2025, resulted in substantial modifications of the loans The senior term notes are secured by fixed and floating charges over the assets of the Group

The Group has undrawn committed borrowing facilities of £10 0m at 31 March 2019 (31 March 2018 £10 0m)

17. Provisions

	£'000
At 1 April 2018	1,374
Additions	10,243
Utilised during the year	(153)
At 31 March 2019	**11,464**

	£'000
At 1 April 2017	2,721
Utilised during the year	(924)
Released during the year	(423)
At 31 March 2018	1,374

The breakdown of provisions between current and non-current is as follows

	31 March 2019	31 March 2018
	£'000	£'000
Current	**1,413**	807
Non-current	**10,051**	567
Total	**11,464**	1,374

Provisions include onerous lease provisions for vacant office and studio space that the Group has leased but is not currently using, or where the Group is committed to vacate, in addition to costs of exit The provision is calculated as the difference between the total future lease payments less any amounts expected to be recovered by sub-leasing the space There are inherent uncertainties in measuring the provisions of the future outflows

Provisions also include the costs of dismantling outdoor advertising panels

Notes to the Group Financial Statements

18. Deferred tax

	Property, plant and equipment and intangible assets	Tax losses	Financial instruments	Pension surplus	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Deferred tax assets	5,844	1,908	8,185	-	34	15 971
Deferred tax liabilities	(9,227)	-	(4,926)	(196)	-	(14,349)
At 31 March 2018	(3,383)	1,908	3,259	(196)	34	1,622
Charge to the income statement	5,064	(1,112)	(5,734)	(177)	262	(1 697)
Recognised in other comprehensive income	-	-	-	98	-	98
Acquired in the year	(33,358)	908	-	8	-	(32,442)
At 31 March 2019	(31,677)	1,704	(2,475)	(267)	296	(32,419)
Deferred tax assets	**4,061**	**1,704**	-	-	**296**	**6,061**
Deferred tax liabilities	**(35,738)**	-	**(2,475)**	**(267)**	-	**(38,480)**
At 31 March 2019	**(31,677)**	**1,704**	**(2,475)**	**(267)**	**296**	**(32,419)**
Deferred tax assets	6,171	896	8,997	-	11	16 075
Deferred tax liabilities	(11 424)	-	(6 917)	(251)	-	(18,592)
At 31 March 2017	(5,253)	896	2 080	(251)	11	(2 517)
Credit to the income statement	1,870	1,012	1,179	23	23	4,107
Recognised in other comprehensive income	-	-	-	32	-	32
At 31 March 2018	(3,383)	1,908	3,259	(196)	34	1,622
Deferred tax assets	5,844	1,908	8 185	-	34	15 971
Deferred tax liabilities	(9,227)	-	(4,926)	(196)	-	(14 349)
At 31 March 2018	(3 383)	1,908	3,259	(196)	34	1 622

Deferred tax is provided in full on taxable temporary differences under the liability method using applicable tax rates

Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net

The following table lists the Group's unrecognised deferred tax assets

	31 March 2019	31 March 2018
	£'000	£'000
Property, plant and equipment	**183**	20
Tax losses	**15,965**	14,093
Interest restricted under corporate interest restriction (CIR) carried forward	**9,586**	4,624
	25,734	18,737

These potential deferred tax assets have not been recognised on the basis that it is not sufficiently certain when taxable profits that can be utilised to absorb the reversal of the temporary difference will be made in the future

19. Share capital

	31 March 2019	31 March 2018
	£	£
Authorised, issued, called up and fully paid		
Ordinary shares of £1	**171,889,147**	171,889,147
	171,889,147	171,889,147

20. Funding and financial risk management

Financial risk management

The Group holds and uses financial instruments to finance its operations and to manage its interest rate and liquidity risks The Group primarily finances its operations using share capital, revenue and borrowings

The Group's activities expose it to a variety of financial risks market risk (interest rate risk and foreign exchange risk), credit risk and liquidity risk

Notes to the Group Financial Statements

20. Funding and financial risk management (continued)

The Group is primarily funded by debt and although both shareholder and bank loans have increased during the year, the Group's operations are cash generative, and the general exposure to liquidity risk is considered to be low The Group monitors performance against its banking covenants on a quarterly basis

The Group does not engage in trading or speculative activities using derivative financial instruments

The carrying amount of financial assets represents the maximum credit exposure

Market risk

Market risk is the risk that changes in prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments

Interest rate risk

Interest rate risk is the risk of a change in the Group's cash flows due to a change in interest rates The Group has both fixed rate and floating rate borrowings The ratio of fixed to floating rate borrowings is monitored on an ongoing basis to ensure that the Group is not too exposed to variability in interest rates

Foreign exchange risk

Foreign exchange risk is the risk of a change in the Group's cash flows due to a change in foreign currency exchange rate The vast majority of the Group's income and expenditure is in pound Sterling therefore the Group is not exposed to significant foreign exchange risk

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers

The Directors consider the Group's credit risk from cash, cash equivalents and deposits to be low as the Group only enters transactions with banks or financial institutions with a credit rating of A or above

The Group has policies in place to manage potential credit risk from trade receivables The Group mitigates the risk of payment default by its customers by the use of trade credit insurance for high value customers Customer credit terms are determined using independent ratings agency data and regularly updated to reflect any changes in customer circumstances or trading conditions Trade receivables are reviewed on a regular basis by the Group's credit control department to ensure debts are recovered in full

The Directors do not expect any significant losses of receivables that have not been provided for

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due The Group's finance department regularly monitors forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs

Capital management

The Group relies on capital for organic growth The Group defines capital as equity as shown in the Statement of Financial Position plus net debt (total borrowings less cash) and seeks to achieve an acceptable return on gross capital

The Group manages its capital structure using a number of measures and taking into account its future strategic plans Such measures include ensuring the Group maintains sufficient liquidity from the cash that the Group has generated from operations

Fair value

Financial assets comprise trade and other receivables and cash and cash equivalents Financial liabilities comprise trade and other payables and borrowings

The fair value of trade and other receivables, cash and cash equivalents and trade and other payables is not materially different from their carrying value

The following table shows the fair value of borrowings, including their value in the fair value hierarchy

Notes to the Group Financial Statements

20. Funding and financial risk management (continued)

	Fair value hierarchy	31 March 2019	31 March 2018
		£'000	£'000
Senior term loans	Level 3	**336,407**	135,160
Shareholder loan notes	Level 3	**1,014,192**	379,416
Connected party loan	Level 3	**114,594**	91,965
Loan from parent entity	Level 3	**122,156**	178,239
		1,587,349	784,780

Level 3 inputs are unobservable inputs for the asset or liability The investment in Exterion, disclosed in note 13, is recorded at £428 1m and has been valued using a Level 3 input within the fair value hierarchy

Call and put options

During the year ended 31 March 2017, the Group entered into call and put options to purchase subsidiary company non-controlling interest shareholdings for Broadwick Holdings Limited, Waxarch Limited and Victorious Festivals Limited The fair value of the Broadwick Holdings Limited and Victorious Festivals Limited options was £nil at 31 March 2019 (2018 £nil) The option related to Waxarch Limited expired at the year ended 31 March 2019 without exercise

During the year ended 31 March 2017, the Group entered into a put option agreement to purchase subsidiary company non-controlling interest shareholdings for Lock'N'Load Limited The fair value of this option at 31 March 2019 was £nil (2018 £nil)

During the prior year, the Group entered into a call and put option to purchase the remaining member interests of Audio HQ LLC The fair value of this option at 31 March 2019 was £nil (2018 £nil)

A gross liability has been recognised in non-current liabilities and within reserves for the expected future settlement of the put options where the Group currently has control of the related subsidiary, with movement in the expectation accounted for within administrative expenses in the current year The estimated cash outflow on exercise of the options have been calculated by taking a multiple of future years' EBITDA performance and discounting to present value using the Group's pre-tax weighted average cost of capital

21. Non-controlling interests

	£'000
At 1 April 2018	12,710
Acquisitions during the year	199
Share of profit after taxation for the year	2,240
Dividends paid to non-controlling interests	(3,428)
At 31 March 2019	**11,721**

	£'000
At 1 April 2017	12,128
Acquisitions during the year	1,218
Share of profit after taxation for the year	1,018
Dividends paid to non-controlling interests	(1,654)
At 31 March 2018	12,710

Notes to the Group Financial Statements

22. Commitments and contingencies

The Group's future minimum lease payments under non-cancellable operating leases are set out below

	31 March 2019 £'000	31 March 2018 £'000
Land and buildings		
Within one year	**7,539**	6,816
Between two and five years	**21,479**	23,470
After five years	**38,921**	43,334
	67,939	73,620

	31 March 2019 £'000	31 March 2018 £'000
Motor vehicles and equipment		
Within one year	**1,236**	1,079
Between two and five years	**673**	854
After five years	**-**	-
	1,909	1,933

	31 March 2019 £'000	31 March 2018 £'000
Advertising sites		
Within one year	**42,101**	-
Between two and five years	**120,426**	-
After five years	**199,188**	-
	361,715	-

The Group's future minimum lease rental income expected to be received under non-cancellable operating leases is as follows

	31 March 2019 £'000	31 March 2018 £'000
Lease rental income		
Within one year	**462**	97
Between two and five years	**1,143**	239
After five years	**2,553**	-
	4,158	336

The Group leases property, motor vehicles and office equipment and advertising sites The Group's leases do not include any material contingent lease payments, purchase options, escalation clauses or restriction clauses

The Group is also a lessor and leases out properties These leases do not include any material contingent lease payments, purchase options, escalation clauses or restriction clauses

Notes to the Group Financial Statements

23. Related party transactions

During the year the Group traded with its associates, joint ventures and with entities with common control to the Group All transactions were in the normal course of business and priced under normal trade terms All outstanding balances are repayable on demand Balances and transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note Transactions between the Group and its associates are disclosed below

The Company's immediate parent company is Global Radio Group Limited (Jersey) Details of loans outstanding with this entity are given in note 16

During the year, the Company was charged £1,299,598 (2018 £1,260,000) in respect of digital radio services by CE Digital Limited, an associated undertaking of the Group, of which £nil was outstanding at 31 March 2019 (2018 £nil) The Company received £399,025 (2018 £271,000) in respect of legal expertise and engineering time from CE Digital Limited

Digital Radio Group (London) Limited, an associated undertaking of the Group, operates a digital radio multiplex and during the year the Company paid £94,074 (2018 £118,000) to this company for transmission services The Company had an outstanding balance owing of £nil at 31 March 2019 (2018 £nil)

Now Digital East Midlands Limited, an associate of the Group, operates digital radio multiplexes and during the year the Company paid £1,038,834 (2018 £765,000) to this company for transmission services The Company had an outstanding creditor of £nil at 31 March 2019 (2018 £nil)

Radio Centre Limited, in which the Group has an investment, is a trade body promoting commercial radio to advertisers Radio Centre Limited is funded by levies paid by the commercial radio industry in the UK based on volumes of advertising revenue During the year the Company paid £1,724,478 (2018 £1,672,000) in levies to Radio Centre Limited and had an outstanding balance of £nil at 31 March 2019 (2018 £nil)

Global Radio Services Limited also provides contract accounting services for which it charged £40,138 for the year ended 31 March 2019 (2018 £39,000) to the Group's non-wholly owned subsidiary Independent Radio News Limited (IRN), a provider of news services to commercial radio In addition, the Company's share of the IRN rebate to client stations for the year ended 31 March 2019 amounted to £3,459,067 (2018 £3,515,000) At the financial year end the net balance due to Independent Radio News Limited at 31 March 2019 was £1,390,475 (2018 £1,348,000)

During the year the Group had a number of recharge arrangements with various members of the Global Entertainment and Talent Group, with whom the Group shares a director As at 31 March 2019 the outstanding debtor was £123,915 (2018 £nil)

During the year the Company charged the Global Entertainment and Talent Group £nil (2018 £30,000) in respect of occupancy

During the year, the Group recognised rebate income of £465,900 (2018 £364,000) from a related party, Kaboodle, with whom the Group shares a director At 31 March 2019 there was an outstanding balance due to the Group of £124,400 (2018 £271,000)

The Group considers the Directors to be key management personnel Related party transactions with key management personnel have been disclosed in note 6

In the opinion of the Directors, there were no other related party transactions during the year

Notes to the Group Financial Statements

24. Business combinations

During the year, the Group made several acquisitions across the media industry, into digital advertising (on-air and out-of-home) as well as radio broadcasting Smaller acquisitions were also made in the music events and production industries

Name	Date of acquisition	Country	% Ownership	Purchaser	Business Unit
Project Iconic Holdings Limited	16/07/2018	UK	100 0%	Global Radio Services Limited	Outdoor
Lancashire Broadcasting Company Limited	31/07/2018	UK	100 0%	Galaxy Radio Manchester Limited	Radio
Bell Holdco Limited	20/09/2018	UK	100 0%	Global Radio Services Limited	Outdoor
Leanstream Inc	31/10/2018	Canada	Trade and assets	DAX Digital Audio Exchange Inc	Radio
Eleven Limited	17/12/2018	UK	100 0%	Boardmasters Ltd	Festivals
VHEH Limited	17/12/2018	UK	100 0%	Boardmasters Ltd	Festivals

Outdoor acquisitions

Outdoor Plus and Primesight

The Group diversified into out-of-home media ("Outdoor") during the current year, making a series of strategic acquisitions into the sector, two of which represent business combinations under IFRS 3 These acquisitions will allow the Group to further expand its advertising offering to clients and consumers, providing opportunities for vertical integration as well as geographical diversification

The purchase of the Project Iconic Holdings Limited group (including its trading operations as Outdoor Plus Limited) completed in August 2018 and Bell Holdco Limited (Primesight Limited) in September 2018

On 15 November 2018, Global Radio Services Limited completed its acquisition of the entire share capital of Semper Veritas Holdings S ar l (Exterion)

The acquisition of Exterion is not considered a business combination under IFRS 3 as at the reporting date, as on 14 November 2018, the CMA served an initial enforcement order (IEO) under section 72(2) of the Enterprise Act 2002 in relation to the completed acquisition, placing significant restrictions on Global's management of the Exterion business The CMA cleared the completed acquisition on 16 April 2019, from which date control passed to the Group and the Exterion businesses fully consolidated As at the year end, the Group's interest in Exterion is recorded as an investment at fair value (note 13)

During the year ended 31 March 2019, the two outdoor businesses defined as a business combination under IFRS 3 form an operating segment and a single cash-generating unit, with separate reporting and discrete financial information assessed by management on a monthly basis The new division is in the early stages of integration and the goodwill on acquisition has not been allocated until synergies have been fully assessed

The fair valuation of the acquired assets and liabilities remains in progress as at the date of preparation of the financial statements, as permitted within the measurement period under IFRS 3, as management's compilation of the necessary financial information for specific judgements is ongoing Provisional fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill for each Outdoor acquisition is listed below

Notes to the Group Financial Statements

24. Business combinations (continued)

	Outdoor Plus	Primesight	Total fair value
	£'000	£'000	£'000
Intangible assets	75,166	104,770	179,936
Property, plant and equipment	34,145	28,492	62,637
Trade and other receivables	10,545	26,113	36,658
Cash	1,083	3,227	4,310
Other assets	153	-	153
Trade and other payables	(117,624)	(140,358)	(257,982)
Deferred tax liability	(13,224)	(18,083)	(31,307)
Net assets acquired	(9,756)	4 161	(5,595)
Goodwill	42 813	106,448	149 261
Total consideration	33,057	110,609	143,666
Satisfied by:			
Cash	32,757	110 609	143,366
Deferred consideration	300	-	300
	33,057	110,609	143,666

Goodwill is calculated as the difference between the fair value of consideration and acquired assets and liabilities None of the purchased goodwill is deductible for tax purposes

Deferred consideration of £0 3m is in respect of payments to former employees 18 months post-completion and attracts no service-related condition A separate retention bonus of £1 5m is also payable at this time, contingent on continued employment, and as such has been recognised as remuneration evenly throughout the service period

Deal-related costs of £2 1m have been charged to administration expenses in the Income Statement for the year ended 31 March 2019 relating to the Outdoor Plus and Primesight acquisitions and are not recognised within consideration

Since the acquisition dates, the acquired entities have contributed £52 1m to the Group's revenue and a loss of £8 9m If the acquisitions had occurred on 1 April 2018, the acquired entities would have contributed £93 5m to the Group's revenue and £1 5m to retained profit

Acquisition of Semper Veritas S a r l (Exterion)

As referenced above, the Group has not consolidated the Exterion results into the Group's financial reporting as at 31 March 2019 and has recorded the transaction as an investment as at the reporting date

The acquisition accounting for the Exterion business combination is incomplete at the time the financial statements have been authorised for issue, and as such, the Group has not made the required disclosures under IFRS 3 paragraph B64

Radio acquisitions

During the year, the Group made two separate acquisitions within the Radio operating segment, both of which are deemed individually immaterial The Group acquired 100% of the equity share capital of Lancashire Broadcasting Company in order to extend its reach nationwide and the acquisition of the trade and assets of Leanstream Inc will allow the Group to widen its audience in the digital advertising space and expand further into North America The fair values of identifiable assets and liabilities acquired, purchase consideration and goodwill for these acquisitions are shown below

Notes to the Group Financial Statements

24. Business combinations (continued)

	Total fair value £'000
Intangible assets	1,179
Property, plant and equipment	127
Trade and other receivables	283
Cash	21
Trade and other payables	(420)
Deferred tax liability	(206)
Net assets acquired	984
Goodwill	1,101
Total consideration	2 085
Satisfied by:	
Cash	1,735
Contingent consideration	350
	2,085

Goodwill is calculated as the difference between the fair value of consideration and acquired assets and liabilities None of the purchased goodwill is deductible for tax purposes

Contingent consideration of £0 4m was determined based on revenue targets in the four months post-completion

Deal-related costs of £0 3m have been charged to administration expenses in the Income Statement for the year ended 31 March 2019 relating to the two Radio acquisitions

Since the acquisition date, the acquired entities have contributed £1 1m to the Group's revenue and a loss of £0 1m If the acquisitions had occurred on 1 April 2018, the acquired entities would have contributed £2 1m to the Group's revenue and £0 1m to retained loss

Festivals acquisitions

During the year, the Group made two acquisitions within the live events and production industry, included within the Festivals operating segment

	Total fair value £'000
Intangible assets	9,773
Property, plant and equipment	2
Trade and other receivables	1
Cash	3
Trade and other payables	(957)
Deferred tax liability	(1,304)
Net assets acquired	**7,518**
Goodwill	1,262
Non-controlling interests	(198)
Total consideration	**8,582**
Satisfied by:	
Cash	8,582
Contingent consideration	-
	8,582

Notes to the Group Financial Statements

24. Business combinations (continued)

On 21 September 2018 the Company purchased 51% of the ordinary share capital of Hydra Events Limited, incorporated in the United Kingdom

On 17 December 2018 the Company purchased 100% of the ordinary share capital of Boardmasters II Limited (formerly known as Vision Nine Entertainment Holdings Limited) in order to subscribe for redeemable shares in Eleven Limited Management acquired Boardmasters II Limited in order to exit a strategic services agreement, under which Eleven Limited were entitled to 45% share of profit

Goodwill is calculated as the difference between the fair value of consideration and acquired assets and liabilities None of the purchased goodwill is deductible for tax purposes

Deal-related costs of £0 3m have been charged to administration expenses in the Income Statement for the year ended 31 March 2019 relating to the two Festival acquisitions

Since the acquisition date, the acquired entities have contributed £1 2m to the Group's revenue and a profit of £1 0m If the acquisitions had occurred on 1 April 2018, the acquired entities would have contributed £4 0m to the Group's revenue and £0 8m to retained profit

25. Share-based payments

The Group operates equity-settled share-based payment arrangements as follows

The Growth Shares Scheme ("the Scheme")

On 30 January 2015, a number of directors acquired C, D, E and F shares in GRHL, for which the directors paid unrestricted market value The C, D, E and F shares are subject to a put and call option structure whereby the directors may sell the shares to GRHL, or GRHL may acquire the shares from the directors for cash, within various 60 day windows between 1 August 2017 and 30 September 2025. The value at which the shares can be bought or sold shall be determined by a formula based on the growth in value of the shares over a certain minimum threshold value The shares provide the holder with an interest in the growth of the business beyond that threshold, which has been set at 20% above the original value

Further on 1 August 2017 a number of directors acquired G shares in GRHL, for which the directors paid unrestricted market value The G shares are subject to a put and call option structure whereby the directors may sell the shares to GRHL, or GRHL may acquire the shares from the directors for cash, within a 60-day window between 1 August 2020 and 30 September 2020 The value at which the shares can be bought or sold shall be determined by a formula based on the growth in value of the shares over a certain minimum threshold value The shares provide the holder with an interest in the growth of the business beyond that threshold, which has been set at 17 5% above the original value

The number of C,D, E and F shares issued in 2015 and G shares issued in 2017 and outstanding at 31 March 2019 was 421,150 (31 March 2018 421,150)

The EBITDA used to determine the value of the C,D E, F and G Shares will be the EBITDA for the year ended immediately before the date of disposal

Share-based payment expense

The charge recognised in the Income Statement in respect of the Scheme was £4,835,000 (2018 £4,835,000)

Share-based payment liability

The Scheme requires the Group to pay the intrinsic value of these share-based payments to the employee at the date of exercise The liability is re-valued at each reporting date and settlement date with any changes to fair value being recognised in profit and loss The Group has recorded liabilities in respect of unvested grants of £14,306,000 (2018 £9,471,000)

26. Pension schemes

The Group operates three pension schemes on behalf of its employees The Global Radio Group Personal Pension Plan ("GRGPPP") is a defined contribution scheme

All current employees are eligible to join the GRGPPP, which new employees are enrolled in automatically when they begin employment with the Group At 31 March 2019, 1,376 (2018 1,330) employees were active members of this scheme The Group makes age-related employer contributions to the scheme

The Capital Radio plc Pension and Assurance Scheme ("CRPPAS") and the Midlands Radio Group Pension Scheme ("MRGPS") are contributory defined benefit schemes Both defined benefit schemes were closed to new employees from 31 March 1995 At 31 March 2019, the MRGPS had 5 (2018 5) active members and the CRPPAS had 4 (2018 4) active members The trustees of each scheme are responsible for the governance of the pension plan and the Group does not hold a direct interest in any of the scheme's funds The Group operates within the

26. Pension schemes (continued)

schedule of contributions set out by the Trustees and is not subject to any minimum funding requirements No other entity is responsible for the governance of the plan beyond the board of trustees

At the year end, the plan liabilities of the Group's defined benefit schemes had a weighted average duration of 18 7 years

The pension cost charge for the year represents contributions payable by the Group to the schemes and amounted to £5,025,000 (2018 £2,034,000)

Contributions amounting to £27,000 (2018 £87,000) were payable to the schemes at the end of the financial year and are included in other creditors

There were no plan amendments, curtailments or settlements during the year

The actual return on the two defined benefit pension schemes assets over the period from 1 April 2018 to 31 March 2019 was a gain of £1,146,000 for MRGPS and £382,000 for CRPPAS (gain for the period from 1 April 2017 to 31 March 2018 was £333,000 and £231,000 respectively) Each asset class has a quoted market price in an active market, as defined in IFRS 13

The expected long-term rate of return on assets assumption is assessed by considering the current level of returns on risk-free investments (primarily government bonds) and the expectations for the risk premium of each asset class The expected return for each asset class is then weighted based on the asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio

The amounts recognised in the consolidated Statement of Financial Position are as follows

	31 March 2019	31 March 2018
	£'000	£'000
Present value of funded obligations	**(42,960)**	(40,752)
Fair value of scheme assets	**44,586**	41,841
Surplus in scheme	**1,626**	1,089
Midlands	**833**	396
Capital	**793**	693
Total surplus	**1,626**	1,089

The amounts recognised in the consolidated Income Statement are as follows

	31 March 2019	31 March 2018
	£'000	£'000
Current service cost	**(203)**	(203)
Past service cost	**(262)**	-
Interest on obligation	**(1,066)**	(1,148)
Expected return on scheme assets	**1,124**	865
Total	**(407)**	(486)
Actual return on scheme assets	**1,528**	574

Notes to the Group Financial Statements

26. Pension schemes (continued)

Movements in the present value of the defined benefit obligation were as follows

	31 March 2019	31 March 2018
	£'000	£'000
Opening defined benefit obligation	40,752	41,698
Current service cost	203	203
Past service cost	262	-
Interest cost	1,066	1,148
Contributions by scheme participants	22	14
Actuarial losses / (gains)	1,769	(407)
Benefits paid	(1,114)	(1,904)
Closing defined benefit obligation	42,960	40,752

Changes in the fair value of scheme assets were as follows

	31 March 2019	31 March 2018
	£'000	£'000
Opening fair value of scheme assets	41,841	43,090
Expected return on assets	1,124	865
Actuarial gains / (losses)	404	(291)
Contributions by employer	2,368	142
Contributions by scheme participants	22	20
Benefits paid	(1,114)	(1,904)
Expenses paid by scheme	(59)	(81)
Closing fair value of scheme assets	44,586	41,841

The total amount recognised in the Group Statement of Comprehensive Income in respect of actuarial gains on assets is £404,000 (2018 loss of £291,000) and the amount recognised for actuarial losses on liabilities is £1,769,000 (2018 gain of £245,000)

The two schemes are fully funded by the Group and the scheme members who contribute a percentage of salary The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan

The Group expects to contribute £254,000 to its defined benefit pension schemes in 2019 (2018 £144,000)

The major categories of scheme assets as a percentage of total scheme assets are as follows

	31 March 2019	31 March 2018
Equities	17.61%	22 00%
Bonds	29.33%	29 54%
Diversified growth funds	43.77%	44 65%
Gilts	7.44%	3 00%
Cash	1.85%	0 80%

Notes to the Group Financial Statements

26. Pension schemes (continued)

Principal actuarial assumptions at the reporting dates were (expressed as weighted averages)

	31 March 2019	31 March 2018
Discount rate	**2.45%**	2 65%
Future salary increases	**3.45%**	3 30%
Future pension increases	**3.55%**	3 48%
Inflation assumption	**2.95%**	2 80%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates

The assumed life expectations on retirement age 65 are

	31 March 2019	31 March 2018
	Number	Number
Retiring today		
Males	**22.0**	21 9
Females	**23.9**	23 9
Retiring in 20 years		
Males	**23.4**	23 3
Females	**25.5**	25 4

Amounts for the current and previous year are as follows

	31 March 2019	31 March 2018	31 March 2017	31 March 2016	31 March 2015
	£'000	£ 000	£'000	£'000	£'000
Defined benefit obligation	**(42,960)**	(40 752)	(41 698)	(35 867)	(40 808)
Scheme assets	**44,586**	41,841	43,090	39 391	44 942
	1,626	1 089	1 392	3,524	4,134
Experience adjustments on scheme liabilities	**(1,769)**	407	(5,306)	1 604	(6 161)
Experience adjustments on scheme assets	**404**	(614)	3 021	(2 739)	3 363

Under IAS 19 both schemes show a surplus In accordance with IAS 19, the Group has recognised an asset on the Statement of Financial Position in relation to the surplus in the schemes because the Group has an unconditional right to realise the surplus during the plan or when the plan is settled

The Group is exposed to a number of risks relating to the defined benefit schemes (the "schemes") including assumptions not being borne out in practice The most significant risks are as follows

Asset volatility

There is a risk that a fall in asset values is not matched by corresponding reduction in the value placed on the schemes The schemes hold a proportion of growth assets, which are expected to outperform corporate or government bond yields in the long term but gives exposure to volatility and risk in the short term

Change in bond yields

A decrease in corporate bond yields will increase the value placed on the scheme's liabilities, although this will be partially offset by an increase in the value of the scheme's corporate bond holdings

Inflation risk

The majority of the scheme's liabilities are linked to inflation where higher inflation will lead to higher scheme liabilities Some of the scheme assets are either unaffected by inflation or loosely correlated with inflation (e g growth assets), meaning that an increase in inflation will generally increase scheme liabilities

Life expectancy

An increase in life expectancy will lead to an increased value being placed on the scheme's liabilities Future mortality rates cannot be predicted with certainty

Notes to the Group Financial Statements

26. Pension schemes (continued)

Actuarial assumption sensitivity

The discount rate is set by reference to market conditions at the reporting date, and can vary significantly between periods The earnings increases are linked to inflation and so set by reference to market conditions at the reporting date The mortality assumptions used are set by considering the experience of the scheme's members, and by making an allowance for possible future improvements in longevity Mortality assumptions are difficult to set accurately, and forecasting rates of future mortality improvement is inevitably speculative

The discount rate, earnings increases and inflation rates are set by reference to market conditions at the reporting date, and can vary significantly between periods

A decrease in the discount rate by 0 1% will increase the scheme's liabilities by £776,000 (2018 increase of £739,000)

An increase in inflation and salary growth assumptions by 0 1% will increase the scheme's liabilities by £269,000 (2018 increase of £277,000)

27. Note supporting Statement of Cash Flows

Significant non-cash transactions in the year in respect of financing activities comprised unpaid interest which was capitalised into borrowings of £37 4m (2018 £51 5m) and no loans (2018 £3 9m) were converted to share capital

28. Subsequent events

The Group completed several disposals post-year end in relation to the music festivals division in a number of separate transactions, to different buyers

On 16 April 2019, the Competition and Markets Authority gave clearance with regards to the acquisition of the Exterion group, which had previously been under a Phase I investigation, lifting the restrictions over operational and legal control over the acquired entities At the year end, the acquisition has been recorded as an investment in the Consolidated Statement of Financial Position, but upon gaining control, the results have been consolidated in the Group's financial reporting and will be included in the financial statements to 31 March 2020

Post year-end, the Group commenced its restricting plans to network breakfast shows on its Capital and Heart brands, as well as the drivetime show on Smooth, bringing the capital's high-quality programming nationwide

There are no other subsequent events to report

29. Immediate and ultimate parent company

In the opinion of the Directors the Company's immediate and ultimate controlling company is Global Radio Group Limited, a company incorporated in Jersey

The largest and smallest group in which the results of the Company are consolidated is that headed by Global Media & Entertainment Limited

30. Guarantees, financial commitments and contingent liabilities

Guarantees

The Company will guarantee the debts and liabilities of certain of its UK subsidiaries at the reporting date in accordance with section 479A of the Companies Act 2006 The Company has assessed the probability of loss under these guarantees as remote

Security

The assets of the Group are pledged to their bankers as security against loans by way of a floating charge over the assets

VAT Group

The Company is a member of a group for VAT for group purposes, resulting in a joint and several liability for amounts owing by other Group companies for unpaid VAT

Financial commitments

The Group has entered into agreements with transmission supply companies and digital multiplex operators for the transmission of its radio stations for periods up to 2028 at competitive prices and to ensure supply At the year end the commitments to purchase space on transmitters was £104 5m (2018 £123 2m)

Appendix to the Group Financial Statements

The appendix to the Group Financial Statements does not form part of the audited Annual Report and Financial Statements

Alternative Performance Measures

The Group measures its normal trading performance on a regular basis using a range of financial and non-financial key performance indicators, the key being adjusted EBITDA (earnings before interest, taxation, interest, *depreciation, amortisation and non-recurring items)*

A reconciliation between the statutory measure 'operating profit' to the alternative measure 'EBITDA' is shown below

	Note	**Year ended 31 March 2019 £'000**	Year ended 31 March 2018 £'000
Operating profit		**42,342**	83,096
Depreciation of property, plant and equipment	11	**11,543**	4,445
Amortisation of intangibles	10	**25,058**	19 412
Movement in fair value of put options		**(962)**	(9,083)
Other operating expenses		**39,227**	6,140
Adjusted EBITDA		**117,208**	104,010

Adjusted EBITDA is considered a key performance measure for the Group given that

a) It is a proxy for cash flows and helps to assess and manage liquidity across the Group,

b) The measure is used in the Growth Share Scheme in tracking performance, and therefore has an impact on Directors' remuneration on vesting dates, and

c) The measure is used by the Group's lenders as part of the debt covenants, and as such reporting and analysis is required monthly

The key performance measures used by the Group have not changed from the prior year and management's interpretation of other operating expenses remains consistent Management continue to identify the following items as non-operational or non-recurring in nature and are excluded in adjusted EBITDA

Depreciation and amortisation	These do not represent cash costs and are removed from the measure
Movement in fair value of put options	These relate to acquisition activity and are therefore non-recurring in nature
Other operating expenses	These include any charges or credits relating to non-recurring items including restructuring and integration costs, such as launch costs including rebranding, redundancy costs, vacant property costs as well as costs of acquisition

A breakdown of non-recurring costs, or other operating expenses, is shown below

Non recurring costs	**Year ended 31 March 2019 £'000**	Year ended 31 March 2018 £'000
Group Exceptional costs	**25,419**	-
Festivals Exceptional costs	**1,705**	4,653
Radio Exceptional costs	**11,747**	1,487
Outdoor Exceptional costs	**356**	-
	39,227	6,140

Significant non-recurring items within the radio operating segment include costs of acquisition, costs associated with the CMA process and of the regional restructure Non-recurring items allocated to 'group items' relate to the impairment of the Festivals goodwill and brands during the year to 31 March 2019 Festivals non-recurring costs include professional costs associated with acquisitions made in the year

Company Balance Sheet

At 31 March 2019

Company number 06251684

	Note	31 March 2019 £'000	31 March 2018 £'000
Fixed assets			
Investments	32	**92,581**	92,440
		92,581	92,440
Current assets			
Debtors	33	**1,289,837**	431,773
Cash		**26**	15
		1,289,863	431,788
Creditors: amounts falling due within one year	34	**(71,229)**	(42,188)
Net current assets		**1,218,634**	473,976
Total assets less current liabilities		**1,311,215**	482,040
Creditors: amounts falling due after more than one year	35	**(1,552,491)**	(761,476)
Net liabilities		**(241,276)**	(279,436)
Equity			
Share capital	36	**171,889**	171,889
Retained deficit		**(413,165)**	(451,325)
		(241,276)	(279,436)

The Company's profit for the year was £38 2m (2018 loss of £4 1m)

The notes on pages 71 to 79 form part of these financial statements

The financial statements were approved and authorised for issue by the board of Directors on 26 July 2019 and were signed on its behalf by

D D Singer
Director
26 July 2019

Company Statement of Changes in Equity
For the year ended 31 March 2019

	Share capital (note 36) £'000	Retained deficit £'000	Total equity £'000
At 1 April 2018	171,889	(451,325)	(279,436)
Profit for the year	-	38,160	38,160
At 31 March 2019	171,889	(413,165)	(241,276)

	Share capital (note 36) £'000	Retained deficit £'000	Total equity £'000
At 1 April 2017	165,310	(447,184)	(281,874)
Loss for the year	-	(4,141)	(4,141)
Issued in the year	6,579	-	6,579
At 31 March 2018	171,889	(451,325)	(279,436)

The notes on pages 71 to 79 form part of these financial statements

Notes to the Company Financial Statements

31. Accounting policies for the Company financial statements

a) Reporting entity

Global Media & Entertainment Limited (the "Company") is an incorporated company limited by shares and domiciled in the United Kingdom Its registered address is 30 Leicester Square, London, WC2H 7LA

The Company's principal activity was the operation of commercial radio stations in the United Kingdom and the sale of advertising across its network

The Company financial statements were approved by the board of Directors on 26 July 2019

b) Statement of compliance

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements ("FRS 100") and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and the Companies Act 2006

As permitted by Section 408(2) of the Companies Act 2006 information about the Company's employee numbers and costs have not been presented

As permitted by Section 408(3) of the Companies Act 2006, the Company's Profit and Loss Account and Statement of Other Comprehensive Income and related notes have not been presented as the Company's Group financial statements have been prepared in accordance with the Companies Act 2006

c) Functional and presentational currency

These financial statements are presented in pound sterling (£), which is the Company's functional and presentational currency All amounts have been rounded to the nearest thousand, unless otherwise indicated

d) Basis of preparation

The financial statements have been prepared on a historical cost basis, and are in accordance with the Companies Act 2006

The accounting policies set out below have been applied consistently to all periods presented in these financial statements

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 101 Therefore these financial statements do not include

- certain comparative information as otherwise required by EU endorsed IFRS,
- certain disclosures regarding the company's capital,
- a Statement of Cash Flows,
- the effect of future accounting standards not yet adopted,
- the disclosure of the remuneration of key management personnel, and
- disclosure of related party transactions with other wholly-owned members of the group headed by Global Media & Entertainment Limited

In addition, and in accordance with FRS 101, further disclosure exemptions have been adopted because equivalent disclosures are included in the Group financial statements of Global Media & Entertainment Limited These financial statements do not include certain disclosures in respect of

- Financial Instruments (other than certain disclosures required as a result of recording financial instruments at fair value),
- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value), and
- Impairment of assets

e) Investments

Investments are included in the Balance Sheet at cost less amounts written-off, representing impairment in value, which has been recorded at fair value Impairment charges are recorded if events or changes in circumstances indicate that the carrying value may not be recoverable

Notes to the Company Financial Statements

31. Accounting policies for the Company financial statements (continued)

f) Going concern

At the date of these financial statements, the Directors have carried out a detailed and comprehensive review of the business and its future prospects In particular they have compared the forecast future performance of the Company and anticipated cash flows with the available working capital facilities and covenants contained in the banking arrangements that form part of the Company's current financing structure and, in the light of current economic conditions, have considered the ability of the Group to meet its obligations as they fall due In the opinion of the Directors, the Company are expected to be able to continue trading within the current arrangements and consequently the financial statements are presented on a going concern basis

g) Accounting policies for the Company financial statements

The Company's accounting policies are the same as the Group's accounting policies, as detailed in note 1 to the Group financial statements, for the following

Company FRS 101 accounting policy	Group IFRS accounting policy	Note
New accounting standards	New accounting standards	1h
Critical accounting estimates and judgments	Critical accounting estimates and judgments	1i
Debtors	Trade and other receivables	1q
Cash	Cash	1r
Share capital	Share capital	1s
Creditors	Trade and other payables	1t
Interest receivable and similar income	Finance income and expense	1v
Interest payable and similar expense	Finance income and expense	1v
Financial instruments	Financial instruments	1w
Current and deferred tax	Current and deferred tax	1x
Revenue recognition	Revenue recognition	1bb
Fair value measurement	Fair value measurement	1dd

31. Directors

Information on the Company's Directors is provided in note 6 to the Group financial statements

32. Investments

	Investments in subsidiary companies £'000
At 1 April 2018	92,440
Additions	141
At 31 March 2019	**92,581**

Notes to the Company Financial Statements

32. Investments (continued)

The Company's subsidiaries, including subsidiaries held by indirect holding companies, are

Name	Country	% ordinary share capital ownership
Arrow Digital Limited	United Kingdom	100
Atlantic Broadcasting Limited*	United Kingdom	100
Audio HQ LLC	United States of America	65
Beat FM Limited	United Kingdom	100
Bell Bidco Limited*	United Kingdom	100
Global Outdoor Media Holdings Limited*	United Kingdom	100
Bell Intermediate Limited*	United Kingdom	100
Boardmasters II Limited	United Kingdom	100
Boardmasters Limited	United Kingdom	87 6
Broadwick Holdings Limited	United Kingdom	58 6
Broadwick Live Limited	United Kingdom	58 6
Broadwick Venues Limited	United Kingdom	50
Brownstock UK Limited	United Kingdom	87 6
Buzz FM Limited	United Kingdom	100
Cambridge and Newmarket FM Radio Limited	United Kingdom	100
Capital (CDWM) Limited	United Kingdom	100
Capital Gold Hampshire Limited	United Kingdom	100
Capital Gold Kent Limited	United Kingdom	100
Capital Gold Manchester Limited*	United Kingdom	100
Capital Gold Sussex Limited	United Kingdom	100
Capital Interactive Limited	United Kingdom	100
Capital Online Limited	United Kingdom	100
Capital Radio (London) Limited	United Kingdom	100
Capital Radio Investments Limited*	United Kingdom	100
Capital Radio Limited	United Kingdom	100
Capital Radio Restaurants Group Limited	United Kingdom	100
Capital Radio Restaurants Limited	United Kingdom	100
Capital Radio Trustee Limited	United Kingdom	100
Capital Television Limited	United Kingdom	100
Capital Xtra Limited*	United Kingdom	100
Castleform Limited	United Kingdom	100
Central European Broadcasting Limited	United Kingdom	100
Champion FM Limited	United Kingdom	100
Cheerdale Limited	United Kingdom	100
Chill Radio Limited*	United Kingdom	100
Chiltern Radio Limited*	United Kingdom	100
Choice FM London Limited	United Kingdom	100
Choice FM North London Limited	United Kingdom	100
Classic FM BV	Netherlands	100
Classic FM Limited*	United Kingdom	100
Continental Angel Limited	United Kingdom	100
Core Digital Radio Limited	United Kingdom	100
Cotswold Broadcasting Company Limited	United Kingdom	100
Count of Ten Limited	United Kingdom	87 6
DAX US Inc	United States of America	100
Deansgate 1001 Limited	United Kingdom	100
Deltrack Limited*	United Kingdom	100

* Exemption from Audit by Parent Guarantee – Entities' debts and liabilities are guaranteed by the Company at the reporting date in accordance with section 479A of the Companies Act 2006

Notes to the Company Financial Statements

32. Investments (continued)

The Company's subsidiaries, including subsidiaries held by indirect holding companies, are

Name	Country	% ordinary share capital ownership
Devonair Radio Limited	United Kingdom	100
Digital Audio Exchange Limited*	United Kingdom	100
Digital News Network Limited	United Kingdom	100
DQ Radio Services Limited*	United Kingdom	100
East Anglian Radio Limited	United Kingdom	100
Ecast Ventures Limited	United Kingdom	100
Electric Elephant Limited	United Kingdom	58 6
Eleven Limited	United Kingdom	100
Essex Radio Limited*	United Kingdom	100
Expressway Limited	United Kingdom	100
Falcon Outdoor (North) Limited*	United Kingdom	100
First Oxfordshire Radio Company Limited*	United Kingdom	100
FN6 Limited	United Kingdom	55 7
Galaxy Radio Birmingham Limited*	United Kingdom	100
Galaxy Radio Limited	United Kingdom	100
Galaxy Radio Manchester Limited	United Kingdom	100
Galaxy Radio North East Limited*	United Kingdom	100
Galaxy Radio Yorkshire Limited*	United Kingdom	100
GCap Media (CRUD) Limited	United Kingdom	100
GCap Media (FPRL) Limited	United Kingdom	100
GCap Media (The Jazz) Limited	United Kingdom	100
GCap Media Limited	United Kingdom	100
Gemini Radio Limited*	United Kingdom	100
Global 05699567 Limited	United Kingdom	87 6
Global Festivals Limited	United Kingdom	87 6
Global Kit Limited	United Kingdom	52 6
Global Live Limited*	United Kingdom	100
Global Media Group Services Limited	United Kingdom	100
Global Media Ventures Limited	United Kingdom	100
Global Music Television Limited*	United Kingdom	100
Global Outdoor Media Limited	United Kingdom	100
Global Outdoor Media Holdings Limited*	United Kingdom	100
Global Radio (AM) Limited*	United Kingdom	100
Global Radio Acquisitions Limited**	United Kingdom	100
Global Radio Digital Limited	United Kingdom	100
Global Radio Hampshire Limited*	United Kingdom	100
Global Radio Holdings Limited**	United Kingdom	100
Global Radio Limited	United Kingdom	100
Global Radio London Limited*	United Kingdom	100
Global Radio Media Management Limited*	United Kingdom	100
Global Radio Midlands Limited*	United Kingdom	100
Global Radio Northwest Limited*	United Kingdom	100
Global Radio Publishing Limited*	United Kingdom	100
Global Radio Services Limited	United Kingdom	100
Global Radio UK Limited	United Kingdom	100
GM Radio News (UK) Limited	United Kingdom	55
GM&E GmbH	Germany	100
GM&E Sarl	France	100

* Exemption from Audit by Parent Guarantee – Entities' debts and liabilities are guaranteed by the Company at the reporting date in accordance with section 479A of the Companies Act 2006

** Direct holdings of Global Media & Entertainment Limited as at the date of signing

On 25 July, the Company acquired the remaining equity on Global Radio Holdings Limited from Global Radio Acquisitions Limited

Notes to the Company Financial Statements

32. Investments (continued)

The Company's subsidiaries, including subsidiaries held by indirect holding companies, are

Name	Country	% ordinary share capital ownership
GMG Radio Limited	United Kingdom	100
Ground Control Productions Limited	United Kingdom	59
GWR (Local Area) Limited	United Kingdom	100
GWR (Trustee Company) Limited	United Kingdom	100
GWR (West) Limited*	United Kingdom	100
GWR East Holdings Limited*	United Kingdom	100
GWR Group Limited	United Kingdom	100
GWR Hungary (Investments) Limited	United Kingdom	100
GWR International Investments Limited	United Kingdom	100
GWR International Limited	United Kingdom	100
GWR New Zealand Licences Limited	New Zealand	100
GWR New Zealand Limited	New Zealand	100
GWR Radio (South East) Limited*	United Kingdom	100
GWR Radio Limited	United Kingdom	100
Harlow FM Limited	United Kingdom	100
Healthbuild Limited	United Kingdom	100
Heart 106 FM Limited	United Kingdom	100
Heart Radio Limited	United Kingdom	100
Heart TV Limited	United Kingdom	100
Hereward Radio Limited	United Kingdom	100
Hit 40 UK Limited	United Kingdom	100
Hopstar Limited*	United Kingdom	100
Hydra Events Limited	United Kingdom	100
Independent Radio News Limited	United Kingdom	55
Industrial Curation Limited	United Kingdom	32
Investors in Radio Limited	United Kingdom	100
Invicta Concerts and Promotions Limited	United Kingdom	100
Jams of London Limited	United Kingdom	100
Juice Holdco Limited*	United Kingdom	100
Lakeside Creatives Limited	United Kingdom	57 8
Lancashire Broadcasting Company Limited*	United Kingdom	100
Lantern Radio Limited	United Kingdom	99
LBC 1152 Limited	United Kingdom	100
LBC Radio Limited*	United Kingdom	100
DAX Digital Audio Exchange Inc	Canada	100
Leicester Sound Limited*	United Kingdom	100
Lite Spaces Limited*	United Kingdom	100
Livetime Limited	United Kingdom	100
Lock 'n' Load Events Limited	United Kingdom	65 7
Marcher Radio Group Limited*	United Kingdom	100
Maxx Outdoor Limited*	United Kingdom	100
Mid Anglia Radio Limited*	United Kingdom	100
Moving Music Limited	United Kingdom	65 7
Mwah Mwah Limited	United Kingdom	100
My Kinda Bath Limited	United Kingdom	100
My Kinda Shacks Limited	United Kingdom	100

* Exemption from Audit by Parent Guarantee – Entities' debts and liabilities are guaranteed by the Company at the reporting date in accordance with section 479A of the Companies Act 2006

Notes to the Company Financial Statements

32. Investments (continued)

The Company's subsidiaries, including subsidiaries held by indirect holding companies, are

Name	Country	% ordinary share capital ownership
My Kinda Square Limited	United Kingdom	100
Neal Street Blues Limited	United Kingdom	100
Ocean FM Limited	United Kingdom	100
Orchard FM Limited*	United Kingdom	100
Orchard Media Limited	United Kingdom	100
Outdoor Plus Limited*	United Kingdom	100
Oval (709) Limited	United Kingdom	100
Plymouth Sound Limited*	United Kingdom	100
Power FM Limited	United Kingdom	100
Prestfold Limited	United Kingdom	100
Primesight Airport Advertising Limited	United Kingdom	100
Primesight Airports Limited	United Kingdom	100
Primesight Billboards Limited*	United Kingdom	100
Primesight Communications Limited	United Kingdom	100
Primesight Intermediate Holdco Limited*	United Kingdom	100
Primesight Limited	United Kingdom	100
Printworks Entertainment Limited	United Kingdom	29
Prock Licence (NTLRSL) Limited	United Kingdom	100
Project Iconic Bidco Limited*	United Kingdom	100
Project Iconic Holdings Limited*	United Kingdom	100
Project Iconic Midco Limited*	United Kingdom	100
Pure Butter Limited	United Kingdom	51
Radio Broadland Limited*	United Kingdom	100
Radio Invicta Limited*	United Kingdom	100
Radio Mercury Limited*	United Kingdom	100
Radio Orwell Limited	United Kingdom	100
Radio South Limited	United Kingdom	100
Radio Trent Limited*	United Kingdom	100
Ram FM Limited	United Kingdom	100
Real and Smooth Limited*	United Kingdom	100
Real Radio (North East) Limited*	United Kingdom	100
Real Radio (North West) Limited*	United Kingdom	100
Real Radio (Scotland) Limited*	United Kingdom	100
Real Radio Limited*	United Kingdom	100
Rewind Festival Limited	United Kingdom	87 6
Riviera Radio Limited	United Kingdom	100
Rock Radio Limited	United Kingdom	100
Saxon Radio Limited	United Kingdom	100
SBH Events Limited	United Kingdom	58 6
Scott Place 1002 Limited	United Kingdom	100
Scott Place 1003 Limited	United Kingdom	100
Scott Place 1004 Limited	United Kingdom	100
Smooth Digital Radio Limited	United Kingdom	100
Smooth Radio Investments Limited*	United Kingdom	100
Smooth Radio London Limited*	United Kingdom	100
Smooth Radio Scotland Limited*	United Kingdom	100
Smooth Radio West Midlands Limited*	United Kingdom	100

* Exemption from Audit by Parent Guarantee – Entities' debts and liabilities are guaranteed by the Company at the reporting date in accordance with section 479A of the Companies Act 2006

Notes to the Company Financial Statements

32. Investments (continued)

The Company's subsidiaries, including subsidiaries held by indirect holding companies, are

Name	Country	% ordinary share capital ownership
South Hams Radio Limited	United Kingdom	63 5
Southern Radio Group Limited*	United Kingdom	100
Southern Radio Limited*	United Kingdom	100
Storm (GWR) Limited	United Kingdom	100
Storm Broadcasting Limited	United Kingdom	100
Suffolk Group Radio Limited*	United Kingdom	100
Tainside Limited*	United Kingdom	100
Thames Valley Broadcasting Group Limited	United Kingdom	100
Thames Valley Broadcasting Limited*	United Kingdom	100
Thamesquote Limited*	United Kingdom	100
The Digital Radio Group (Investments) Limited*	United Kingdom	100
The Digital Radio Group Limited*	United Kingdom	100
The Hideout Festival LLP	United Kingdom	70
The Milton Keynes Broadcasting Company Limited	United Kingdom	100
The Northamptonshire Broadcasting Company Limited	United Kingdom	100
The Storm (Digital Radio) Limited	United Kingdom	100
This is Global Limited	United Kingdom	100
Truck Festivals UK Limited	United Kingdom	87 6
TS Holdings Limited	United Kingdom	100
Two Counties Radio Limited*	United Kingdom	100
Vibe FM Limited	United Kingdom	100
Victorious Festivals Limited	United Kingdom	57 4
Waxarch Limited	United Kingdom	70 6
We the Unicorns Limited*	United Kingdom	100
Welovelocal com Limited*	United Kingdom	100
West Country Broadcasting Limited	United Kingdom	100
Westward Radio Limited	United Kingdom	100
Westward Television Limited	United Kingdom	100
Wiltshire Radio Limited*	United Kingdom	100
Wirral FM Limited	United Kingdom	100
Xfm Limited*	United Kingdom	100
Xfm Manchester Limited*	United Kingdom	100
Y Not Festivals UK Limited	United Kingdom	100
Pop buzz Limited*	United Kingdom	100

* Exemption from Audit by Parent Guarantee – Entities' debts and liabilities are guaranteed by the Company at the reporting date in accordance with section 479A of the Companies Act 2006

The Company's subsidiaries all have a year end of 31 March, with the exception of Lock'N'Load Limited and Waxarch Limited, which have a year end of 30 September and Audio HQ LLC which has a year end of 31 December

On 18 April 2018 Global Festivals Limited was renamed Superstruct UK Festivals Limited On 25 April 2018 Angels in Radio Limited was renamed Global Outdoor Media Limited On 26 March 2019 Amber Radio was renamed Global Media Group Services Limited On 31 December 2018 Vision Nine Entertainment Holdings Limited was renamed Boardmasters II Limited On 10 June 2019 Bell Holdco Limited was renamed Global Outdoor Media Holdings Limited

The Company's subsidiaries registered address is 30 Leicester Square, London, WC2H 7LA with the exception of the following entities

32. Investments (continued)

Company	Registered Address
Audio HQ LLC	138 Millard Avenue, New York 10708
Bell Bidco Limited	22 Percy Street, London, United Kingdom W1T 2BU
Bell Holdco Limited	22 Percy Street, London, United Kingdom W1T 2BU
Bell Intermediate Limited	22 Percy Street, London United Kingdom, W1T 2BU
Classic FM BV	Naarderpoort 2, 1411MA, Naarden, The Netherlands
Continental Angel Limited	20-22 Great Titchfield Street, London, United Kingdom W1W 8BE
DAX US Inc	874 Walker Road Suice C City of Dover, County of Kent Delaware 1990430
Deltrack Limited	20-22 Great Titchfield Street, London, United Kingdom, W1W 8BE
Falcon Outdoor (North) Limited	22 Percy Street, London, United Kingdom, W1T 2BU
GM Radio News (UK) Limited	Academic House, 24-28 Oval Road, London, NW1 7DJ
GM&E GmbH	c/o Taylor Wessing, 1 Sartorplatnz, 880331 Munich
GM&E Sarl	4 rue Marivaux, 75002, Paris
GWR New Zealand Licences Limited	10 Brandon Street, Wellington, 6011, New Zealand
GWR New Zealand Limited	10 Brandon Street, Wellington, 6011, New Zealand
Independent Radio News Limited	Academic House, 24-28 Oval Road, London, NW1 7DJ
InLink Limited	22 Percy Street, London, United Kingdom, W1T 2BU
Leanstream Inc	2800 Park Place, 666 Burrard Street, Vancouver, BC V6C 2Z7
Lite Spaces Limited	20-22 Great Titchfield Street, London, United Kingdom, W1W 8BE
Maxx Outdoor Limited	20-22 Great Titchfield Street, London, United Kingdom, W1W 8BE
Outdoor Plus Limited	20-22 Great Titchfield Street, London, United Kingdom, W1W 8BE
Prestfold Limited	20-22 Great Titchfield Street, London, United Kingdom, W1W 8BE
Primesight Airport Advertising Limited	22 Percy Street, London, United Kingdom, W1T 2BU
Primesight Airports Limited	22 Percy Street, London, United Kingdom, W1T 2BU
Primesight Billboards Limited	22 Percy Street, London, United Kingdom W1T 2BU
Primesight Communications Limited	22 Percy Street, London, United Kingdom W1T 2BU
Primesight Intermediate Holdco Limited	22 Percy Street, London, United Kingdom, W1T 2BU
Primesight Limited	22 Percy Street, London, United Kingdom, W1T 2BU
Project Iconic Bidco Limited	20-22 Great Titchfield Street, London United Kingdom, W1W 8BE
Project Iconic Holdings Limited	89 New Bond Street, London, England, W1S 1DA
Project Iconic Midco Limited	20-22 Great Titchfield Street, London, United Kingdom, W1W 0DE
Real Radio (Scotland) Limited	1 West Regent Street Glasgow, G2 1RW
Rock Radio Limited	1 West Regent Street, Glasgow, G2 1RW
Smooth Radio Scotland Limited	1 West Regent Street, Glasgow, G2 1RW

33. Debtors

	31 March 2019	31 March 2018
	£'000	£'000
Loans to subsidiaries	367,313	367,313
Amounts owed by group undertakings	922,524	62,380
Deferred tax asset	-	2,080
	1,289,837	431,773

Notes to the Company Financial Statements

33. Debtors (continued)

The Directors have considered the value in use of the investment and have concluded that an impairment in the investment value is not applicable

The intra-group loans are repayable on demand Loans within the Radio operating segment incur annual interest of 6% and loans between Radio and Outdoor segments incur annual interest of 7%, plus a variable element based on 12-month GBP LIBOR

34. Creditors: amounts falling due within one year

	31 March 2019	31 March 2018
	£'000	£'000
Bank loans and overdrafts	35,000	23,303
Accrued interest	29,225	14,991
Amounts owed to group undertakings	4,529	3,894
Deferred tax liabilities	2,475	-
	71,229	42,188

35. Creditors: amounts falling due after more than one year

	31 March 2019	31 March 2018
	£'000	£'000
Bank loans	301,407	112,247
Other loans	1,251,084	649,229
	1,552,491	761,476

36. Share capital

	31 March 2019	31 March 2018
	£	£
Authorised, issued, called up and fully paid		
Ordinary shares of £1	171,889,147	171,889,147
	171,889,147	171,889,147

37. Related party transactions

As disclosed in note 23 and in accordance with the exemptions in FRS 101 the Company is not required to disclose related party transactions with key management personnel or between members of the Group The Company has not completed any related party transactions with any other entities or parties

38. Immediate and ultimate parent company

In the opinion of the Directors the Company's immediate and ultimate controlling company is Global Radio Group Limited, a company incorporated in Jersey

The largest and smallest group in which the results of the Company are consolidated is that headed by Global Media & Entertainment Limited