Global Outdoor Media Limited
(Formerly Exterion Media (UK) Limited)

Annual Report and Financial Statements

For the year ended 31 March 2021

Registered No. 02866133

Directors
L Taviansky
J Cotterrell
S Miron
D Singer

Company Secretary
M J Gammon

Statutory Auditor
Deloitte LLP
Statutory Auditor
1 New Street Square
London
EC4A 3HQ

Registered Office
7th Floor
Lacon House
84 Theobalds Road
London
WC1X 8NL

Strategic Review

The Directors present their strategic report for Global Outdoor Media Limited for year ended 31 March 2021. In the prior period, the Company changed its account reference date from 31 December to 31 March resulting in the prior period values within the financial statements being presented for a 15 month period.

The Directors in preparing this Strategic Report, have complied with s414c of the Companies Act 2006. It has been prepared solely to provide shareholders with information to assess how directors have performed their duty to promote the success of the Company for the year ended 31 March 2021.

Review of Business

The principal activity of the Company is the provision of outdoor advertising. The Company licences the rights to erect and operate advertising panels. It then sells the advertising space to companies, public bodies and individuals.

The Competition and Markets Authority ("CMA") gave Global Media & Entertainment Limited (the "Group" or "Global") clearance on 16 April 2019 for the completion of the acquisition of the Exterion Media Group. Post approval from the CMA the Group obtained control over Exterion Media Group and subsequently consolidated the results into the Group's consolidated performance.

Due to the Covid-19 pandemic, the Company has seen an unprecedented challenge to advertising revenue, this decline has been in particular in the transport sector including London Underground, mainly due to low levels of footfall across the year. From the Balance Sheet date recovery rates are positive but have remained challenging in transport, especially in central London.

Financial performance

The income statement shows continuing revenue for the year ended 31 March 2021 of £36.7m decreasing from revenue of £288.166m for the 15 month period ended 31 March 2020, or £230.5m based on a pro-rated 12 months. In the period the Company made an operating loss of £26.4m (15 month period ended 31 March 2020 - profit £27.8m, or £22.2m based on a pro-rated 12 months).

Key performance indicators (KPIs)

The business uses key performance indicators which are monitored on a regular basis. The Financial KPI's assessed are indicators such as revenue, adjusted EBITDA and operating margins where variance analysis is performed monthly. The non-financial KPI's are also monitored and are included below in the principal risks and uncertainties disclosures under other risks. Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. The KPIs for the Global Media & Entertainment Group can be found in the Annual Report of Global Media & Entertainment Limited, which is available from Companies House.

Strategic Review (continued)

Principal risks and uncertainties

Covid-19

For this period, there is an additional risk arising in relation to the Covid-19 pandemic. The Covid-19 lockdown period in the UK led many companies to react immediately and to reduce their advertising spend due to reduced footfall and traffic, which has negatively impacted the outdoor advertising operations in the short term. Once lockdown measures began to be lifted, we saw an uplift in advertising on the street advertising platforms, but less in relation to transport inventory, especially on the London Underground estate as people travelled into London less frequently.

The Covid-19 pandemic has resulted in unprecedented challenges for organisations globally and, as with many businesses in the UK, Global has been negatively impacted. The pandemic and related government responses and interventions have resulted in operational uncertainty and have heightened many of our existing risks.

The senior leadership team alongside the Group have taken action in regards to trying to limit the impact of the pandemic on our business including measures to reduce the overhead costs and ensure the future success of the Company and Group both in the short-term and long term. These included deferring expenditure on capital projects and discretionary expenditure, accessing the Coronavirus Job Retention Scheme and freezing recruitment and pay rises across the business. The business also worked with our leaseholders to modify certain leases in the short to medium term.

Other risks

Risks and uncertainties associated with operating poster advertising concessions with the Company's partners include the following:

- The cyclical nature of advertising revenue and the health of the UK economy;
- Sales revenues derived from the resale of advertising space must cover minimum guarantees payable to franchise partners and deliver a commercial return on any capital investment programme;
- Contractual commitments must be adhered to, including the provision of accurate sales, delivery and other operating data to franchise partners; and
- Health and safety is of paramount importance given the requirement to post advertising campaigns in complex environments.

In order to monitor and minimise any potential adverse impact of these key uncertainties, the Company's management meets at least once a month to discuss financial and other key performance metrics of the business, including:

- Sales and the sales pipeline, key client relationships, research and marketing initiatives;
- Financial performance by franchise partner, upcoming franchise renewals and potential tender opportunities;
- Delivery statistics and incidences of non-display together with appropriate resolution;
- Safety and quality indicators such as incidents at work and reviews of the quality of posted campaigns across nationwide locations; and
- Employee turnover by department and other employee-related matters.

Strategic Review (continued)

Financial risk management objectives and policies

The profile of the Company's operations exposes it to financial risks including the effects of liquidity risks.

a. Liquidity risk

The Company aims to mitigate liquidity risk by managing cash generation by its operations.

The central finance department of the parent company, Global Media & Entertainment Limited (the "Group") is responsible for ensuring there are appropriate funding requirements to meet the ongoing requirements of the Group and for managing effectively liquid funds in the Group.

Regular cash flow forecasts are prepared by the Group and reviewed by management. Management reviews annual strategy plans, budgets and forecasts, as well as daily cash balances and weekly forecasts to ensure that optimal use is made of liquid funds within the Group to avoid unnecessary borrowing.

b. Interest rate risk

It is the objective of the Group, to which the Company belongs, to minimise the cost of borrowings and maximise the value from its cash resources, whilst retaining the flexibility of funding opportunities.

c. Currency risk

Foreign currency transaction exposures result from purchases by the Company in a currency other than their functional currency.

d. Financial credit risk

The credit profiles of the Company's customers are obtained from credit rating agencies and are closely monitored. The scope of these reviews includes amounts overdue and credit limits.

Trade receivables are considered impaired when the amount is in dispute; customers are in financial difficulty or for other reasons which imply there is doubt over the recoverability of the debt.

Section 172 statement

The Company's long term success is at the forefront of the Board's thinking and the Directors have full regard for their duties and the matters set out in Section 172 of the UK Companies Act 2006. Indeed, it's the Board's belief that the Company can only be successful when the interest of those it works with are considered, and particularly when customer, supplier, employee, shareholder interests and the environment, climate and societies we operate in are understood and responded to and appropriately reflected in how the business develops.

Global Outdoor Media Limited forms part of the Global Media and Entertainment Limited Group of Companies. The Global Media and Entertainment Limited Section 172 statement is set out on pages 8 to 9 of the consolidated financial statements. This statement describes the Group's (and therefore the Company's) most significant stakeholders, why they are considered important, how the Company engages and to what end and how the Directors are involved including statement on employee and business relationships.

The Directors consider that the disclosure within the Group accounts is applicable as decisions and policies affecting employees, the environment, suppliers and shareholders are set at the group level (with directors of both the Company and the Group ensuring when applying those policies that they are meeting their duties).

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

D Singer
Director

05 August 2021

Directors' report

Registered No. 02866133

The directors present their report for the year ended 31 March 2021.

Matters covered in the strategic report

Certain matters required to be disclosed in the Directors' Report have been presented in the Strategic Report, namely the Review of Business, Key Performance Indicators, Principal Risks and Uncertainties, Update to Financial risk management objectives and policies, including operational risk, credit risk and liquidity risk along with customer and supplier engagement

Directors

The directors of the Company who were in office during the period and up to the date of signing the financial statements were:

L Taviansky
J Cotterrell
A Booker (resigned 15 February 2021)
S Miron
D Singer

The Company maintained liability insurance, which includes indemnity for its Directors and officers, which is a qualifying third-party indemnity provision for the purposes of the Companies Act 2006, and was in force during the entire financial period and as of the date of approval of the financial statements.

Dividends

No dividends were paid or received during the year (15 month period ended 31 March 2020: £nil).

Future Developments

The Company enters into a large number of long term franchise contracts. These contracts have a range of expiry dates and are usually subject to a competitive tender at the end of the contract term. Management assesses all tender opportunities, this will include an assessment to tender for existing contracts, based on the strategic focus of the Company.

The Covid-19 pandemic significantly impacted the performance of the Company during the 2021 financial period, however the Company took swift action from the very beginning of the pandemic to manage and mitigate the impact of Covid-19.

Events since the balance sheet date

There have been no material post year end balance sheet events

Climate Change

The Directors consider that the disclosure within the Global Media and Entertainment Limited (the Group) accounts is applicable to the Company. Refer to page 11 of the Group consolidated financial statements for details on carbon emissions.

Going Concern

The Company's business activities, together with the factors likely to affect its future development are described above.

Directors' report (continued)

The Board continue to closely monitor the ongoing Covid-19 situation. The impact of Covid-19 on the business performance and the Company and Group's liquidity position experienced during the lockdown period has been incorporated into the Directors' consideration in assessing the appropriateness of the Board's adoption of the going concern assumption used in the preparation of the Company's financial statements for the period ended 31 March 2021. The Directors have prepared forecasts at a Group level for a range of cash flow scenarios, including base case, low cases, and worst case from the date of approval of these financial statements.

The key assumptions in the modelled scenarios relate to the speed of the recovery of the advertising market and the rate and scale of delivery of advertising on our Outdoor inventory as audiences return. More details on the Group's response to Covid-19 can be seen within the financial statements of Global Media & Entertainment Limited.

The Company has long term contracts with a number of franchise partners; it is also part of a group with considerable financial resources.

In addition, Global Media & Entertainment Limited, its parent undertaking, has provided a letter of support confirming and commitment to support for the Company for at least twelve months from the date of approval of the financial statements, and thereafter for the foreseeable future, to enable the Company to continue to meet its liabilities as they fall due and to carry on its business.

The Board continues to monitor performance against the scenarios alongside Group as well as internal and external analysis to inform its planning and decision making and will continue to manage its costs and cash appropriately.

As a consequence, the directors believe the Company is well placed to manage its business risks successfully and the directors continue to adopt the going concern basis in preparing the annual report and accounts.

Disabled employees and Employee involvement

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment within the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the Company as a whole. Communication with all employees continues through the Company intranet & email communications.

Employee and business relationships

Global Outdoor Media Limited forms part of the Global Media and Entertainment Limited Group of Companies. The Global Media and Entertainment Limited Section 172 statement is set out on pages 8 to 9 of the consolidated financial statements. This statement describes the Group's (and therefore the Company's) most significant stakeholders, why they are considered important, how the Company engages and to what end and how the Directors are involved including statement on employee and business relationships.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditors

During the year, we undertook an external audit tender. After reviewing written proposals and hearing presentations from the participating firms the Board has the intention to appoint Pricewaterhouse Coopers (PwC) for 2021/22 year end.

On behalf of the Board

D Singer
Director

05 August 2021

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 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 these financial statements, the directors are required to:

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

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

Independent auditor's report to the members of Global Outdoor Media Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Global Outdoor Media Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 23.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 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, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 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 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 the 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulation that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These include UK Companies Act 2006, and relevant tax legislations; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included General Data Protection Regulation (GDPR), Advertising Standard Authority Rules and Codes, Railways and Other Guided Transport Systems (Safety) Regulations 2006.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

Accuracy of Media and Production Revenue

We performed the following audit procedures:

- Evaluated the design and implementation of relevant controls surrounding Company's revenue recognition process;
- Performed information produced by entity testing to verify the accuracy and completeness of the revenue reports;
- On a selected sample tested whether the amounts recognised were accurate and recorded in the correct period;
- Circularised confirmations to third parties to test whether the revenue recorded were recorded accurately; and
- Performed trend analysis on revenue and corroborated to the revenue recorded by the Company.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance reviewing correspondence with HMRC.

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 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 directors' report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

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.

Sandy Sullivan

Sandy Sullivan FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

05 August 2021

Income Statement

for the year ended 31 March 2021

	Notes	Year ended	15 month period ended
		31.03.2021	31.03.2020
		£000	*£000*
Revenue from contracts with customers	4	36,708	288,166
Cost of sales		(19,033)	(177,347)
Gross profit		17,675	110,819
Distribution costs		(12,545)	(14,490)
Administrative expenses		(33,850))	(68,854)
Other operating and grant income	7	2,293	309
Operating (loss)/profit	5	(26,427)	27,784
Net interest receivable	8	3,433	540
(Loss)/Profit on ordinary activities before taxation		(22,994)	28,324
Tax credit/(expense)	9	5,030	(1,706)
(Loss)/Profit for the year		(17,964)	26,618

All amounts relate to continuing activities.

Statement of changes in equity

for the year ended 31 March 2021

	Share capital £000	Share premium account £000	Retained earnings £000	Total equity £000
Balance at 1 January 2019	**650**	**5,493**	**104,657**	**110,800**
Profit and total comprehensive income for the period	-	-	26,618	26,618
Balance at 31 March 2020	**650**	**5,493**	**131,275**	**137,418**
Total comprehensive loss for the year	-	-	(17,964)	(17,964)
Contributions by and distributions to owners	-	-	-	-
Credit in respect of share based payments	-	-	5,250	5,250
Balance at 31 March 2021	**650**	**5,493**	**118,561**	**124,704**

Balance Sheet

As at 31 March 2021

	Notes	*31.03.2021* *£000*	*31.03.2020* *£000*
Non-current assets			
Tangible fixed assets	11	70,530	98,849
Intangible fixed assets	12	6,865	5,540
Investments	13	-	-
Other long term assets	15	1,280	1,468
Deferred tax asset	9	4,466	6,221
		83,141	112,078
Current assets			
Inventories	14	562	507
Debtors amounts falling due within one year	15	158,522	186,443
Cash and cash equivalents		12,007	8,060
		171,091	195,010
Creditors: amounts falling due within one year	16	(88,671)	(121,626)
Net current assets		82,420	73,384
Total assets less current liabilities		165,561	185,462
Creditors: amounts falling due after more than one year	16	(39,878)	(47,128)
Provisions for liabilities	19	(979)	(916)
Net assets		124,704	137,418
Equity			
Called up share capital	20	650	650
Share premium account		5,493	5,493
Share based payment reserve	6	-	-
Retained earnings		118,561	131,275
Total equity		124,704	137,418

These financial statements were approved by the board, authorised for issue and were signed on its behalf by:

D. Singer

D Singer
Director
05 August 2021

Company registered number: 02866133

Notes to the financial statements

1. Authorisation of financial statements and statement of compliance with FRS 101

Global Outdoor Media Limited (the "Company") is a private incorporated company limited by shares and is registered in England and Wales. Its registered address is 7th Floor Lacon House, 84 Theobald's Road, London WC1X 8NL. Information about the company's operations and its principal activities are disclosed in the Directors' Report.

Global Outdoor Media Limited is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with UK GAAP (Financial Reporting Standard 101 Reduced Disclosure Framework "FRS 101" and in accordance with the requirements of the Companies Act 2006.

The Company's financial statements are presented in Sterling which is its functional currency and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Global Media and Entertainment Limited which prepares group accounts under IFRS as adopted by the European Union and are publicly available. These financial statements represent the results of operations of the Company and not of the group headed by it.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

2.1 Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the period ended 31 March 2021.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The Company has taken advantage of all of the available disclosure exemptions permitted by FRS 101 in the financial statements, the most significant of which are summarised below.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m),
- B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
  - paragraphs 76 and 79(d) of IAS 40 Investment Property; and

- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.2 New and amended standards and interpretations

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 2021. 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 2020. The adoption of these standards has not impacted the company's earnings, however has required certain reclassifications in the Statement of Financial Position and introduced additional disclosure requirements:

- Amendments to IFRS 3 Business Combinations: Definition of a Business
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform
- Amendments to IAS 1 and IAS 8: Definition of Material
- Amendments to References to the Conceptual Framework in IFRS Standards

2.4 New accounting standards that have been issued but are not yet effective

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 2021 or later and which the Company has decided not to adopt early.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1: Classification of Liabilities as Current or Non current
- Amendments to IFRS 3: Reference to the Conceptual Framework
- Amendments to IAS 16:Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to IFRS 1 First time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases and IAS 41 Agriculture

The Directors considered the impact on the Company's financial information and do not consider the above to have a material effect on the financial statements of the Company.

Notes to the financial statements (continued)

2.5 Going Concern

The Board continue to closely monitor the ongoing Covid-19 situation. The impact of Covid-19 on the business performance and the Company and Group's liquidity position experienced during the lockdown period has been incorporated into the Directors' consideration in assessing the appropriateness of the Board's adoption of the going concern assumption used in the preparation of the Company's financial statements for the period ended 31 March 2021. The Directors have prepared forecasts at a Group level for a range of cash flow scenarios, including base case, low cases, and worst case from the date of approval of these financial statements.

The key assumptions in the modelled scenarios relate to the speed of the recovery of the advertising market and the rate and scale of delivery of advertising on our Outdoor inventory as audiences return. More details on the Group's response to Covid-19 can be seen within the financial statements of Global Media & Entertainment Limited.

The Company has long term contracts with a number of franchise partners; it is also part of a Group with considerable financial resources.

In addition, Global Media & Entertainment Limited, its parent undertaking, has provided a letter of support confirming and commitment to support for the Company for at least twelve months from the date of approval of the financial statements, and thereafter for the foreseeable future, to enable the Company to continue to meet its liabilities as they fall due and to carry on its business.

The Board continues to monitor performance against the modelled scenarios as well as internal and external analysis to inform its planning and decision making and will continue to manage its costs and cash appropriately.

As a consequence, the directors believe the Company is well placed to manage its business risks successfully and the directors continue to adopt the going concern basis in preparing the annual report and accounts.

2.6 Foreign currencies

The company's financial statements are presented in sterling, which is also the company's functional currency.

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.7 Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, investments subsidiaries, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. They are shown net of any expected credit losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

2.8 Investments

Investments in subsidiaries, associates and joint ventures are held at historical cost less any applicable provision for impairment.

2.9 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Advertising Structures	10 years or life of contract for Traditional 3-10 years or life of contract for Digital
Computers	3-5 years
Leasehold improvements	shorter of lease contract or life of the improvement
Vehicles	4-10 years
Furniture and Fittings	10 years
Capitalised leases	shorter of franchise contract or life of the assets

Traditional advertising structures relate to non-animated, static advertising displays.
Digital advertising structures relate to advertising displays where advertising content is displayed electronically.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Assets in the course of construction include components and finished goods purchased for incorporation into advertising sites, which are recorded at the lower of cost and net realisable value of the separate items of stock or of groups of similar items. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the cost of realisation. Assets in the course of construction is recorded at cost to date and represents the amount of other expenditure on advertising sites which are not yet installed or ready for service.

2.10 Intangible assets

Other intangible assets

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses. The carrying values of other intangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use
- Its intention to complete and its ability and intention to use the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Licenses and software	1 to 5 years

2.11 Impairment excluding deferred tax assets

Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Notes to the financial statements (continued)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.12 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which a company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

2.13 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

2.14 Revenue from contracts with customers

Revenue from contracts with customers represents the amounts (excluding the value added tax) derived from the provision of goods and services to customers during the year, net of commissions, volume rebates and discounts.

The Company is in the business of advertising. In particular, the Company recognizes revenues from the display of media and production revenue related to that media display. The significant proportion of the Company's revenues are recognised for a period of one year or less.

(a) Media revenue: contracts with customers in which the display of advertisement is generally expected to be the only performance obligation. Revenue is expected to occur rateably over the period that the advertising is displayed and recognised throughout the advertising campaign starting from the first day it was displayed.

(b) Production revenue: contracts with customers in which the production of advertising material is generally expected to be the only performance obligation. Revenue is recognised in full on the first day that the advertisement is displayed as performance is deemed to have occurred upon delivery of the advertising display material.

Media revenue is recognised at the fair value of the consideration received or receivable, net of commissions and volume rebates which are accounted for as variable consideration. The standard requires the entity to estimate the amount of variable consideration and based on this the Company accrues the value of the rebates on a monthly basis based on its expectation of the year-end sales volumes. Under IFRS 15, the Company applies the 'most likely amount method' for estimating the amount of the variable consideration. An adjustment at the end of the financial year is made to accrue based on actual volumes booked.

The Company may also provide services in exchange for non-cash consideration in part or in full. The Company recognises revenue based on the fair value of the goods or services received and when this cannot be measured reliably the consideration is measured at the fair value of the goods or services provided. Where the consideration is variable due to its form, the fair value of the non-cash consideration is measured at contract inception and any subsequent changes in the fair value of the non-cash consideration is recognised in the profit or loss.

Media and production services may be sold individually or in a bundle, but these services are capable of being distinct and no significant integration service is required therefore each service represent a separate performance obligation. The Company recognises the separate performance obligations based on its stand-alone selling prices.

2.15 Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

2.16 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

The Company falls outside the scope of IFRS 8, therefore the Company is not required to nor has it elected to provide details of its operating segments.

2.17 Research and Development

Expenditure on research is charged to the income statement in the year in which it is incurred. Expenditure on the development of certain advertising media and products where the outcome of those projects is assessed as being reasonably certain as regards to viability and technical feasibility is capitalised and depreciated over the shorter of life of the media and advertising contract for which it is utilised.

2.18 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

The lease liability is included in 'Creditors' on the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets which are under construction are recognised in Assets in the course of construction and once fully constructed are transferred to right of use assets and recognised under IFRS 16.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in 'Tangible Fixed Assets' lines, as applicable, in the Balance Sheet.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.12.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Where lease contract is modified and the lease modification is not accounted for as a separate lease, the lease liability is remeasured by discounting the revised lease payments using a revised discount rate in line with the treatment given under IFRS 16.

2.19 Expenses

Finance income and expenses

Finance expenses comprise interest payable, finance charges on finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Finance income comprise interest receivable on funds invested, dividend income, and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

2.20 Current and Deferred Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2.21 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials and consumables - purchase cost on a first-in, first-out basis

Work in progress and finished goods - cost of direct materials and labour plus attributable overheads based on a normal level of activity, excluding borrowing costs.

2.22 Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

2.23 Share Based Payments

The Company 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 particular 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 Statement of Comprehensive Income, with a corresponding entry in equity.

Where the terms of an equity-settled payments 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 Statement of Comprehensive Income.

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment in future periods, to the carrying amounts of assets or liabilities affected.

a. Critical Accounting Judgements

Impairment of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. For the purpose of impairment testing, management has calculated value in use by discounting future cash flows to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to each individual market.

The Company bases its impairment calculation on detailed budget and long range plan. The budget covers the immediately succeeding year and the long range plan covers the following three years. A long-term growth rate is calculated and applied to project future cash flows after

the fourth year. The resulting value is compared to the carrying value of the asset to determine any impairment.

Dilapidation provisions

The company recognises a provision the estimated costs for returning its leased buildings and warehouses to its original state at the end of the lease term. Dilapidation costs are provided at the present value of expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a current pre-tax market rate of 0.19%. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs are reviewed annually and adjusted as appropriate.

Trade Receivables

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. See note 15 for the net carrying amount of the receivables and associated impairment provision

Notes to the financial statements (continued)

b. Estimates

Volume rebates

The Company has entered into volume incentive schemes with various marketing specialists regarding the purchase of media space. At the period end, the Company is required to estimate the volume of the qualifying gross spending and volume rebate percentage in accordance with the respective volume incentive scheme. Accordingly, a refund of a specified percentage over the gross spend will be granted. In such a case, as it is probable that the rebate will be granted and because the amount is believed to be measured reliably, the volume rebate is recognised as a reduction of revenue as the sales are recognised.

Tax estimates

The Company's tax charge is based on the results for the period and tax rates in effect. The determination of appropriate provisions for current and deferred income taxation requires the company to take into account anticipated decisions of tax authorities and estimate the company's ability to utilise tax benefits through future earnings and tax planning. These estimates and assumptions may differ from future events.

Notes to the financial statements (continued)

4. Revenue from contracts with customers

a.) Disaggregated revenue information

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

	Year ended 31.03.2021 £000	*15 month period ended 31.03.2020 £000*
Media revenue	31,466	265,325
Production revenue	4,208	22,106
Other revenue	1,034	735
	36,708	288,166

Other revenue comprises barter revenue and fixing revenues.

b.) Contract balances

	Year ended 31.03.2021 £000	*15 month period ended 31.03.2020 £000*
Trade debtors (Note 15)	24,266	85,892
Contract assets (Note 15)	2,299	4,745
Contract liabilities (Note 16)	4,007	5,243

The timing of revenue recognition, invoicing and cash collection results in trade receivable, contract assets and contract liabilities on the balance sheet. Invoices to customers are issued in accordance with the contractual terms which is usually either at the start or a few weeks before the start of the advertising campaign, or at the end of the month of the advertising campaign. Timing of invoicing generally falls within the period when the campaign is non-cancellable and therefore the consideration becomes unconditional and recognised as trade debtors. Trade debtors are non-interest bearing and are generally on terms of between 28 and 60 days. In 2021, £1.6m (15 month period ended 31 March 2020: £3.6m) was recognised as provision for expected credit losses on trade debtors.

Contract assets represents revenue recognised for unbilled campaigns or production activity mainly arising from the timing of invoicing. Contract liabilities represents revenue when customers have been invoiced prior to the display of the advertisement or the completion of the production and is released to the income statement when the recognition criteria have been met.

Trade debtors, contract assets and contract liabilities were higher than prior year driven by timing of invoicing.

The table below shows the expected timing of revenue recognised on contract liabilities as at 31 March 2021 (15 month period ended 31 March 2020):

	2021 £000	*2020 £000*
Within one year	4,007	5,243

Included in turnover are commission expense amounts of £20,028 (2020: expense £487,099) from transactions with group undertakings.

5. Operating profit

This is stated after charging/(crediting):	*2021 £000*	*15 month period ended 31.03.2020 £000*
Auditor's remuneration	150	150
Auditor's remuneration for non-audit services	-	-
Staff costs (note 7)	17,698	33,546
Amortisation of intangible assets (note 12)	1,971	5,459
Depreciation of owned fixed assets (note 11)	1,988	2,234
Depreciation of right of use assets (note 11)	13,823	38,904
Operating leases – rental of buildings	222	566
– vehicles	667	381
Foreign exchange loss	134	183
Inventory recognized as an expense in the period	158	1,124
Other income	(223)	(309)
Loss on Disposal of fixed assets	(445)	(20)
Government Grants (note 7)	2,070	-

Notes to the financial statements (continued)

6. Directors' remuneration

	2021 £000	15 month period ended 31.03.2020 £000
Aggregate remuneration in respect of qualifying services	1,013	2,011
Company pension contributions to money purchase schemes – nil directors (15 month period ended 31 March 2020: 4 Directors)	22	43
	1,035	2,127

During the year ended 31 March 2021 SG Miron; L Taviansky (from May 2020) & DD Singer received remuneration from Global Media Group Services Limited and the majority of their time was spent on services to Global Media & Entertainment Limited, the ultimate parent company. Details of their remuneration as directors of Global Media & Entertainment Limited are disclosed in that company's financial statements.

During the year ended 31 March 2021 A Booker and J Cotterrell received remuneration from Global Media Group Services Limited.

7. Staff costs

	2021 £000	15 month period ended 31.03.2020 £000
Wages and salaries	15,340	28,706
Social security costs	1,548	3,559
Other pension costs	810	1,281
	17,698	33,546

During the year, the Company has received support from government in connection with its response to the Covid-19 pandemic. This support included the Coronavirus Job Retention Scheme & tax payment deferral schemes. The Company has recognised government grant income of £2.1m in relation to this programme.

The table above includes amounts paid to directors whilst employed through the Company.

Notes to the financial statements (continued)

7. Staff costs (continued)

The average monthly number of persons employed by the Company (including Directors) during the period/year, analysed by category, was as follows.

	2021 No.	15 month period ended 31.03.2020 No.
By activity		
Sales and Marketing	149	222
Operations	138	138
Administration	74	94
	361	454

8. Net interest receivable

	2021 £000	2020 £000
Interest receivable – group companies	6,410	7,494
Interest receivable – bank	6	90
Total interest receivable	6,416	7,584
Interest payable – finance lease intercompany	(13)	(42)
Interest payable – finance lease for right of use assets	(2,264)	(6,597)
Interest payable – group companies	(717)	(425)
Interest payable – third parties	-	(7)
Total interest and similar charges payable	(2,994)	(7,071)
Unwinding of discount factor in provisions (note 19)	8	(52)
Discounting of long term receivable	3	79
Net interest receivable and similar items	**3,433**	**540**

Notes to the financial statements (continued)

9. Tax

Recognised in the income statement

	2021 £000	15 months 2020 £000
Current tax:		
UK corporation tax on the loss/profits for the year at 19% (2020: 19%)	(3,887)	1,704
Prior year adjustments	(2,898)	
Current tax expense	(6,785)	1,704
Deferred tax:		
Accelerated capital allowances	960	(755)
Utilisation of tax losses	-	-
Other timing differences	-	21
Changes in tax rate	-	732
Prior year adjustments	795	-
Deferred tax expense	1,755	2
Tax expense/(income) in income statement	(5,030)	1,706

Income tax recognised in other comprehensive income

There was no tax charged or credited to other comprehensive income in 2021 (2020: nil).

Reconciliation of effective tax rate

The tax assessed for the year differs from the blended rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £000	15 months 2020 £000
(Loss)/Profit on ordinary activities before tax	(22,994)	28,323
Tax using the UK corporation tax rate of 19% (2020: 19%)	(4,368)	5,381
Effects of:		
Permanent differences	1,441	331
Changes in tax rate	-	(732)
Prior Year Adjustments	(2,103)	-
Group Relief	-	(3,274)
	(5,030)	1,706

Group relief represents the utilisation of tax losses from other related group companies to offset the Company's current year tax charge.

Factors that may affect future tax charges

In the March 2021 Budget the UK Government announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023.

As the changes had not been substantively enacted at the balance sheet date, the deferred tax balances as at 31 March 2021 continue to be measured at a rate of 19%.

If the 25% tax rate had been used at the balance sheet date, the deferred tax asset would have been £68,000 higher.

Deferred taxes at the balance sheet rate have been measured using these enacted tax rates and reflected in these financial statements.

Deferred tax

The deferred tax included in the balance sheet is as follows:

	2021	*2020*
	£000	*£000*
Deferred tax liability	-	-
Deferred tax asset		
Accelerated capital allowances	4,449	6,166
Other short term timing differences	17	55
	4,466	6,221
Disclosed on the balance sheet:		
Deferred tax asset	4,466	6,221

Notes to the financial statements (continued)

10. Leases

Company as a lessee

Lease liabilities are due as follows:

	2021 £000	2020 £000
Not later than one year	17,390	33,195
Between one year and five years	38,791	44,421
Later than five years	1,087	2,629
	57,268	80,245

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2021 £000	2020 £000
Interest expense on lease liabilities	828	2,519
Expenses relating to short-term leases	2,758	1,807
Variable lease payments not included in the measurement of lease liabilities	13,419	135,744

11. Tangible fixed assets

	Leasehold Improvements *£000*	*Furniture, fittings and Vehicles* *£000*	*Computers* *£000*	*Advertising structures* *£000*	*Assets in the course of construction* *£000*	*Property right of use asset* *£000*	*Advertising structures right of use asset* *£'000*	*Vehicles right of use asset* *£000*	*Franchise agreements right of use asset* *£000*	*Total* *£000*
Cost										
At 1 April 2020	5,367	1,006	11,159	26,740	28,367	10,485	49,594	892	17,567	151,177
Additions	-	-	-	-	6,199	-	-	45	-	6,244
Capitalisations	79	115	-	1,584	(9,162)	-	7,384	-	-	-
Transfers to Intangibles	-	-	-	-	(3,358)	-	-	-	-	(3,358)
Disposals	(2,632)	(87)	(3,030)	(13,943)	(78)	-	-	(655)	(16,862)	(37,287)
Impairment	-	-	-	-	(589)	-	-	-	-	(589)
Modifications	-	-	-	-	-	379	(315)	-	-	64
At 31 March 2021	2,814	1,034	8,129	14,381	21,379	10,864	56,663	282	705	116,251
Accumulated depreciation										
At 1 April 2020	4,361	1,006	11,070	22,106	-	1,795	11,305	502	183	52,328
Charge for year on owned assets	248	226	19	1,495	-	-	-	-	-	1,988
Charge for year on right-of-use assets	-	-	-	-	-	1,644	9,753	350	2,076	13,823
Disposals and modifications	(2,624)	(255)	(3,030)	(13,797)	-	-	-	(651)	(2,005)	(22,418)
At 31 March 2021	1,986	977	8,059	9,748	-	3,439	21,058	201	254	45,721
Net book value										
At 31 March 2020	1,006	-	89	4,634	28,367	8,690	38,289	390	17,384	98,849
At 31 March 2021	829	57	70	4,633	21,379	7,425	35,605	81	451	70,530

Assets in the course of construction materially relates to the programme of capital investment to upgrade the advertising structures on the Company's advertising estate.

Vehicles have been amalgamated into furniture and fittings column to immaterial nature and computers disclosed separately. This is the due to the material nature of the computer assets and the immaterial value and similar useful lives of furniture, fittings and vehicles.

Information about right of use assets is set out below:

Net book Value

	2021
	£000
Tangible fixed assets owned	26,968
Right of use tangible fixed assets	43,564
	70,532

Deprecation for the year

	2021
	£000
Tangible fixed assets owned	1,988
Right of use tangible fixed assets	13,823
	15,811

Notes to the financial statements (continued)

12. Intangible fixed assets

	Software
	£000
Cost	
At 1 April 2020	13,261
Additions	-
Transfer from Assets in the course of construction (note 11)	3,358
Disposals	(3,887)
At 31 March 2021	12,732
Accumulated depreciation	
At 1 April 2020	7,721
Charge for year	1,971
Disposals	(3,825)
At 31 March 2021	5,867
Net book value	
At 31 March 2020	5,540
At 31 March 2021	6,865

The software intangible assets include the company's inventory management system which was created by an external development firm for the company's specific requirements.

Intangible assets amortisation is recorded in administrative expenses in the income statement.

In the current year, the company has conducted a review of the fixed and intangible assets that were fully depreciated in order to identify which assets should be derecognised from the fixed asset register. Although the company have quantified what assets should be derecognised as at the balance sheet date, management are not able to determine which specific asset as well as when these assets should have been derecognised. As such, management are unable to reliably adjust comparative information due to lack of insufficient comparative data. Therefore, in line with IAS 8:50, the cost and the accumulated depreciation has been corrected in the current year financial statements.

13. Investments

Subsidiary undertakings

Notes to the financial statements (continued)

	£000
Cost:	
At 1 April 2020	1,063
Additions	-
At 31 March 2021	1,063
Impairment:	
At 1 April 2020	1,063
Impairment	-
At 31 March 2021	1,063
Net book value as at 31 March 2020	-
Net book value as at 31 March 2021	-

The Company owns directly the whole of the issued ordinary share capital of:

Entity	*Register office address*	*Principal activity*
Exterion Leasing (UK) Limited	Lacon House, 84 Theobald's Road, London WC1X 8NL	Investment company

14. Inventories

	2021 *£000*	*2020* *£000*
Raw materials and consumables	521	470
Work in progress	41	37
	562	507

There is not a significant difference between the replacement cost of work in progress and finished goods and goods for resale and their carrying amounts.

Notes to the financial statements (continued)

15. Debtors

	2021 £000	2020 £000
Due within one year		
Trade debtors	24,266	85,892
Amounts owed by fellow group undertakings	119,580	93,502
Other debtors	5,682	1,084
VAT	1,058	-
Corporation Tax	5,081	-
Prepayments	556	1,220
Contract assets	2,299	4,745
	158,522	186,443
Amounts falling due after more than one year		
Other debtors	1,280	1,468
	1,280	1,468

The intercompany receivables are stated after applying exposed credit losses of £1,581,438 (2020: £1,581,438) after reviewing the counterparties' creditworthiness.

The carrying value of trade debtors is a reasonable approximation of the fair value of trade and other receivables and is stated net of a provision of £1,665,484 as at the reporting date (2020: £826,620).

The Company 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.

Amounts owed by group undertakings are interest free and deemed repayable on demand. The Company writes off a trade debtor 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 debtors that have not been provided against and there is no contractual balance outstanding on financial assets written off during the year.

Notes to the financial statements (continued)

16. Creditors

	2021 £000	2020 £000
Amounts falling due within one year		
Trade creditors	21,389	20,273
Contract liabilities	4,007	5,243
Amounts owed to parent undertaking (note 17)	9,941	9,224
Amounts owed to fellow group undertakings	33,064	7,805
Lease liabilities (note 18)	17,390	33,328
Other taxation and social security	268	1,333
VAT payable	-	1,172
Corporation tax payable	-	1,704
Accruals	2,612	41,544
	88,671	121,626
Amounts falling due after more than one year		
Lease liabilities	39,878	47,128

Amounts owed to group undertakings are interest free and deemed repayable on demand.

17. Loans

Loans repayable to parent undertakings, included within creditors, are analysed as follows

	2021 £000	2020 £000
Wholly repayable within five years	9,941	9,224
	9,941	9,224

The loan amounts are owed to parent undertakings within the UK are interest bearing at 7.00% + LIBOR and are repayable on demand.

18. Leases liabilities

The value of leases on the Balance Sheet are made up as follows

	2021 £000	2020 £000
Intercompany finance lease	84	217
Right of use asset leases	57,184	80,245
Lease liabilities	57,268	80,462

The intercompany finance lease relates to a finance sale and leaseback which was entered into on 14 December 2016 for a term of 5 years, an effective interest rate of 0.8% p.a is applied with monthly repayments over the extended term.

Notes to the financial statements (continued)

18. Leases liabilities (continued)

	2021 £000	2020 £000
Future minimum payments under the finance lease are as follows		
Within one year	86	148
In two to five years inclusive	-	86
Total gross payments	86	234
Less finance charges	(2)	(17)
	84	217

19. Provisions for liabilities

	Dilapidation Provision 2021 £000	Dilapidation Provision 2020 £000
At 1 April	916	801
Recognition of provision	79	113
Unwinding of the discount factor	(8)	51
Utilisation of provision in year	-	(8)
Release of provision	(8)	(41)
At 31 March	979	916

Dilapidation provision represents the Company's estimated cost of returning its leased offices and warehouses to its original state at the end of the lease term. As 31 March 2021 the discount rate was 0.19% (2019: 0.19%).

20. Issued share capital

Allotted, called up and fully paid	2021 £000	2020 £000
650,001 (2020: 650,001) ordinary shares of £1 each	650	650
	650	650

21. Pensions

During the year, certain employees of the Company were members of the Global's Workplace Pension Scheme.

Global's Workplace Pension Scheme, a money purchase scheme, is an exempt approved scheme under Chapter 1, Part XIV of the Taxes Act (2001). The assets of the scheme are held in trust in an independently managed fund and are therefore completely separate from the assets of the Company. The pension scheme is independently advised and its financial statements are independently audited. The pension cost relating to the scheme for the year was

Notes to the financial statements (continued)

£805,604 (2020: £1,302,792) of which £65,761 (2020: £201,801) was accrued and unpaid at the year end.

22. Other financial commitments

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2021		2020	
	Land and buildings	*Other*	*Land and buildings*	*Other*
	£000	*£000*	*£000*	*£000*
Operating leases which expire:				
Within one year	3	-	3	-
In two to five years	-	-	-	-
Over five years	-	-	-	-
	3	-	3	-

As part of the operations activity, the Company has entered into contracts with key suppliers for the delivery of components, products and services. The total value of these commitments as at 31 March 2021 was £3,367,123 (2020: £5,299,038).

In the normal course of business and in line with accepted practice in the industry in which it operates, the Company has entered into contracts to provide advertising services to site owners. The terms of these contracts include commitments to pay future minimum guaranteed fees to the site owners concerned, which are not included above due to commercial sensitivity.

23. Ultimate parent undertaking and controlling party

The Directors regard Exterion Group Holdings Ltd, a company incorporated in the Cayman Islands, as the immediate parent company. The Company is limited by shares.

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

The largest and smallest group in which the results of the company are consolidated is that headed by Global Media & Entertainment Limited, the ultimate parent company which is incorporated in Great Britain. The consolidated financial statements of this company are available to the public and may be obtained from the registered address, 30 Leicester Square, London, WC2H 7LA.