Global Media & Entertainment Limited

Annual Report and Financial Statements
Year ended 31 March 2021

Company number 06251684

Contents

Directors and advisers

Directors

Lord Allen of Kensington CBE (Chairman)
A.D. Tabor-King OBE
S.G. Miron
R.F.J. Park (appointed May 2020)
M. Gordon (appointed April 2020)
W. Harding (resigned December 2020)
D.J. Henderson (appointed June 2020)
D.D. Singer
S. Cairns (appointed April 2020)
J.A Rea (appointed April 2020)
L. Taviansky (appointed April 2020)

Company secretary

M.J Gammon (appointed April 2020)

Registered office

30 Leicester Square
London
WC2H 7LA

Company number

06251684

Auditor

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

The Directors present their strategic report for Global Media & Entertainment Limited and its subsidiaries (the "Group") for the year ended 31 March 2021.

Principal activities

The Group's principal activities during the year were the operation of commercial radio stations in the United Kingdom and the operations of out-of-home media advertising in the UK and Europe.

Business review

The business review discusses the significant matters which impacted Global Media & Entertainment Limited (the "Company") and its subsidiary undertakings (i.e. the Group) when viewed as a whole for the year ended 31 March 2021.

Due to the Covid-19 pandemic, the Group has seen an unprecedented challenge to advertising revenues on both the Group's Radio stations and Outdoor advertising platforms. Radio saw a more moderate decline through the lockdown period but a faster return to pre Covid trading levels. Audiences to the Group's radio stations remained robust and grew on digital platforms. The Outdoor advertising decline was more pronounced, in particular within the transport sector including London Underground, mainly due to low audience volumes across the year due to government lockdowns and restricted activities. Recovery rates in the Outdoor business were more positive for roadside and retail products, particularly digital formats, but the London Underground (TFL) transport business remained challenging for the full financial year.

Overall the Group's continuing revenue and continuing adjusted EBITDA (as defined on page 6) declined by 41.3% and 61.4% respectively leading to an overall operating loss of £39.2m compared to an operating profit of £67.5m in prior period when the exclusion of the one off impairment charge of £219.1m is taken into consideration. The decline is due to the volatility in advertising spend caused by the Covid-19 pandemic which is discussed in the Radio and Outdoor reviews below.

Whilst the financial performance in the Group was impacted by the pandemic, the Group continued to reach 51.7m individuals across the UK every week through On air, Global Player and Outdoor estates.

The key events within the year in relation to both of our continuing operations are listed below:

Radio

The first quarter (April-June 2020) revenue decline of 42% in performance of Radio due to the pandemic heavily contributed to the 12.5% full year decline in revenue against prior period. Due to the robustness of our Radio audiences and on increased digital demand, Radio saw revenue growth in the last quarter of the financial period compared to prior year of 3%. As restrictions have been relaxed and confidence has grown within the UK economy our Radio business is now seeing growth above pre Covid-19 trading levels across its portfolio.

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. The market remains dynamic, with Global at the forefront, and advertisers are increasingly directing greater levels of spend towards tools and channels which allow more targeted and transparent campaigns. In the year, DAX achieved 6% growth with over 50% of revenue being recorded from third parties.

In October 2020 the Group launched the UK's official dance station, Capital Dance, part of the Capital network.

Digital engagement with Global's brands has continued to grow year on year, with total digital hours up 42.3% on 2020. Growth has continued due to investment in Global Player and the increased use of smart speakers to Global stations during the lockdowns. From April to June 2021 we saw our digital listening hours grow by 28.5% compared to prior period.

Outdoor

Despite the challenges due to Covid-19 for the outdoor sector, Global has underscored its commitment to the medium with its ongoing investment and innovation.This has been demonstrated by the the Group's increased investment in Roadside Digital screens including the fully refurbished Hammersmith Towers, the new Heathrow Towers digital screens which are expected to be launched in August 2021 and a further 100 new premium digital screens installed during this period, making Global the largest outdoor digital roadside operator in the UK. In addition through our partnership with BT, a further 500 street hubs across the UK are being installed bringing the total to 18,500.

In April 2021 Global launched DAX programmatic trading across the London Underground and National Rail estates which is a significant step forward for programmatic trading across the Outdoor business, and demonstrates the Group's continued drive to provide dynamic digital outdoor advertising at scale. For the very first time, advertisers will gain programmatic access to highly attractive estates providing a huge opportunity for brands looking to reach valuable audiences right across the country. This investment takes our total audience impacts to 95m views per week.

In May 2021 Global was awarded the Birmingham Airport contract, which has cemented the Group's position as the UK's largest airport media owner.

In May 2021 Global worked alongside London Underground and Partners in forming the Welcome back to the glorious commute campaign for Londoners which ran on all key sites across the London Underground network.

Other key highlights

Due to Covid-19 restrictions the Group held major events virtually including, the Summertime Ball and the Jingle Bell Ball and additional new events such as Capital Weekender.

The Group completed the disposal of the France Outdoor division in the third quarter of 2020/21. The disposal has allowed the Group to focus on reinvesting in its core Outdoor markets post Covid-19.

The Group made some significant Board appointments in the financial year to coincide with its key focus areas. David Henderson (Chief Technology Officer), Sally Cairns (Chief People Officer), James Rea (Director of Broadcasting) and Leon Taviansky (CEO Outdoor) were appointed.

Global's Make Some Noise is the Group's charity, which continued to raise money and awareness for smaller charities that find it hard to get heard. In response to Covid-19, the charity ran an emergency appeal and expanded its grant making beyond children and young people's charities to help various causes which saw increased demand due to the pandemic, including food banks and mental health projects. Global's Make Some Noise raised over £4.2m (2020: £3.8m) in the year, awarding grants to 85 charities and projects across the UK. During the year, Global's Make Some Noise funded 106 live grants, helping more than 34,000 beneficiaries.

Global continues to support 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. For the third year the Group has offered apprenticeships to students from the Academy for a training and work experience programme.

Financial performance

Revenue and operating loss
The consolidated income statement is set out on page 27 and shows continuing revenue for the year ended 31 March 2021 of £434.1m, a decrease of £305.8m which was due to the impact of a full year trading during the Covid-19 pandemic. Whilst the business implemented cost savings across the Group, costs did not decline at the same rate as revenue which resulted an operating loss of £39.2m compared to £151.6m in prior period. The prior year operating loss was due to the £219.1m impairment of Goodwill and Intangibles. There was no impairment in the current year.

Adjusted EBITDA pre IFRS 16
The Directors consider that adjusted EBITDA pre IFRS 16 (as defined on page 76 within the Group financial statements) represents a key measure of the business performance, as it demonstrates the underlying trading performance by excluding the effects of non-recurring items. The Directors also review the results pre adjustments for IFRS 16 and therefore the adjusted EBITDA loss for the year of £38.3m showed a significant decline of £148.0m from a profit of £186.3m for the previous year which is due to the Covid-19 impact on the Group's operations as discussed in the section above.

Impairment charge
Due to the lockdowns easing and the more positive outlook for 2021/22 as at March 2021 there was no impairment charge recognised in the current year in regards to Goodwill and Intangible assets. In prior period a £219.1m write off of Outdoor Goodwill and Intangible assets was recognised. Refer to note 10 of the consolidated financial statements for further details of the assumptions used by management in their assessments.

Disposal of Outdoor France operations
The disposal of the Outdoor France operations contributed a loss of £9.9m in the year until disposal, compared to the twelve-month loss of £13.8m in prior period. The France operations are disclosed as discontinued operations in the consolidated financial statements, refer to note 1 where it discusses the restatement of prior period comparatives.

Financial performance

	31 March 2021	31 March 2020
	£m	£m
Radio	**314.1**	358.8
Outdoor	**120.0**	381.1
Revenue from continuing operations	**434.1**	739.9
Direct costs from continuing operations	**-136.9**	-270.1
Gross profit	**297.2**	469.8
Admin expenses	**-336.4**	-621.4
Operating loss from continuing operations	**(39.2)**	(151.6)
Depreciation	**82.0**	95.2
Amortisation	**32.6**	34.1
Other operating expenses	**14.5**	255.5
Adjusted EBITDA	**89.9**	233.2
IFRS 16 adjustment	**(51.6)**	(46.9)
Adjusted EBITDA pre IFRS 16	**38.3**	**186.3**

Note 1: Direct costs exclude depreciation, amortisation and charges or credits relating to non-recurring items including restructuring and integration costs such as launch costs including rebranding, redundancy costs, Covid-19 one off costs, impairments of any Goodwill or Intangible assets and vacant property provisions outside of the scope of IFRS 16, as well as costs of acquisition. This was consistent with prior year.

Note 2: 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, Covid-19 one off costs, impairments of any Goodwill or Intangible assets and vacant property provisions outside of the scope of IFRS 16, as well as costs of acquisition. This was consistent with prior year. A reconciliation is shown on page 76.

Going concern

The impact of the Covid-19 pandemic on the global economy and the operating activities of many businesses in the UK and Europe, including the advertising sector led to volatility and uncertainty within the market. As a result of restrictions being relaxed, and supported by the certainty provided by vaccines and a clear government Covid-19 re-emergence strategy the Directors' consider it appropriate for the Board's adoption of the going concern assumption used in the preparation of the Group's financial statement for the year ended 31 March 2021.

In preparing the cashflow forecast the Directors have made key assumptions in determining the speed and recovery of the advertising market and the rate and scale of delivery of advertising on our Outdoor inventory as audience return. These assumptions are based on internal and external sources along with the rate of recovery the Group has seen in the first quarter of 2022 financial year as lockdowns have been lifted and the economy recovers, and have been incorporated into the Directors' consideration in assessing the appropriateness of the Board's assessment.

The Directors have prepared a forecast for a range of cash flow scenarios, 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.

Since year end the Directors amended the covenants and the timings of when they apply with the lending syndicate of banks providing external borrowing facilities until June 2022. Further details on the renegotiated covenants are disclosed in Section 1: Basis of preparation in the notes to the consolidated financial statements on page 33.

The Board continues to monitor performance against the forecast as well as internal and external analysis to inform its planning and decision making and will continue to manage its costs and cash appropriately. For further details on the reasons why the Directors believe that these financial statements have been prepared on a going concern basis see Section 1: Basis of preparation in the notes to the consolidated financial statements.

Future developments

The Group is well positioned to recover momentum especially as the travel, hospitality and retail sectors begin to return to full trading. Our commitment to managing costs and continued investment in DAX and the Outdoor estate has allowed the Group to recover as Covid 19 restrictions are lifted. These measures have meant that the Directors consider that the Group will recover to pre pandemic trading and growth in the medium term.

Principal risks and uncertainties

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

Covid-19

The Covid-19 pandemic has resulted in unprecedented challenges for organisations globally and, as with many businesses in all geographies in which we operate, 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 Board and senior leadership teams have taken action in regards to trying to limit the impact of the pandemic on our business. The Group has set up a broadcasting recovery centre to limit any potential operational risk on our Radio broadcasting centres. Furthermore the Group renegotiated supplier payment terms and deferred payments where possible, renegotiated bank covenants as discussed in the going concern section and utilised the government retention scheme where required as detailed in note 3 of the consolidated financial statements. The Board and senior leadership continue to meet regularly so appropriate and timely action can be taken to ensure the future of the Group.

Operational risk

Reduced audience levels at the Group's stations or reach across the out-of-home media estate could erode the Group's position, in local, national or international markets. The Group promotes its radio brands and outdoor inventory regularly and continually strives to improve programming standards to increase audiences and encourage digital outdoor advertising. 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 mitigated these risks by extending its presence in the digital advertising market with further investment in its DAX proposition and outdoor advertising structures in the year.

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. The development of new media opportunities is at the heart of the Group's strategy, which will continue to reduce the pressure on our traditional revenue sources.

Financial risk

The Group is primarily funded by both related party and bank debt. 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. Due to the Covid-19 pandemic the Group has renegotiated the bank covenants, which is discussed in the Going Concern section. The Group also recognises that the net finance costs in the year are sensitive to fluctuations in fair value measurement as set out within note 1. The fair value exercise in the year has led to a £52.1m expense compared to a £120.7m income charge in the prior period.

Credit risk

The Group actively mitigates the risk of payment default by its customers using trade credit insurance and by reviewing outstanding payments and provisions for payment default regularly. Overall this risk has not significantly increased due to the Covid-19 pandemic.

Liquidity risk

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

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 20 to the consolidated financial statements.

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 pre IFRS 16 and operating margins. Variance analysis is performed monthly, the results of which are monitored and discussed within a formal meeting structure.

Section 172 statement

The Group'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 is the Board's belief that the Group can only be successful when the interest of those it works with are considered, and particularly when customer, supplier, employee and shareholder interests and the environment, climate and societies we operate in are understood and responded to and appropriately reflected in how the business develops. The table below discusses how the Board engages with the stakeholders to promote the success of the Group, with regard to the factors set out in Section 172 (1) of the Companies Act 2006.

Stakeholders	Major stakeholders, their interests and how the Board engages
Customers	The Group is dedicated to building deep and meaningful client experiences, whether through our direct contact or through special events such as the "Hear It, See It, Say It" campaign. The quality of this engagement is critical to facilitating our customers' campaigns. Client satisfaction is measured through satisfaction surveys as well as our ability to retain existing customers and recruit new ones. In the prior period the Group employed a new customer support team for listeners and customers, where all complaints and enquiries can be dealt with in a timely manner. A weekly customer satisfaction report is posted on the internal Workplace intranet.
Employees	The Group is focused on ensuring that employees are well-informed of its key imperatives including its philosophy, values and ethics and the common guidelines and policies that support them. This includes the provision of an internal Facebook Workplace platform for open communication, quarterly company meetings presented by Board members, and question and answer sessions allowing individuals to raise questions and concerns directly to Board members. These sessions became of greater importance and were held more frequently, although virtually, during the Covid-19 lockdown period. Employee engagement surveys are performed annually to highlight areas for improvement in communication of the Group's purpose and objectives. The Board considers the results of these surveys to be a good barometer of the workforce's confidence in the Group's strategic direction, optimism for the future and career opportunities. The Board has intensified its focus on the involvement of the workforce in both the culture of the company and diversity and inclusion (D&I) in the year. The Group has launched the Different Dancers Same Beat initiatives and formed the RISE (race for equality) Committee, Pride network, Women @ Global, Parents and Carers @ Global and Accessibility Committee. The Board considers that D&I is important for the future of the Group and was a key focus in the current year. The Group's internal code of conduct (Global's Guide to Fairness and Global's Guide to doing the right thing), provides the ethical principles for all Global employees, which reflect our core values and expectation.

Group Strategic Report (continued)

Shareholder	The shareholder receives regular and timely information (at least weekly) including on the financial performance of the business, strategy, operational matters, market conditions and sustainability, all supported by Key Performance Indicators (KPIs). The shareholder has been regularly updated on the Covid-19 situation and its impact on the Group..
Environment/community/society	The environment and the impact that the Group has on the environment has been on the Group's green agenda for the past 10 years. The Group continues to evaluate how to reduce its operations' impact on the environment. In the current year the Group has created a new pan business team to drive continuous environmental impact improvements in our operating practices. The Group's warehouses decreased their carbon footprint by almost 6% which was 1% more than the set goal for the 2020 calendar year. UK offices are now all running on 100% renewable energy and are also free from single use plastic. In the current year the Outdoor division has worked worked with suppliers to develop greener solutions for print, plastic and paper based products. A comprehensive procurement programme with key contractors has led to improved service level agreement commitments ensuring they meet the same high standards as adhered to by the Group. In addition, the Group's Outdoor division has seen decreasing carbon emissions year on year for the past seven years. With the development of initiatives to identify areas to reduce overall emissions and tackle Scope 3 emissions in our supply chain we expect to continue with year on year improvements. Global is a member of the Advertising Association's initiative Ad-Net-Zero and is committed to contributing to the carbon neutral goals set for the advertising industry. The Directors do not just consider that the Group's advertising operations are of a commercial nature but also provide important public information. The Group values the importance of the communities in which we operate and the value we add to society as a corporate entities, such as charitable work through Global Make Some Noise, the Global Academy and other important public information campaigns.

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

D.D. Singer
Director
29 July 2021

Global Media & Entertainment Limited
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 2021.

Results and dividends

The loss for the year after taxation for continuing operations amounted to £207.8m (2020:£188.9m). The Directors do not recommend the payment of a dividend (2020: £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-King OBE

S.G. Miron

R.F.J. Park (appointed May 2020)

M. Gordon (appointed April 2020)

W. Harding (resigned December 2020)

D.J. Henderson (appointed June 2020)

D.D. Singer

S. Cairns (appointed April 2020)

J.A Rea (appointed April 2020)

L. Taviansky (appointed April 2020)

Political and charitable contributions

Global's Make Some Noise is the Group's charity, which continued to raise money and awareness for smaller charities that find it hard to get heard. In response to Covid-19, the charity ran an emergency appeal and expanded its grant making beyond children and young people's charities to help various causes which saw increased demand due to the pandemic, including food banks and mental health projects. Global's Make Some Noise raised over £4.2m (2020 £3.8m) in the year, awarding grants to 85 charities and projects across the UK. During the year, Global's Make Some Noise funded 106 live grants, helping more than 34,000 beneficiaries.

As well as providing significant radio airtime to promote the activities and events of its charity, 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 £0.1m (2020: £0.2m). No contributions were made to political organisations in both the current and prior period.

Future developments

The Covid-19 pandemic significantly impacted the performance of the Group during the 2021 financial period however the Group took swift action from the very beginning of the pandemic to manage and mitigate the impact of Covid-19 whilst still investing for the future. Over the coming year the Directors expect the Group to return to the general level of activity reported for the prior reporting period.

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 20 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 radio 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. During the Covid-19 pandemic RAJAR surveys have been unable to be carried out. Consequently the group has used the audience information gathered from its digital services to gauge audience numbers internally, whilst retaining the pre-pandemic audience results from commercial operations.

Employee involvement

As discussed in the Section 172 statement in the strategic report, 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. In the financial year the Board appointment of Sally Cairns as Chief People Officer provided additional focus on increasing employee involvement amongst the Group. This is achieved through formal and informal meetings, including regular panel interviews with Board members and presenters from the Group's broadcast centres and Networking breakfasts hosted by the Group CEO virtually during the pandemic.

Climate change

The Group achieved its target of reducing its gross, global scope 1 and 2 emissions by 5% from the prior period. Whilst the target was achieved the Group acknowledges that emissions may have been affected by the Covid-19 pandemic. Consequently this will therefore be revisited in the next financial period. The chosen emissions reduction target for the 2021-2022 financial year is to again reduce the overall business intensity ratio by 5%, although this will be reviewed once the Group fully understands the effects of the Covid-19 pandemic.The Directors continue not to not identify climate change as a significant risk to the Group but do believe that everyone has a responsibility to reduce their own impact.

The Group actively pursues a policy of reducing and recycling waste across its locations. This informs a range of procurement decisions from single-use plastics to hybrid company cars as discussed within the Governance section.

The Group is required to report annually on the quantity of carbon dioxide equivalent emissions in tonnes emitted as a result of activities for which its responsible. All data for the financial year ended 31 March 2021 is disclosed here for scope 1, 2 and 3 emissions.

Indicator	2021	2020
Total gross (CO2e emissions (tCO2e)	**5,314**	6,260
Scope 1: Direct emissions (tCO2e)	**731**	846
Scope 2: In-direct emissions (tCO2e)	**4,409**	5,234
Scope 3: Transport data (tCO2e)	**174**	180
Carbon offsets used to compensate for remaining emissions (tCO2e)	**3,617**	2,562
Total annual net emissions	**1,554**	3,698

Source 2021 emissions data is in line with the UK Government's environmental reporting guidance. We have measured our scope 1, scope 2 and partial scope 3 emissions. Global's 33 buildings and multiple advertising panels used during the year, where electricity and gas are the primary and only utilised used. Global also uses company vehicles and had staff mileage claims during the period. Scope 1 emissions consist of natural gas usage within building as well as fuel used for company vehicles. Scope 2 consist of electricity usage within the building and for advertising panels. Partial scope 3 emissions include grey fleet mileage. The report uses the metric gross global scope 1,2 and 3 emissions in tonnes of CO2e per square meter of total area of entire portfolio as this is a common business metric for our industry sector. For the prior period base year, there has been 401 tonnes of carbon dioxide equivalent (tCO2e) of transport emissions have been reclassified from Scope 3 to Scope 1.

Social matters and human rights

Global impacts the social fabric of the United Kingdom both through the 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. In the year all staff of manager level and above completed training in regards to unconscious bias.

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

Group Directors' Report (continued)

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 risk, credit risk and liquidity risk along with customer and supplier engagement 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.

Auditor

During the year, we undertook an external audit tender. After reviewing written proposals and hearing presentations from the participating firms the Board has appointed Price Waterhouse Coopers (PWC) for 2021/22 year end.

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

D.D. Singer
Director
29 July 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 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. 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

1. 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 2021 and of the group's loss for the year then ended;

- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;

- 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;
- the group statement of changes in equity;
- the group statement of cash flows;
- the related notes to the group financial statements 1 to 32;
- the company statement of financial position;
- the company statement of changes in equity; and
- the related notes to the company financial statements 1 to 10.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006. 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).

2. 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.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Impairment of the Outdoor cash generating unit; • Modification of leases in accordance with IFRS 16; • Valuation of related party loans; and • Completeness of airtime revenues. Within this report, key audit matters are identified as follows: (!) Newly identified Increased level of risk Similar level of risk Decreased level of risk
Materiality	The materiality that we used for the group financial statements was £4.45m which was determined on the basis of 1% of revenue.
Scoping	Our Group audit was split into two separate components: • Commercial radio broadcasting ("Radio"); and • Out of home advertising ("Outdoor"). We performed a full scope audit in respect of Radio and Outdoor with a collective representation of 81% of the Group's revenue and 75% of the adjusted EBITDA.
Significant changes in our approach	Exterion Media Group acquisition accounting and the adoption of IFRS 16 are not considered key audit matters this year as they were specific one-off matters in relation to the prior year. With less uncertainty around the Covid-19 pandemic the ability of the group to continue as a going concern for the group has not been considered a key audit matter this year. Our procedures are discussed in more detail in section 4. As a result of the pandemic a number of leases have been amended and this has result in a new key audit matter being the Modification of lease contracts. Our approach to materiality has changed for FY20 due to the impact of the Covid-19 pandemic on the group's financial performance. This has been discussed in more detail in section 6.

4. 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.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Obtained understanding of the financing facilities including the nature of the facilities, repayment terms and covenants;
- Assessed the impact of risks and uncertainties on the business model and future cash flow forecasts;
- Assessed the nature of the group, its business model and where relevant the impact of Covid-19 and Brexit, the requirements of the applicable financial reporting framework and the system of internal control;
- Evaluated the directors' assessment of the group's ability to continue as a going concern, including challenging the underlying data and key assumptions, such as the recovery of the Outdoor advertising market which are used to make the assessment, and evaluated the directors' plans for future actions in relation to their going concern assessment.
- Assessed the sufficiency headroom available in the forecasts (cash and covenants) with respect to the risks and uncertainties;
- Assessed management's sensitivity analysis in order to assess whether that the reasonable worst case sensitivities capture all the reasonably possible downside risks and uncertainties; and
- Assessed the appropriateness of the disclosures provided in the financial statements.

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 group's and parent 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.

5. 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.

5.1. Impairment of the Outdoor cash generating unit ("CGU")

Key audit matter description	As at 31 March 2021 the Outdoor component had £124.2m (2020: £124.2m) of goodwill and £330.8m (2020: £353.8m) of intangibles as disclosed in notes 1(J) and 10 to the financial statements. The Group used the value in use approach which relies on a discounted cash flow to estimate the recoverable amount of each CGU, using assumptions related to discount rates, short-term forecasts and long-term

	growth rates. We identified the valuation of the Outdoor CGU as a key audit matter because of the significant judgements made by management, in particular the discount rate used, in order to estimate the recoverable amount of CGU. Estimates of future performance, market conditions and discount rates used to arrive at the net present value of future cash flows, which is used within the impairment analysis, are highly subjective in nature.

How the scope of our audit responded to the key audit matter	We performed the following audit procedures to assess the valuation of the Outdoor CGU:
	
	• obtained an understanding of relevant controls over management's selection of the discount rate, forecasts and long-term growth rates used to determine the recoverable amount for the cash generating unit;
	• challenged and agreed the underlying cash flow projections to Board approved forecasts;
	• challenged management's ability to accurately forecast future revenues and growth rates by comparing actual results to management's historical forecasts, current trading performance and market data;
	• evaluated the balance of corroborative and contradictory data, including external sources in order to assess the appropriateness of management's key assumptions;
	• with the involvement of our valuation specialists we tested the appropriateness of the discount rates used in the assessment by:
	  o testing the inputs underlying the determination of the discount rate and the mathematical accuracy of the calculation; and
	  o developing a range of independent estimates and comparing those to the discount rates selected by management;
	• compared the long-term growth rates to independent market data;
	• challenged and assessed the mechanical accuracy of management's sensitivity analysis of the discount rate and long-term growth rate through recalculation; and
	• evaluated the Group's disclosures on goodwill and intangibles against the requirements of IAS 36 and IAS 1.

Key observations	Based on our procedures, we determined management's assumptions used in the valuation of the Outdoor segment to be reasonable. We considered the disclosure showing management's sensitivity of the discount rate and long-term growth rate was appropriate.

5.2. 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 2021 related party loans amounted to a fair value of £1,274.9m, a decrease on the prior year of £148.8m owing to the fair value movement of the loans received

	from related parties. See accounting policy note u and critical accounting judgment note 1j) *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 estimate 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 8.63%. 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: • *obtained an understanding of the relevant processes and controls in* place, specifically the processes and controls deployed to mitigate the risk of material misstatement; • challenged the reasonableness of the interest rate applied by management through assessment 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 of the discount rate and evaluated the disclosures against the requirements of IFRS 7; • 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 key terms of the loans.
Key observations	Based on our procedures we are satisfied as to the valuation of the related party loans. We considered the disclosure showing management's sensitivity of the discount rate was appropriate.

5.3. Completeness of airtime revenues

Key audit matter description	*Airtime revenues totalled £162.9m in 2021 (2020: £203.5m) accounting for* 38% (2020: 24%) 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 2021 to represent a key audit matter because of the

	reliance placed on the interaction between systems and the quantitative significance of Airtime revenues recorded (see accounting policy note ab).
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: • obtained an understanding of the processes and controls, testing the relevant automated and manual controls surrounding the Group's revenue recognition processes, specifically the reconciliations performed between scheduling, play out and billing systems; • involved 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 advertisements broadcast live throughout the year to the Group's scheduling and finance systems.
Key observations	Based on our procedures we are satisfied as to the completeness of Airtime revenues recognised in the year.

5.4. Modification of leases in accordance with IFRS 16

Key audit matter description	As a consequence to Covid-19 pandemic, the Group renegotiated a number of lease contracts in the current year with the counter parties including franchise partners. Under IFRS 16, *such lease negotiations are treated as* lease modifications resulting in a £13.5m (2020: £2.9m) reduction in the group lease liability. Due to material effect in terms of the value of lease modifications have on the Group's financial statements, we have identified a key audit matter in relation to the completeness and accuracy of lease modification accounting. See accounting policy note 1ae.

How the scope of our audit responded to the key audit matter	We performed the following audit procedures to assess the completeness and accuracy on lease modifications.
	• for a sample of leases we performed the following procedures:
	  o inspected the revised lease contracts, correspondence with the counter parties and evaluated management's assessment of relevant terms to determine whether the leases were correctly considered for modification and accounted for in terms in the standard;
	  o recalculated the lease liabilities and right of use assets taking modified terms into an account;
	  o where the lease liability was extinguished, we recalculated the impact of gain and loss taken into Group's consolidated statement of comprehensive income; and
	• evaluated the appropriateness of related disclosure within the Group's financial statements.

Key observations	We are satisfied that the, modifications recorded and disclosures within the financial statements are appropriate.

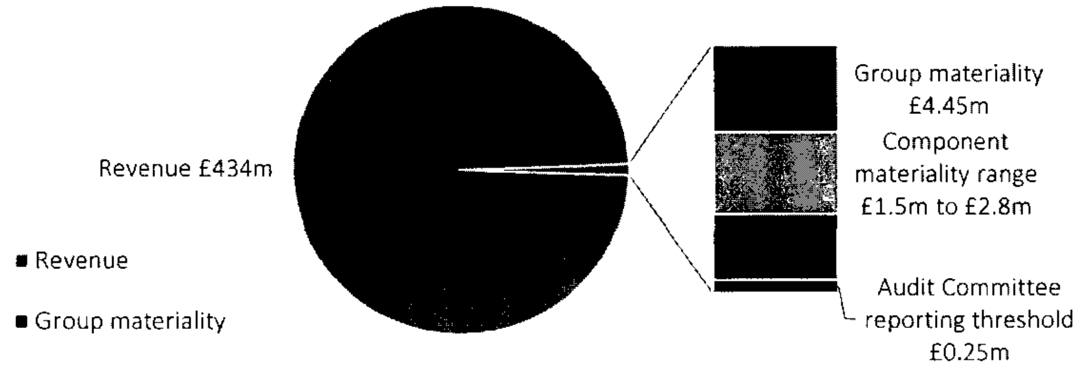
6. Our application of materiality

6.1. 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	£4.45m (2020: £6.0m)	£2.8m (2020: £2.9m)
Basis for determining materiality	1% of revenue from continuing operations (2020: 2.4% of adjusted EBITDA).	Parent company materiality equates to 2% (2020: 2%) of company only net liabilities and is capped at 63% (2020: 48%) of Group materiality. The increase is as a result of the reduction in the Group materiality to reflect the impact of the pandemic on the Outdoor segment.
Rationale for the benchmark applied	We have determined materiality based on 1% of revenue. In the prior year materiality was determined on the basis of 2.4% adjusted EBITDA. Prior year materiality equated to 0.81% of prior year revenue. The change in the benchmark year on year is due to the impact of Covid-19 on the profitability of the group as a whole.	The parent company holds the Group's related party borrowings, these are the only instruments of significance in the parent only financial statements.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	70% (2020: 70%)	70% (2020: 70%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: • our risk assessment, including our assessment of the Group's overall control environment and impact of Covid-19; and • our past experience of the audit, which has indicated a low value of corrected and uncorrected misstatements identified in prior periods.	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.2m (2020: £0.3m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

The parent company and the majority of the subsidiaries of the Group are centrally managed from the head office in London, with the exception of the in-country teams of the Outdoor business. 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. All audit work for the purpose of expressing an opinion on the Group financial statements is performed by the Group audit team.

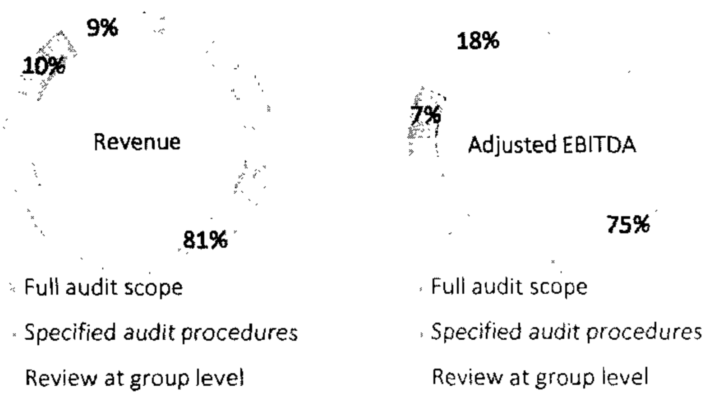
We consider that the Group comprises two components:

Radio: the Radio component is considered a financially significant component of the Group representing 72% of the Group's revenue and 92% of the Group's adjusted EBITDA. Accordingly, full scope audit procedures have been performed to a component materiality of £2.8m.

Outdoor: the Outdoor component is financially significant to the Group following the acquisition of Exterion in the prior year with the component accounting for 28% of the Group's revenue and 8% of the Group's adjusted EBITDA. Accordingly, a mixture of full scope procedures, specified procedures and analytical reviews have been performed to a component materiality in the range of £1.5m to £2.8m.

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, was executed at levels of materiality ranging between £1.5m and £2.8m which were lower than Group materiality of £4.45m. Our audit coverage with respect to Group revenue and adjusted EBITDA:



7.2. Our consideration of the control environment

From our walkthroughs and understanding of the entity and the controls at the business cycle and account balance levels, we relied on controls within the airtime revenue cycle.

With the involvement of our IT specialists within the Group audit team we tested the Group's main airtime revenue systems. Where IT controls were found not to be operating effectively throughout the year, additional procedures were performed to mitigate the risk identified. As such, we were able to rely upon the IT controls associated with all four systems used in the airtime revenue cycle.

8. 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.

9. 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 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.

10. 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.

11. 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.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including tax, valuations, pensions, IT, and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: The impairment of the Outdoor cash generating unit, completeness of airtime revenue and valuation and allocation of media revenue in which management is required to exercise significant judgment, such as disclosure of adjusting items and impairment. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included Ofcom, the UK Companies Act, pensions and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included GDPR, anti-bribery legislation and anti-money laundering regulations.

11.2. Audit response to risks identified

As a result of performing the above, we identified the impairment of the Outdoor cash generating unit and completeness of airtime revenue as key audit matters with a potential risk of fraud. The key audit matters section of our report explains these matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

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

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

- in addressing the risk of fraud in media revenue we circularised a sample of customers to confirm revenue balances and performed alternative procedures where responses were not received; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. 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 group and 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 directors' report.

13. Matters on which we are required to report by exception

13.1. 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.

13.2. 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.

14. 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 *(Senior Statutory Auditor)*
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
29 July 2021

Global Media & Entertainment Limited

Consolidated Income Statement

For the year ended 31 March 2021

	Note	Year ended 31 March 2021 £'000	Year ended Year ended 31 March 2020 £'000
Revenue	4	434,158	739,910
Direct costs		*(136,942)*	*(270,093)*
Gross profit from continuing operations		**297,216**	**469,817**
Administrative expenses		(336,382)	(402,335)
Operating (loss)/profit from continuing operations before impairment		**(39,166)**	**67,482**
Impairment of intangible assets	10	—	(219,100)
Operating loss from continuing operations		**(39,166)**	**(151,618)**
Finance income	7	1,047	121,857
Finance expense	8	(189,106)	(137,659)
Net finance costs		***(188,059)***	***(15,802)***
Share of profit of equity-accounted investees, net of tax	12	1,214	1,219
Loss before taxation from continuing operations		**(226,011)**	**(166,201)**
Income tax credit / (charge)	9	18,240	(22,721)
Loss for the year from continuing operations		**(207,771)**	**(188,922)**
Discontinued operations			
Loss for the year from discontinued operations	28	**(9,906)**	**(14,021)**
Loss for the year		**(217,677)**	**(202,943)**
Attributable to:			
Owners of the Company		(219,601)	(205,824)
Non-controlling interests	21	1,924	2,881
		(217,677)	**(202,943)**

The notes on pages 33 to 89 form part of these financial statements.

[1] These numbers have been restated for discontinued operations, refer to Note 1 for explanation

Global Media & Entertainment Limited

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2021

	Note	Year ended 31 March 2021 £'000	Year ended 31 March 20211 £'000
(Loss) / profit for the year		**(217,677)**	(202,943)
Items that will not be reclassified to profit or loss:			
Actuarial gain / (loss) related to the pension scheme	26	**1,640**	(822)
Foreign exchange (loss) / gain		**(1,394)**	4,703
Deferred tax exchange gain / (loss)	18	**1,754**	**(849)**
Deferred tax on actuarial loss	18	**(262)**	156
Other	18	**47**	—
Other comprehensive profit for the year, net of tax		**1,785**	3,188
Total comprehensive (loss) for the year		**(215,892)**	(199,755)
Attributable to			
Owners of the Company		**(217,816)**	(202,636)
Non-controlling interests		**1,924**	2,881
		(215,892)	(199,755)

The notes on pages 33 to 89 form part of these financial statements.

[1] These numbers have been restated for discontinued operations, refer to Note 1 for explanation

Consolidated Statement of Financial Position
For the year ended 31 March 2021

	Note	31 March 2021 £'000	31 March 2020 £'000
ASSETS			
Non-current assets			
Intangible assets	10	**797,053**	839,898
Property, plant and equipment	11	**125,618**	173,778
Right of Use Asset	27	**326,519**	392,315
Equity accounted investments	12	**1,232**	1,326
Investments	13	**335**	834
Surplus on defined benefit pension scheme	26	**6,483**	2,794
Deferred tax asset	18	**38,014**	29,127
		1,295,254	1,440,072
Current assets			
Inventory		**1,094**	1,049
Current tax assets		**7,573**	805
Trade and other receivables	14	**144,127**	255,639
Cash and cash equivalents		**122,125**	83,728
		274,919	341,221
Total assets		**1,570,173**	1,781,293
LIABILITIES			
Current liabilities			
Trade and other payables	15	**178,306**	239,134
Income tax liabilities		**—**	1,971
Lease liability	27	**54,571**	87,703
Borrowings	16	**86,612**	69,094
Provisions	17	**8,292**	5,898
		327,781	403,800
Non-current liabilities			
Trade and other payables non current	15	**39**	70
Employee benefits	26	**—**	6,100
Lease liability non current	27	**314,976**	340,510
Borrowings non current	16	**1,621,458**	1,485,734
Provisions non current	17	**7,309**	18,959
Deferred tax liability	18	**73,770**	81,576
		2,017,552	1,932,949
Total liabilities		**2,345,333**	2,336,749
Net liabilities		**(775,160)**	(555,456)
EQUITY			
Share capital	19	**171,889**	171,889
Retained deficit		**(947,049)**	(727,345)
		(775,160)	(555,456)
Attributable to:			
Shareholders funds		**(775,997)**	(558,181)
Non-controlling interests	21	**837**	2,725
Total equity		**(775,160)**	(555,456)

The notes on pages 33 to 89 form part of these financial statements.

The financial statements were approved and authorised for issue by the board of Directors on 29 July 2021 and were signed on its behalf by:

D. Singer

D.D. Singer
Director

29 July 2021

Global Media & Entertainment Limited

Consolidated Statement of Changes in Equity

For the year ended 31 March 2021

	Note	Share capital	Put option reserve	Retained deficit	Total	Non-controlling interests	Total equity
		£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2019		171,889	(24,500)	(518,774)	(371,385)	11,721	(359,664)
Loss for the year		—	—	(205,824)	(205,824)	—	(205,824)
Non-controlling interest share of profit	1	—	—	—	—	2,881	2,881
Dividends paid to non-controlling interests	21	—	—	—	—	(2,155)	(2,155)
Non-controlling interests disposed during the year	21	—	—	—	—	(9,722)	(9,722)
Actuarial loss related to the pension scheme	26	—	—	(1,010)	(1,010)	—	(1,010)
Foreign exchange movements		—	(607)	4,775	4,168	—	4,168
Fair value of put option payments		—	—	(9,393)	(9,393)	—	(9,393)
Movement in put option reserves		—	25,107	—	25,107	—	25,107
Deferred tax on actuarial loss	6	—	—	156	156	—	156
At 31 March 2020		**171,889**	**—**	**(730,070)**	**(558,181)**	**2,725**	**(555,456)**
At 1 April 2020		171,889	—	(730,070)	(558,181)	2,725	(555,456)
Loss for the year		—	—	(219,601)	(219,601)	—	(219,601)
Non-controlling interest share of profit	21	—	—	—	—	1,924	1,924
Dividends paid to non-controlling interests	21	—	—	—	—	(1,955)	(1,955)
Non-controlling interests disposed during the year	21	—	—	—	—	(1,857)	(1,857)
Actuarial loss related to the pension scheme	26	—	—	1,640	1,640	—	1,640
Foreign exchange movements		—	—	(1,394)	(1,394)	—	(1,394)
Other		—	—	47	47	—	47
Deferred tax on actuarial loss	26	—	—	(262)	(262)	—	(262)
At 31 March 2021		**171,889**	**—**	**(949,640)**	**(777,751)**	**837**	**(776,914)**

The notes on pages 33 to 89 form part of these financial statements.

Global Media & Entertainment Limited

Consolidated Statement of Cash Flows

For the year ended 31 March 2021

	Note	Year ended 31 March 2021	Year ended 31 March 2020[1]
		£'000	**£'000**
Cash flows from operating activities			
(Loss) / profit for the year from continuing operations		(207,771)	(202,017)
(Loss) / profit for the year from discontinued operations		(9,906)	(926)
Adjustments for:			
Depreciation	11	24,364	23,922
Amortisation	10	32,632	36,926
Right of use assets depreciation	27	57,648	95,627
Loss on disposal of property, plant and equipment	11	4,094	10,106
Loss on disposal of intangible assets	10	—	17,366
Gain on IFRS 16 lease terminations		(1,262)	—
Net finance costs		188,059	19,042
Share of profits of equity-accounted investments	12	(1,214)	(1,219)
Movement in retirement benefit obligations	26	(1,958)	(1,925)
Fair value movement on put option		—	851
Movement in unrealised foreign exchange		821	(4,983)
Loss / (profit) on disposal of investments and subsidiary undertakings	13	1,183	1,400
Impairment loss	11	589	219,100
Income tax charge		(18,240)	23,285
Provisions		(8,216)	(1,485)
		60,823	235,070
Changes in:			
Inventories		(45)	(792)
Trade and other receivables		89,525	(325)
Trade and other payables		(9,724)	(32,600)
Cash flows generated from operations		140,579	201,353
Interest paid		(10,577)	(15,109)
Income taxes paid		3,039	(16,695)
Net cash flows from operating activities		133,041	169,549
Net cash flows from operating activities - continuing		114,924	189,900
Net cash flows from operating activities - discontinued		18,117	(20,351)
Cash flows from investing activities			
Interest received	7	7	45
Dividends received from associates	12	1,308	1,053
Acquisition of subsidiaries, net of cash acquired		—	4,269
Purchase of investments	13	—	(213)
Purchase of property, plant and equipment	11	(15,396)	(63,477)
Expenditure on intangible assets	10	(3,311)	(14,854)
Proceeds from sale of property, plant & equipment, net of cash		—	6,003
Net proceeds from disposal of investments and subsidiary undertakings		(4,632)	37,067
Net cash flows from investing activities		(22,024)	(30,107)
Net cash flows from investing activities - continuing		(21,399)	(60,865)
Net cash flows from investing activities - discontinued		(625)	30,758
Cash flows from financing activities			
Proceeds from borrowings		—	100,000
Repayments of loans and borrowings		—	(131,315)
Payment of debt issue costs		—	(1,982)
Repayments of lease liabilities	27	(74,134)	(124,933)

Consolidated Statement of Cash Flows

For the year ended 31 March 2021

Proceeds from lease liabilities	27	3,469	16,400
Dividends paid to non-controlling interests	21	(1,955)	(2,155)
Net cash flows from financing activities		(72,620)	(143,985)
Net cash flows from financing activities - continuing		(59,234)	(122,290)
Net cash flows from financing activities - discontinued		(13,386)	(21,695)
Net (decrease)/increase in cash and cash equivalents		38,397	(4,543)
Cash and cash equivalents at the start of the year		83,728	88,271
Cash and cash equivalents at the end of the year		122,125	83,728

[1] These numbers have been restated for discontinued operations, refer to Note 1 for explanation

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

	Total borrowings	**Lease liabilities**	**Total liabilities from financing activities**
	£'000	**£'000**	**£'000**
Year ended 31 March 2020	1,554,828	428,213	1,983,041
Cashflows	—	(70,675)	(70,675)
Accrued Interest	96,708	26,292	123,000
Debt issuance costs	1,440	—	1,440
Changes in fair value	52,109	—	52,109
Additions	2,981	50,322	53,303
Foreign exchange	—	(403)	(403)
Disposals	—	(45,378)	(45,378)
Modifications	—	(14,371)	(14,371)
Other movements	4	(4,453)	(4,449)
Year ended 31 March 2021	**1,708,070**	**369,547**	**2,077,617**

The notes on pages 33 to 89 form part of these 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 3 of the Company financial statements.

The Group's principal activities during the year was the operation of commercial radio stations in the United Kingdom and out-of-home advertising in the United Kingdom and Europe.

The Group financial statements were approved by the Board of Directors on 29 July 2021.

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 as modified by financial instruments recognised at fair value. 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.

Comparative information
The comparative information in the income statement, statement of comprehensive income, statement of consolidated cashflows and associated notes has been restated for the impact of the Outdoor France discontinued operations. In line with the requirements of the *IFRS 5 Non-current assets held for sale and discontinued operations*, the statement of financial position has not been restated as disclosed in note 28.

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.

Subsidiaries
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 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.

1. **Accounting policies (continued)**

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.

In prior period the Group held put options over Audio HQ LLC, which were exercised in August 2019. This resulted in the fair value of the option being £nil and was subsequently reflected in both the option reserve and liability. £0.8m in fair value movements was recognised in the Income Statement.

The group has no put options as at 31 March 2021.

h) Government grants

Government grants are recognised where there is reasonable assurance that the grants will be received and that the Group will comply with the conditions attached to them.

Government grants that compensate the Group for expenses incurred are recognised in the Income Statement, as deductions against the related expense over the periods necessary to match them with related costs.

Government grant income is disclosed in note 5.

i) New accounting standards and interpretations not yet effective

Standards and interpretations adopted in the current year

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 Group's earnings, however has required certain reclassifications in the Group 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

New accounting standards in issue but not yet effective

New standards and interpretations that are in issue but not effective are listed below:

- 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
- Annual Improvements to IFRS Standards 20182020 Cycle:
- Amendments to IFRS 1 First time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases and IAS 41 Agriculture

The adoption of these amendments has not led to any changes to the Group's accounting policies or had any material impact on the financial position or performance of the Group. Other amendments and interpretations to IFRS's effective for the period ended 31 March 2021 have had no impact on the Group.

Change in accounting policy

During the year, the Group revised its accounting policy in relation to upfront configuration and customisation costs incurred in implemented SaaS arrangements in response to the IFRS Interpretations Committee agenda decision clarifying how IFRS Standards apply to these types of arrangements. The new accounting policy is presented below and resulted in £3.4m being expensed in the year, given the profile of the costs incurred in respect to SaaS arrangements the historical financial information has not been restated.

As shown in note 10, the company capitalised an additional £3.3m which on initial review continues to be appropriately capitalised. The company is undertaking a further detailed review of these costs which could result in some, and any further implementation costs, being expensed. We currently do not expect the amounts to be significant.

1. **Accounting policies (continued)**

Software-as-a-Service (SaaS) arrangements
SaaS arrangement are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of the costs incurred relate to the development of software code that enhance or modifies, or creates additional capability to, existing on-premise systems and meets the definition of, and the recognition criteria for, an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

j) 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 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.

Adjusted EBITDA
The identification of adjusting items is a judgement in terms of which costs or credits are not associated with the underlying trading of the business or otherwise impact the comparability of the Group's results year on year. 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, impairment and integration costs such as launch costs including rebranding, redundancy costs and acquisition related costs. This is consistent with prior year. In 2021 management exercised judgment in relation to the one off expenses classified as one off costs in relation to Covid-19.

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. Refer to page 76 for further details.

Key sources of estimation uncertainty

Impairment of property, plant and equipment and intangibles including Goodwill
Property, plant and equipment and intangibles excluding goodwill are reviewed for impairment if events or changes in circumstances indicate that the carrying value amount may not be recoverable. Goodwill is reviewed for impairment on an annual basis at the reporting date. When an impairment assessment is conducted the recoverable amount is determined as the higher of fair value less costs to sell or value in use of the assets. The value in use method requires the Group to determine appropriate assumptions (which are sources of estimation uncertainty) in relation to the cash flow projections over a five-year period, the long-term growth rate has been applied beyond the five-year period.

The assumption that cash flows continue into perpetuity is a source of significant estimation uncertainty. A future change to the assumption of trading into perpetuity for any Cash-Generating Unit (CGU) would result in a reassessment of useful economic lives and residual value and could give rise to a significant impairment of property, plant and equipment, particularly where the carrying value exceeds fair value less costs to sell. Refer to note 10 for further details. *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.

	Latest modification	**Discount rate**
Shareholder loan notes (post year end 31/3/19)	31 December 2020	8.6%
Shareholder loan notes (pre year end 31/3/19)	31 December 2020	8.6%
Loan from parent entity	31 December 2020	8.6%

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	(41,909)	44,064
Loan from parent entity	(5,869)	6,188

1. Accounting policies (continued)

Determination of discount rate – impact on impairment assessments
The Group uses its weighted average cost of capital to discount expected future cash flows 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. Management has detailed the sensitivities performed, refer to note 10 for the detailed impact that a change in assumptions would have on the impairment charge for the Outdoor CGU. 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.

k) Going concern

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 together with cash available and the utilised borrowing facilities available.

Given the global political and economic uncertainty resulting from the Covid-19 pandemic, the Directors have seen significant volatility and business disruption reducing the Group's expected performance in 2020/21. They have already felt the impact of the government's guidelines on lockdown, with its Outdoor advertising estate being heavily impacted. They have also seen a decline in customers' advertising spend on both the Outdoor and Radio advertising mediums.

In April 2020 a Formal agreement was reached with the lending syndicate of banks providing external borrowing facilities, totalling £413.0m as at 31 March 2021, to remove or substantially relax the covenant conditions for the three covenants we are required to meet except for the retention of a minimum cash balance requirement for a twelve month period from March 2020. In October 2020 further agreement was reached with the lending syndicate of banks in relation to requirements for our June and September 2021 covenant tests in regards to signing off on a higher allowance for our leverage cover and the reinstatement of our interest cover covenant. In June 2021 we reached further agreement with the banks in regards to our leverage and interest cover covenant until June 2022 and cashflow cover until September 2022. .

The agreement with the banks combined with the other measures taken means that, even under the Covid-19 scenario, the business would continue to have significant liquidity headroom on its existing facilities and against the revolving credit facility financial covenant.

As at 31 March 2021 the financial covenant was met. As a result, the Directors believe that the Group is well placed to manage its financing and other significant risks satisfactorily and that the Group will be able to operate within the level of its facilities for the foreseeable future. For this reason, the Directors consider it appropriate for the Group to adopt the going concern basis in preparing its financial statements.

l) 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).

m) 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.

n) 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.

1. Accounting policies (continued)

o) 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.

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
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 the Income Statement.

Construction in progress (CIP) includes components purchased for incorporating into advertising sites and other assets, which are recorded at the lower of cost and net realisable value of the separate items of stock or groups of similar items. Assets in the course of contribution are recorded at cost to date and represents the amount of other expenditure on advertising sites which are not yet installed or ready for service.

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.

p) Intangible assets and goodwill

Goodwill
Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually or more frequently if events or changes in circumstances indicate that the carry value may be impaired.

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

- 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 or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to measure the reliability of the expenditure during development to complete the software product so that it will be available for use;

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 life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available to use. The estimated useful lives are as follows:

Software	1 to 7 years
Franchise rights	2 to 10 years
Other	4 to 8 years

1. Accounting policies (continued)

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.

q) 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.

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.

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 at fair value, net of transaction costs incurred. Borrowings are measured subsequently at amortised cost using the effective interest method or at Fair Value through Profit and Loss ("FVTPL"). 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.

Shareholder loan notes, as disclosed in note 16 of these Financial Statements, are subsequently measured at fair value, with any difference recognised in the Income Statement.

The parent company interest free loan was designated at fair value due to the presence of embedded derivatives at initial recognition.

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.

Transaction costs relating to the borrowings are included in the carrying amount of the liability and are amortised over the lives of the borrowings using the effective interest method.

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.

1. Accounting policies (continued)

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).

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 the Income Statement.

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.

1. Accounting policies (continued)

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. 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.

1. **Accounting policies (continued)**

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.

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.

ab) 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
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.

Contract assets
A contract asset is the right to consideration in exchange for goods and services transferred to the customer. If the Group 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.

1. **Accounting policies (continued)**

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration due) from the customer. If a customer pays consideration before the Group 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 Group performs under the contract.

ac) 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.

ad) 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.

ae) Financial guarantee contracts

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group 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 Group 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 Group 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 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.

1. Accounting policies (continued)

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 10.

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 Group 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. 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. Management does not review individual balance sheets as part of their monthly review.

In the current year the Group has two reportable segments in the year being commercial radio broadcasting (Radio) in the UK and out of home advertising (Outdoor) operating in the UK and Europe.

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. There were no contracts in the year that represented greater than 10% of the Group continuing consolidated revenue.

Year ended 31 March 2021

	Radio	Outdoor	Continuing Total
	£'000	£'000	£'000
Total revenue	314,116	120,042	434,158
Revenue from external customers	**314,116**	**120,042**	**434,158**
Direct costs	(55,827)	(81,115)	(136,942)
Gross profit	**258,289**	**38,927**	**297,216**
Operating expenses (excluding exceptional, depreciation and amortisation)	(159,170)	(48,094)	(207,264)
Adjusted EBITDA	**99,119**	**(9,167)**	**89,952**
Other expenses	(25,795)	(103,323)	(129,118)
Operating profit / (loss)	**73,324**	**(112,490)**	**(39,166)**
Net finance expense	(144,699)	(43,360)	(188,059)
Share of profit / (loss) of equity-accounted investees, net of tax	1,214	—	1,214
Loss before taxation	**(70,161)**	**(155,850)**	**(226,011)**

Year ended 31 March 2020

	Radio	Outdoor	Continuing Total
	£'000	£'000	£'000
Total revenue	358,770	381,140	739,910
Revenue from external customers	**358,770**	**381,140**	**739,910**
Direct costs	(66,927)	(203,166)	(270,093)
Gross profit	**291,843**	**177,974**	**469,817**
Operating expenses (excluding exceptional, depreciation and amortisation)	(186,922)	(49,711)	(236,633)
Adjusted EBITDA	**104,921**	**128,263**	**233,184**
Other expenses	(32,262)	(133,440)	(165,702)
Impairment of intangible assets	—	(219,100)	(219,100)
Operating profit / (loss)	**72,659**	**(224,277)**	**(151,618)**
Net finance expense	44,483	(60,285)	(15,802)
Share of profit / (loss) of equity-accounted investees, net of tax	1,219	—	1,219
(Loss) before taxation	**118,361**	**(284,562)**	**(166,201)**

*The reconciliation and definition of Adjusted EBITDA is disclosed on page 76 of the accounts.

3. Operating loss

Operating loss is stated after charging/(crediting):

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Amortisation of intangible assets	**32,632**	36,059
Depreciation of property, plant and equipment	**24,364**	18,722
Depreciation of right of use assets	**57,648**	75,948
Impairment	**—**	219,100
Loss on disposal of property, plant and equipment	**26,013**	10,037
Loss on disposal of intangibles	**9,350**	60,182
Operating lease rentals:		
- land and buildings	**1,384**	285
- motor vehicles and other leases	**1,153**	420

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

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	790	816
Fees payable to the Group's auditor and its associates in respect of:		
Other services pursuant to legislation	—	13
Taxation compliance services	25	327
Corporate finance services	35	130
Pension services	209	5
Share option plan services	175	124

In the current period the fee payable to the Company auditor of £790k includes a one-off fee of £175k for the additional scope required for the prior period accounts due to Covid-19 pandemic. These fees were agreed during the year.

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 2021	Year ended 31 March 2020
	£'000	£'000
Radio	**314,116**	358,770
Outdoor	**120,042**	381,141
Revenue from continuing operations	**434,158**	739,911

Geographic split of revenue recognition for continuing operations:

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Europe	40,935	74,505
North America	12,005	11,726
United Kingdom	381,218	653,680
	434,158	739,911

4. Revenue from contracts with customers (continued)

Timing of revenue recognition for continuing operations:

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Goods and services transferred at a point in time	315,075	381,007
Goods and services transferred over time	119,083	358,904
	434,158	739,911

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

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Contract assets	14,025	14,960
Contract liabilities	12,163	19,552

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 £18.4m (2020: £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, analysed by category was as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
	Number	Number
Sales and marketing	**1,177**	1,188
Programming	**380**	385
Administration	**412**	556
	1,969	2,129

5. Employees (continued)

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).

The aggregate remuneration costs of these employees were as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	*£'000*
Wages and salaries	**103,479**	119,226
Social security costs	**11,409**	13,510
Contributions to defined benefit pension schemes	**150**	160
Contributions to defined contribution pension schemes	**3,870**	4,139
	118,908	137,035

During the year, the Group has received support from governments in connection with its response to the Covid-19 pandemic. This support included furlough and job retention scheme relief and tax payment deferral schemes. The Group has recognised government grant income of £7.3m in relation to furlough programmes, such as the Coronavirus Job Retention Scheme (CJRS) in the UK, and its equivalents in other countries. The salary expense relating to those colleagues on furlough during the period was £3.8m.

There are no unfulfilled conditions or contingencies attached to these grants.

6. Directors

The remuneration costs of the Group's Directors were:

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Remuneration	6,534	5,569
	6,534	5,569

Total remuneration includes £20,000 of contributions to the defined contribution schemes (2020: £13,000).

The remuneration of the highest paid Director was:

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Aggregate emoluments	2,370	2,640
	2,370	2,640

The amounts disclosed above represent the remuneration for the qualifying services of the Directors of the Group. In the current year the increase in remuneration is due to an increase in Directors serving on the Board compared to prior period. The Board of Directors did not receive any pay rises in the year.

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.

6. Directors (continued)

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 2021	Year ended 31 March 2020
	£'000	£'000
Loans to directors in relation to cash-settled share based payment arrangement	**461**	—

No interest has been charged on the loans made to directors (2020: £nil).

7. Finance income

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Bank interest receivable	**7**	43
Interest on pension scheme assets	**1,040**	1,106
Movement in fair value adjustments on borrowings	**—**	120,708
	1,047	121,857

8. Finance expense

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Interest payable on bank loans and overdrafts	**10,509**	10,881
Interest payable on other loans	**98,513**	94,639
Amortisation of debt issue costs	**1,483**	1,503
Interest on lease liabilities	**24,696**	24,130
Movement in fair value adjustments on borrowings	**52,109**	—
Foreign exchange movements	**821**	5,050
Interest on pension scheme liabilities	**975**	1,456
	189,106	137,659

9. Income tax charge

(a) *Analysis of tax charge in the year*

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Current tax expense		
UK corporation tax on the (loss) / profit for the year	**956**	7,186
Adjustments in respect of prior years	**(3,767)**	(2,043)
Total current tax (credit) / expense	**(2,811)**	5,143
Deferred tax (credit) / expense		
Origination and reversal of temporary differences	**(18,140)**	17,097
Adjustments in respect of prior years	**2,711**	481
Total deferred tax (credit) / expense	**(15,429)**	17,578
Income tax charge	**(18,240)**	22,721

(b) Factors affecting the tax charge in the year

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Loss before tax	**(226,011)**	(166,201)
Loss before tax multiplied by the standard rate of corporation tax of 19% (2019: 19%)	**(42,942)**	(31,578)
Effects of:		
Expenses not deductible for tax purposes	**3,694**	43,955
Interest expense not deductible for tax purposes	**11,794**	—
Recognition of deferred tax on temporary differences	**8,620**	14,831
Share of profit of equity accounted investments	**—**	(295)
Special factors affecting joint-ventures and associates	**(85)**	(32)
UK Dividend income from associates	**(142)**	(200)
Effects of changes in tax rates	**2,385**	(3,137)
Adjustments in respect of prior years	**(1,056)**	(1,562)
Overseas rates vs UK rates	**(508)**	739
Income tax (credit) / charge	**(18,240)**	22,721

See below a reconciliation of the tax change within this note to that presented within the income statement.

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Income tax (credit) / charge for continuing operations	**(18,240)**	**22,721**
Income tax charge for discontinued operations	**228**	**364**
Total income tax (credit) / charge	**(18,012)**	23,085

(c) *Factors that may affect future tax charge*

The effective rate of 19% is aligned with the UK corporation tax rate and has been used in the computation of current tax.

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.

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 liability would have been £10.8m higher.

10. Intangible assets

	Software costs £'000	Franchise rights £'000	Other £'000	Licenses £'000	Brands and trademarks £'000	Goodwill £'000	Total £'000
Cost							
At 1 April 2020	45,783	390,362	704	20,063	16,458	978,858	1,452,228
Additions	3,310	—	1	—	—	—	3,311
Disposals	(8,792)	(7,790)	44	12	—	—	(16,526)
Transfers	4,015	—	—	—	—	—	4,015
Effects of movements in foreign exchange	(438)	(7,671)	(209)	(40)	—	(428)	(8,786)
At 31 March 2021	43,878	374,901	540	20,035	16,458	978,430	1,434,242
Amortisation and impairment							
At 1 April 2020	14,855	45,649	423	10,907	16,456	524,040	612,330
Charge for the year	10,100	20,082	203	2,247	—		32,632
Effects of movements in foreign exchange	(286)	(63)	(208)	(40)	—	—	(597)
Disposals	(5,925)	(1,307)	44	12	—	—	(7,176)
At 31 March 2021	18,744	64,361	462	13,126	16,456	524,040	637,189
Net book value							
At 31 March 2021	*25,134*	*310,540*	*78*	*6,909*	*2*	*454,390*	*797,053*

	Software costs £'000	Franchise rights £'000	Other £'000	Licenses £'000	Brands and trademarks £'000	Goodwill £'000	Total £'000
Cost							
At 1 April 2019	31,329	184,235	—	22,063	85,641	798,535	1,121,803
Acquisitions	9,526	218,554	552	—	—	180,320	408,952
Additions	14,521	—	7	—	—	—	14,528
Disposals	(13,761)	(18,702)	—	(2,000)	(69,183)	(231)	(103,877)
Transfers	3,932	—	—	—	—	—	
Effects of movements in foreign exchange	236	6,275	145	—	—	234	6,890
At 31 March 2020	45,783	390,362	704	20,063	16,458	978,858	1,452,228
Amortisation and impairment							
At 1 April 2019	17,325	4,481	—	9,437	43,504	324,940	399,687
Charge for the year	11,124	22,052	288	2,270	1,192		36,926
Impairment	—	20,000	—	—	—	199,100	219,100
Effects of movements in foreign exchange	170	7	135	—	—	—	312
Disposals	(13,764)	(891)	—	(800)	(28,240)	—	(43,695)
At 31 March 2020	14,855	45,649	423	10,907	16,456	524,040	612,330
Net book value							
At 1 April 2019	14,004	179,754	—	12,626	42,137	473,595	722,116
At 31 March 2020	30,928	344,713	281	9,156	2	454,818	839,898

Amortisation charged in relation to the discontinued operations in the year was £1.0m as disclosed within note 29. In prior period the depreciation charge includes £1.7m in respect of the discontinued operations.

During the year, the Group capitalised £3.3m (2020: £14.5m) of software development costs.

10. *Intangible assets (continued)*

Goodwill

Impairment review

The Group completes an impairment review of goodwill annually. In accordance with IAS 36 - Impairment of assets ("IAS 36"). The Group tests for impairment of goodwill at the operating segment level (see note 2 for operating segments) representing an aggregation of Cash Generating Units ("CGU's)" and reflects the level at which goodwill is monitored in the business.

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 CGU's tested for impairment are forecast revenue, EBITDA and discount rate.

The cash flows used for the impairment testing for each CGU are based on the Group's latest budget and forecast cash flows, covering a four-year period, which have regard to historical performance and where they see the performance of the CGUs given the industry sector in which they operate. The Board-approved Budget and four-year plan based on a gradual return of the short-term future performance of the CGU with significant reductions in forecasted EBITDA in 2021/2022 compared to historical performance in regards to the Outdoor operations (including the pre acquisition performance of these businesses). In determining the forecasts Management considered the speed of recovery and the variability in the impact across the countries in which the group operates in the light of what was known at 31 March 2021 with the easing of restrictions in all territories. Management have made several key assumptions, specifically on cash flows, pre-tax discount rates and long term growth rates.

The key assumptions used by management alongside the cash flow forecasts are as follows:

CGU	Headroom on CGU £000		Long term growth rate (LTGR) (%)		Pre-tax discount rates (%)	
	2021	2020	2021	2020	2021	2020
Outdoor	52,000	(199,100)	1.6	1.7	11.5	9.8
Radio	657,000	816,500	1.6	1.8	13.5	11.0

The pre-tax discount rates used in the value in use calculations reflect the Group's assessment of the current market and other risks specific to the CGUs. Long-term growth rates are applied after the forecast period. Long-term growth rates are based on external reports on long-term GDP growth rates for the main geographic markets in which each CGU operates. The headroom shown above represents the excess of the recoverable amount over the carrying value for both the Radio CGU and the Outdoor CGU.

Management's review of the Intangible assets and Property plant and equipment using the same cashflows used in their annual goodwill assessment determined there were no additional impairments required.

The Group has undertaken a sensitivity analysis based on changes to key assumptions considered to be reasonably possible by management. These sensitivities around discount rate and growth rate have been considered as to whether they are reasonably likely to either erode headroom or give risk of material adjustment to carrying values across CGU groups.

The total carrying value of Goodwill at 31 March 2021 is £454,390 which is allocated to the CGU's. The allocated Goodwill for each CGU is £322,955k (Radio) and £131,435k (Outdoor).

Management noted that there were no reasonably possible changes that would cause an impairment in the Radio CGU. The sensitivities applied to the Outdoor CGU would represent an impairment to Goodwill within the CGU if the key assumptions changed.

- 1% increase to pre-tax discount rate would impair Goodwill by £20.9m
- 0% LTGR applied would impair Goodwill by £48.3m
- 10% decrease in EBITDA each year would impair Goodwill by £20.8m
- 1% increase to pre-tax discount rate and 0% LTGR applied would impair Goodwill by £79.5m

11. Property, plant and equipment

	Land and buildings £'000	Transmitters, fixtures and technical equipment £'000	Festival assets £'000	Construction in progress £'000	Leasehold improvements £'000	Total £'000
Cost						
At 1 April 2020	16,461	134,025	—	46,832	1,507	198,825
Additions	95	1,232	—	14,069	—	15,396
Disposals	(2,046)	(29,367)	—	(3,620)	(472)	(35,505)
Transfers	—	16,769	—	(28,263)	94	(11,400)
Effects of movements in foreign exchange	(9)	(7,746)	—	(55)	(39)	(7,849)
At 31 March 2021	14,501	114,913	—	28,963	1,090	159,467
Depreciation						
At 1 April 2020	1,904	23,076	—	—	67	25,047
Charge for the year	1,478	22,608	—	—	278	24,364
Impairment	—	—	—	589	—	589
Effects of movements in foreign exchange	—	(6,636)	—	—	(23)	(6,659)
Disposals	(1,676)	(7,691)	—	—	(125)	(9,492)
At 31 March 2021	1,706	31,357	—	589	197	33,849
Net book value						
At 31 March 2021	**12,795**	**83,556**	**—**	**28,374**	**893**	**125,618**

	Land and buildings £'000	Transmitters, fixtures and technical equipment £'000	Festival assets £'000	Construction in progress £'000	Leasehold improvements £'000	Total £'000
Cost						
At 1 April 2019	20,001	82,882	2,258	—	245	105,386
Additions	1,321	12,520	—	50,653	122	64,616
Acquisitions	814	38,157	—	38,321	1,406	78,698
Disposals	(5,689)	(18,780)	(2,258)	(1,206)	(541)	(28,474)
Transfers	—	13,755	—	(41,051)	249	(27,047)
Effects of movements in foreign exchange	14	5,491	—	115	26	5,646
At 31 March 2020	16,461	134,025	—	46,832	1,507	198,825
Depreciation						
At 1 April 2019	4,110	9,707	963	—	245	15,025
Charge for the year	1,485	21,986	121	—	330	23,922
Effects of movements in foreign exchange	—	4,521	—	—	15	4,536
Disposals	(3,691)	(13,138)	(1,084)	—	(523)	(18,436)
At 31 March 2020	1,904	23,076	—	—	67	25,047
Net book value						
At 1 April 2019	16,058	9,408	967	—	245	26,678
At 31 March 2020	14,557	110,949	—	46,832	1,440	173,778

Depreciation charged in relation to the discontinued operations in the year was £2.9m as disclosed within note 29. In prior period the depreciation charge includes £4.5m in respect of the discontinued operations.

12. Equity accounted investments

	Investments in joint ventures £'000	Investments in associates £'000	Total £'000
Cost			
At 1 April 2020	687	639	1,326
Share of profit of equity accounted investments	792	422	1,214
Dividends received from equity accounted investments	(750)	(558)	(1,308)
At 31 March 2021	**729**	**503**	**1,232**

	Investments in joint ventures	Investments in associates	Total
Cost			
At 1 April 2019	646	818	1,464
Share of profit of equity accounted investments	790	429	1,219
Dividends received from equity accounted investments	(749)	(304)	(1,053)
Disposed	—	(304)	(304)
At 31 March 2020	**687**	**639**	**1,326**

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

The Group's investments in joint ventures are:

Name	Country	% of ordinary share capital ownership
CE Digital Limited	UK	50.0

The principal activity of CE Digital is that of managing multiplexes and is considered strategic to the Group's activities.

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
CE Digital Limited	30 Leicester Square, London, WC2H 7LA

13. Investments

	Cost £'000	Fair value £'000	Total £'000
Cost			
At 1 April 2020	1,142	—	1,142
Disposals	(499)	—	(499)
At 31 March 2021	643	—	643
Impairment			
At 1 April 2020	308	—	308
At 31 March 2021	308	—	308
Net book value			
At 31 March 2021	**335**	**—**	**335**

	Cost £'000	Fair value £'000	Total £'000
Cost			
At 1 April 2019	488	428,057	428,545
Acquisitions	288	—	288
Additions	213	—	213
Transfer	153	(428,057)	(427,904)
Disposals	—	—	—
At 31 March 2020	1,142	—	1,142
Impairment			
At 1 April 2019	308	—	308
At 31 March 2020	308	—	308
Net book value			
At 31 March 2020	**834**	**—**	**834**

In prior period the Group acquired 100% of the share capital in Semper Veritas Holdings S.àr.l. and its subsidiaries ("Exterion"). As a result of the acquisition the results of Exterion were consolidated and the investment subsequently derecognised.

The acquired investments in prior period relate to those held by the Exterion Group which is fully consolidated in the current period.

The investment disposed of was held by the France Outdoor subsidiary that was disposed of during the year, refer to note 29.

14. Trade and other receivables

	31 March 2021	31 March 2020
	£'000	£'000
Gross trade receivables	109,299	215,798
Less provision for impairment	(3,843)	(7,208)
	105,456	208,590
Other debtors	10,078	18,033
Prepayments	14,568	14,056
Contract assets	14,025	14,960
	144,127	255,639

	31 March 2021	31 March 2020
	£'000	£'000
Balance at the beginning of the year	7,208	358
Movement in provision	(3,365)	6,850
Balance at the end of the year	3,843	7,208

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.

15. Trade and other payables

Current

	31 March 2021	31 March 2020
	£'000	£'000
Trade payables	62,870	92,586
Other taxes and social security costs	19,625	2,919
Other creditors	8,378	23,271
Accruals	75,270	100,806
Contract liabilities	12,163	19,552
	178,306	239,134

Non-Current

	31 March 2021	31 March 2020
	£'000	£'000
Other creditors	39	70
	39	70

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 2021	31 March 2020
	£'000	£'000
Bank loans and overdrafts	62,514	45,000
Accrued interest	24,098	24,094
	86,612	69,094

Non-Current

	31 March 2021	31 March 2020
	£'000	£'000
Bank loans	346,590	359,678
Other loans	1,274,868	1,126,056
	1,621,458	1,485,734
Total borrowings	1,708,070	1,554,828

16. Borrowings (continued)

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

	31 March 2021 £'000	31 March 2020 £'000
Accrued interest	**24,098**	24,094
Senior term loans	**412,981**	410,000
Shareholder loan notes	**1,139,936**	1,043,298
Loan from parent entity	**204,165**	204,165
	1,781,180	1,681,557

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

	31 March 2021 £'000	31 March 2020 £'000
Accrued interest	**24,098**	24,094
Senior term loans	**409,104**	404,678
Shareholder loan notes	**1,137,080**	1,004,898
Loan from parent entity	**137,788**	121,158
	1,708,070	1,554,828

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

Interest rates on variable interest borrowings	**31 March 2021 % above LIBOR**	31 March 2020 % above LIBOR
Shareholder loan notes	**7.00 %**	7.00 %
Senior term loans	**2.50 %**	2.00 %
Connected party loan	**0.00 %**	0.00 %

Interest rates on fixed interest borrowings	**31 March 2021 Fixed rate**	31 March 2020 Fixed rate
Shareholder loan notes	**15.00 %**	15.00 %
Loan from parent entity	**0.00 %**	0.00 %

Discount rate on borrowings		
Shareholder loan notes (post year end 31/3/19)	**8.63 %**	10.25 %
Shareholder loan notes (pre year end 31/3/19)	**8.63 %**	9.50 %
Loan from parent entity	**8.63 %**	9.50 %

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. No movement in fair value is related to changed in credit risk.

16. Borrowings (continued)

The Group's borrowings have the following maturity profile:

	31 March 2021	31 March 2020
	£'000	£'000
Less than one year	**194,214**	176,442
Two to five years	**2,098,703**	775,883
Over five years	**—**	1,343,837
	2,292,917	2,296,162
Less interest cash flows:		
Senior term loans	**(23,090)**	(36,361)
Shareholder loan notes	**(488,647)**	(578,244)
Total principal cash flows	**1,781,180**	1,681,557

The shareholder loans are listed on the International Stock Exchange ("TISE"). On 31 December 2020 the Shareholder Loan notes had interest of £96.6m capitalised to the loan principal.

The movement in the discount rate from 2020 reflects a change in management's view of the what rate a 3rd party would be prepared to lend the amounts noted and is principally driven by relative risk profile of the Group to other companies in the sector

The Group has undrawn committed borrowing facilities of £10.0m at 31 March 2021 (2020: £10.0m).
Significant non-cash transactions in the year in respect of financing activities comprised unpaid interest which was capitalised into borrowings of £96.7m (2020: £90.8m).

17. Provisions

	£'000
At 1 April 2020	24,857
Additions	4,564
Disposals of subsidary	(9,197)
Effects of movements in foreign exchange	(69)
Transferred during the year	1,797
Utilised during the year	(6,351)
At 31 March 2021	**15,601**

	£'000
At 1 April 2019	11,464
Additions	4,228
Acquisitions	14,879
Effects of movements in foreign exchange	332
Transferred during the year	(604)
Utilised during the year	(5,442)
At 31 March 2020	24,857

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

	31 March 2021	31 March 2020
	£'000	£'000
Current	8,292	5,898
Non-Current	7,309	18,959
Total	15,601	24,857

17. Provisions (continued)

Provisions include dilapidation cost provisions (£11.7m), credit note provisions (£2.7m) and other provisions (£1.2m) for the year ended 31 March 2021 (2020: £21.3m, £2.8m and £3.6m respectively)

Dilapidation provision represent the Group's estimated cost for removing advertising structures as agreed in its franchise agreements and the cost of returning its leased offices and warehouses to its original state at the end of the lease term. The estimated cost is discounted at a risk free rate with a similar currency and remaining term as the provision, whichever is shorter.

18. Deferred tax

	Property, plant and equipment and intangible assets	Tax losses	Financial instruments	Interest restricted under corporate interest restriction	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Deferred tax assets	21,836	7,102	—	—	189	29,127
Deferred tax liabilities	(67,333)	—	(22,373)	8,584	(454)	(81,576)
At 31 March 2020	(45,497)	7,102	(22,373)	8,584	(265)	(52,449)
Charge to the income statement	(3,100)	8,395	9,765	871	(502)	15,429
Recognised in other comprehensive income	1,754	—	—	—	(262)	1,492
Acquired in the year	—	—	—	—	—	—
At Disposed in the year	1,239	(1,467)	—	—	—	(228)
At 31 March 2021	(45,604)	14,030	(12,608)	9,455	(1,029)	(35,756)
Deferred tax assets	**14,325**	**14,030**	—	9,455	**204**	**38,014**
Deferred tax liabilities	**(59,929)**	—	**(12,608)**	—	(1,233)	**(73,770)**
At 31 March 2021	**(45,604)**	**14,030**	**(12,608)**	**9,455**	**(1,029)**	**(35,756)**
Deferred tax assets	4,513	1,704	—	8,907	296	15,420
Deferred tax liabilities	(35,738)	—	(2,475)	—	(268)	(38,481)
At 31 March 2019	(31,225)	1,704	(2,475)	8,907	28	(23,061)
Credit to the income statement	3,774	(682)	(19,898)	(323)	(449)	(17,578)
Recognised in other comprehensive income	(1,005)	—	—	—	156	(849)
Acquired in the year	(22,039)	6,133	—	—	—	(15,906)
At Disposed in the year	4,998	(53)	—	—	—	4,945
At 31 March 2020	(45,497)	7,102	(22,373)	8,584	(265)	(52,449)
Deferred tax assets	21,836	7,102	—	—	189	29,127
Deferred tax liabilities	(67,333)	—	(22,373)	8,584	(454)	(81,576)
At 31 March 2020	(45,497)	7,102	(22,373)	8,584	(265)	(52,449)

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 2021 £'000	31 March 2020 £'000
Property, plant and equipment	—	—
Tax losses	27,887	36,534
Interest paid	9,434	9,493
Interest restricted under corporate interest restriction (CIR) carried forward	19,702	17,871
	57,023	63,898

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 2021 £	31 March 2020 £
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.

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.

In the year ended 31 March 2021 the Group earned 9% (2020: 21%) of its revenues from continuing operations and incurred 8% (2020: 15%) of its costs from continuing operations in EUR. The Group is therefore sensitive to movements in EUR against GBP. Each 10% movement in EUR to GBP exchange rates has a circa £4.1m (2020: £17.0m) impact on revenue and a circa £0.9m (2020: £0.8m) impact on retained profit. The impact on net assets from a 10% movement in EUR to GBP exchange rates at 31 March 2021 would be £7.8m (2020: £8.0m). Management have utilised 10% for sensitivity analysis based on the level of fluctuations seen during the current period.

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.

20. Funding and financial risk management (continued)

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.

20. Funding and financial risk management (continued)

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:

	Fair value hierarchy	**31 March 2021 £'000**	31 March 2020 £'000
Senior term loans	Level 3	**409,104**	404,678
Shareholder loan notes	Level 3	**1,137,080**	1,004,898
Loan from parent entity	Level 3	**137,788**	121,158
		1,683,972	1,530,734

Level 3 inputs are unobservable inputs for the asset or liability.

Movements in the year in relation to financial liabilities categorised at level 3 are set out below. Unrealised (gains)/ losses through profit and loss are recognised within finance expenses (note 8).

	£'000
Balance as at 31 March 2020	**1,530,734**
Interest	96,708
Capitalised fee amortisation	1,440
Issues	2,981
Unrealised (gain)/loss through profit and loss	52,109
Balance as at 31 March 2021	**1,683,972**

21. Non-controlling interests

	£'000
At 1 April 2020	2,725
Share of profit after taxation for the year	1,924
Dividends paid to non-controlling interests	(1,955)
Disposals	(1,857)
At 31 March 2021	**837**

	£'000
At 1 April 2019	11,721
Share of profit after taxation for the year	2,881
Dividends paid to non-controlling interests	(2,155)
Disposals	(9,722)
At 31 March 2020	**2,725**

The disposal in the year of NCI above reflects the de-recognition of NCI in the period related to Audio HQ LLC. During the year an option agreement was exercised to allow DAX US Inc to purchase the remaining 35% of the ownership of Audio HQ LLC and as a result the non-operating members right to income ended and DAX US Inc became the sole partner. The value of NCI held at 31 March 2021 in relation to Audio HQ LLC is £nil (2020: £1.9m). The disposal of £9.7m in the prior period related to the disposal of the festivals operations.

The subsidiaries that we have a non-controlling interest in are disclosed within note 3 of the Company financial statements.

22. Commitments and contingencies

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

	31 March 2021 £'000	31 March 2020 £'000
Land and buildings		
Within one year	**39**	57
Between two and five years	**—**	—
After five years	**—**	—
	39	57

	31 March 2021 £'000	31 March 2020 £'000
Vehicles and equipment		
Within one year	**12**	63
Between two and five years	**—**	1
After five years	**—**	—
	12	64

	31 March 2021 £'000	31 March 2020 £'000
Franchise fee commitments		
Within one year	**2,110**	2,460
Between two and five years	**—**	—
After five years	**—**	—
	2,110	2,460

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.

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, a company incorporated in Jersey. Details of loans outstanding with this entity are given in note 16.

During the year, the Company was charged £1,346,167 (2020: £1,335,334) in respect of digital radio services by CE Digital Limited, an associated undertaking of the Group, of which £nil was outstanding at 31 March 2021 (2020: £nil). The Company received £291,650 (2020: £286,991) 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 £118,951 (2020: £136,123) to this company for transmission services. The Company had an outstanding balance owing of £nil at 31 March 2021 (2020: £nil).

Now Digital East Midlands Limited, an associate of the Group, operates digital radio multiplexes and during the year the Company paid £1,082,303 (2020: £1,069,873) to this company for transmission services. The Company had an outstanding creditor of £nil at 31 March 2021 (2020: £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 £1,738,019 (2020: £1,737,928) in levies to Radio Centre Limited and had an outstanding balance of £nil at 31 March 2021 (2020: £nil).

Global Radio Services Limited also provides contract accounting services for which it charged £42,170 for the year ended 31 March 2021 (2020: £41,142) 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 2021 amounted to £3,218,424 (2020: £3,535,784). At the financial year end the net balance due to Independent Radio News Limited at 31 March 2021 was £1,321,948 (2020: £1,409,173).

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 2021 the outstanding debtor was £373,562 (2020: £288,909).

The Group considers the Directors to be key management personnel. Related party transactions with key management personnel have been disclosed in note 6, which includes a loss of office payment of £255,880.

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

24. Business combinations

Prior year acquisitions

During the prior year, the Group made several acquisitions across the media industry, into digital advertising (on-air and out-of-home) as well as radio broadcasting.

Name	Date of acquisition	Country	% Ownership	Purchaser	Business Unit
Semper Veritas Holding S.a.r.l.	16/04/2019	Luxembourg	100.0%	Global Radio Services Limited	Outdoor
Business Boards B.V.	11/10/2019	Netherlands	100.0%	Exterion Media Netherlands B.V	Outdoor

Exterion Media Group

The acquisition of Exterion Media Group was completed on completion of the CMA clearance on 16 April 2019 from which date control passed to the Group and the Exterion business was consolidated.

Business Boards B.V.

The purchase of the Business Boards B.V completed in October 2019 and is defined as a business combination under IFRS 3, with Semper Veritas Holding S.a.r.l Media Netherlands B.V acquiring 100% of the Company's share capital.

The fair valuation of the acquired assets and liabilities was finalised as at the 31 March 2020 and the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill is listed below.

	Semper Veritas Holding S.a.r.l £'000	Busine ss Boards B.V. £'000	Total £'000
Intangible assets	216,186	12,153	228,339
Property, plant and equipment	80,839		80,839
Trade and other receivables	130,496	72	130,568
Cash	14,741	288	15,029
Other assets	291		291
Right of use assets	142,896	—	142,896
Trade and other payables	(406,067)	(419)	(406,486)
Lease liabilities	(182,930)	—	(182,930)
Deferred tax liability	(13,158)	(2,635)	(15,793)
Net assets acquired	(16,706)	9,459	(7,247)
Goodwill	177,828	2,431	180,259
Total consideration	161,122	11,890	173,012
Satisfied by:			
Cash	161,122	10,760	171,882
Deferred consideration	—	1,130	1,130
	161,122	11,890	173,012

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 £2.1m were charged to administration expenses in the Income Statement for the year ended 31 March 2020 relating to the Exterion and are not recognised within consideration.

The cashflow in relation to the acquisition of Exterion was recognised during the year ended 31 March 2019.

In the prior period from acquisition date, the acquired entities contributed £389.2m to the Group's revenue and a loss of £7.3m.

25. Share-based payments

The Group operates cash-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. Further on 1 August 2017 a number of directors and senior managers acquired G shares in GRHL, for which the directors and senior managers paid unrestricted market value.

On 8 February 2021 a number of directors and senior managers acquired R shares in GRHL, for which the directors and senior managers paid unrestricted market value. Further on 8 February 2021 a number of directors and senior managers acquired O shares in GOMHL, for which the directors and senior managers paid unrestricted market value.

The C, D, E, F, G, R and O shares are subject to a put and call option structure whereby the directors and senior managers may sell the shares to GMEL, or GMEL 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 in the case of the C,D,E and F shares and 17.5% in the case of the G, R and O shares.

The number of C, D, E and F shares issued in 2015, G shares issued in 2017 and R shares issued in 2020 outstanding at 31 March 2021 was 559,181 (31 March 2020: 254,545). The number of O shares outstanding at 31 March 2021 was 157,825 (2020: nil).

The EBITDA used to determine the value of the C, D E, F, G, R and O shares will be the actual or forecast EBITDA for the year ended closest to the date of disposal.

Share-based payment expense

The charge recognised in the Income Statement in respect of the Scheme was £10,222,000 (2020: £7,266,000).

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 the profit and loss account. The Group has recorded liabilities in respect of unvested grants of £15,874,000 (2020: £5,651,000).

26. Pension schemes

The Group operates three pension schemes on behalf of its employees in the UK. The group operates a number of defined contribution schemes including Global Radio Group Personal Pension Plan ("GRGPPP").

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 2021, 1,405 (2020: 1,315) employees were active members of this scheme. The Group makes age-related employer contributions to the scheme. At 31 March 2021 there were 202 members (2020: 520) of the multiple Outdoor defined contribution schemes .

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 2021, the MRGPS had 4 (2020: 5) active members and the CRPPAS had 4 (2020: 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 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 17 years .

The Group contributed £6,124,000 (2020: £5,652,000) to the schemes. This contribution included £2,254,000 (2020: £2,264,000) to defined benefit schemes and £3,870,000 (2020: £3,388,000) to defined contribution schemes.

Contributions amounting to £nil (2020: £113,000) 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 2020 to 31 March 2021 was a gain of £4,212,000 for MRGPS and £2,166,000 for CRPPAS (loss for the period from 1 April 2019 to 31 March 2020 was £1,262,000 and £396,000 respectively). Each asset class has a quoted market price in an active market, as defined in IFRS 13.

26. Pension schemes (continued)

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 2021 £'000	31 March 2020 £'000
Present value of funded obligations	**(44,380)**	(41,292)
Fair value of scheme assets	**50,863**	44,086
Surplus in scheme	**6,483**	2,794
Midlands	**2,666**	277
Capital	**3,817**	2,517
Total surplus	**6,483**	2,794

The amounts recognised in the consolidated Income Statement are as follows:

	31 March 2021 £'000	31 March 2020 £'000
Current service cost	**(211)**	(225)
Past service cost	**(30)**	—
Interest on obligation	**(949)**	(1,041)
Expected return on scheme assets	**1,040**	1,106
Total	**(150)**	(160)
Actual return on scheme assets	**6,378**	(1,658)

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

	31 March 2021 £'000	31 March 2020 £'000
Opening defined benefit obligation	**41,292**	42,960
Current service cost	**211**	225
Past service cost	**30**	—
Interest cost	**949**	1,041
Contributions by scheme participants	**20**	22
Actuarial losses / (gains)	**3,698**	(1,942)
Benefits paid	**(1,820)**	(1,014)
Closing defined benefit obligation	**44,380**	41,292

26. Pension schemes (continued)

Changes in the fair value of scheme assets were as follows:

	31 March 2021 £'000	31 March 2020 £'000
Opening fair value of scheme assets	**44,086**	44,586
Expected return on assets	**1,040**	1,106
Actuarial gains / (losses)	**5,338**	(2,764)
Contributions by employer	**2,254**	2,264
Contributions by scheme participants	**20**	22
Benefits paid	**(1,820)**	(1,014)
Expenses paid by scheme	**(55)**	(114)
Closing fair value of scheme assets	**50,863**	44,086

The total amount recognised in the Group Statement of Comprehensive Income in respect of actuarial gains on assets is £5,338,000 (2020: loss of £2,764,000) and the amount recognised for actuarial losses on liabilities is £3,698,000 (2020: gain of £1,942,000).

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 £261,000 to its defined benefit pension schemes in 2021 (2020: £272,000).

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

	31 March 2021	31 March 2020
Equities	**18.04%**	15.59%
Bonds	**25.91%**	29.63%
Diversified grow th funds	**48.66%**	46.36%
Gilts	**6.85%**	7.70%
Cash	**0.54%**	0.71%

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

	31 March 2021	31 March 2020
Discount rate	**2.00%**	2.35%
Future salary increases	**3.30%**	2.90%
Future pension increases	**3.55%**	3.35%
Inflation assumption	**3.05%**	2.40%

26. Pension schemes (continued)

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

The assumed life expectations on retirement age 65 are:

	31 March 2021 Number	31 March 2020 Number
Retiring today		
Males	**22.1**	22.1
Females	**24.1**	24.0
Retiring in 20 years		
Males	**23.6**	23.5
Females	**25.6**	25.5

Amounts for the current and previous year are as follows:

	31 March 2021 £'000	31 March 2020 £'000	31 March 2019 £'000	31 March 2018 £'000	31 March 2017 £'000
Defined benefit obligation	**(44,380)**	(41,292)	(42,960)	(40,752)	(41,698)
Scheme assets	**50,863**	44,086	44,586	41,841	43,090
	6,483	2,794	1,626	1,089	1,392
Experience adjustments on scheme liabilities	**(3,698)**	1,942	(1,769)	407	(5,306)
Experience adjustments on scheme assets	**5,338**	(2,764)	404	(614)	3,021

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.

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 £765,000 (2020: increase of £695,000).

26. Pension schemes (continued)

An increase in inflation and salary growth assumptions by 0.1% will increase the scheme's liabilities by £259,000 (2020: increase of £226,000).

In the prior period there was a deficit of £6,100k which relates to the France Outdoor discontinued operations that were disposed of during the year.

27. IFRS 16 Leases (Group as a lessee)

Right-of-use assets	Property	Fleet	Franchise contracts	Total
	Global Media & Entertainment Limited	Global Media & Entertainment Limited	Global Media & Entertainment Limited	Global Media & Entertainment Limited
Cost				
At 1 April 2020	56,747	4,262	400,594	461,603
Additions	1,307	776	48,133	50,216
Modifications	1,952	5	(15,497)	(13,540)
Effects of movement in exchange rates	(229)	(90)	(2,788)	(3,107)
Transfers	—	—	7,384	7,384
Disposals	(4,221)	(2,533)	(68,198)	(74,952)
As at 31 March 2021	55,556	2,420	369,628	427,604
Accumulated depreciation and impairment				
At 1 April 2020	7,441	1,773	60,073	69,287
Charge for the year	6,325	1,371	49,952	57,648
Effects of movement in exchange rates	(79)	(44)	(1,099)	(1,222)
Disposals	(1,482)	(1,900)	(21,246)	(24,628)
As at 31 March 2021	12,205	1,200	87,680	101,085
Carrying Amount				
At 31 March 2021	43,351	1,220	281,948	326,519

27. IFRS 16 Leases (Group as a lessee) (continued)

Right-of-use assets	Property	Fleet	Franchise contracts	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2019	41,363	902	186,247	228,512
Additions	2,011	797	121,532	124,340
Modifications	63	(1)	(2,976)	(2,914)
Effects of movement in exchange rates	147	56	1,989	2,192
Acquisitions	14,090	2,628	126,178	142,896
Disposals	(406)	(120)	(32,377)	(32,903)
Impairment	(521)	—	—	(521)
As at 31 March 2020	56,747	4,262	400,593	461,602
Accumulated depreciation and impairment				
At 1 April 2019				
Charge for the year	7,668	1,877	86,082	95,627
Effects of movement in exchange rates	21	12	345	378
Disposals	(248)	(116)	(26,354)	(26,718)
As at 31 March 2020	7,441	1,773	60,073	69,287
Carrying Amount				
At 31 March 2020	49,306	2,489	340,520	392,315

Depreciation charged in relation to the discontinued operations in the year was £10.5m as disclosed within note 29. In prior period the depreciation charge includes £19.7m in respect of the discontinued operations.

27. IFRS 16 Leases (Group as a lessee) (continued)

The group leases several assets including properties, motor vehicles and franchise contracts. The average lease term is 16 years (2020: 15 years).

Amounts recognised in profit and loss:

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Depreciation expense of right-of-use assets	57,648	75,948
Interest expense on lease liabilites	24,696	24,127
Expense relating to short term leases	8,357	8,937
Expense relation to variable lease payment	29,292	138,154

[1] These numbers have been restated, refer to note 1 for explanation.

The total cash outflow for leases amounted to £74.5m (2020: £124.9m).

Lease liabilities	**Year ended 31 March 2021**	**Year ended 31 March 2020**
	£'000	**£'000**
Maturity Analysis		
Year 1	54,575	87,703
Year 2	49,450	55,256
Year 3	39,788	44,823
Year 4	32,795	34,104
Year 5	17,247	21,349
Onwards	175,692	184,978
	369,547	428,213

	Year ended 31 March 2021	**Year ended 31 March 2020**
	£'000	**£'000**
Analysed as:		
Non-current	314,976	340,510
Current	54,571	87,703
	369,547	428,213

28. Disposals

In December 2020 the Group disposed of the France Outdoor operations. The operations have been disclosed as discontinuing operations in the year with the prior period being restated as discussed in note 1.

The group recognised a loss on disposal of £9,906k with the contribution from the disposed operations in the current period contributing £8,385k pre-tax loss to the Group operations in the year. The tax charge in the year relating to the discontinued operations is £228k therefore resulting in a £8,613k post tax loss contribution.

In prior period the Group disposed of the Festivals operations. The loss on disposal of £2,292k after tax was disclosed as the discontinuing performance for the year ended 31 March 2020, refer to note 29 for further details.

29. Discontinued operations

The performance of the France Outdoor division is disclosed in the table below and reflects the restatement discussed in note 1. The period ended 31 March 2020 also includes the performance of the Festivals division.

	Year ended 31 March 2021	Year ended 31 March 2020
	£'000	£'000
Revenue	40,193	84,907
Operating costs	(17,785)	(33,740)
Gross profit	**22,408**	**51,167**
Administrative expenses	(29,067)	(61,384)
Operating (loss)/profit	**(6,659)**	**(10,217)**
Finance income	—	2
Finance expense	(1,726)	(3,242)
Net finance costs	**(1,726)**	**(3,240)**
Share of profit of equity-accounted investees, net of tax	—	—
(Loss)/profit before taxation	**(8,385)**	**(13,457)**
Income tax expense	(228)	(364)
(Loss)/profit for the year	**(8,613)**	**(13,821)**

30. Events after the Balance Sheet date

In June 2021 the Group won a legal appeal in regards to an ongoing legal case as at 31 March 2021. This has resulted in a post balance sheet adjusting event with the legal provision and court awarded settlement being recognised in the results for the period ended 31 March 2021. The release of the legal provision is not material to the performance of the Group in the year.

In July 2021 we reached further agreement with the banks in regards to our leverage and interest cover covenant until June 2022.

31. 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.

32. 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.

32. Guarantees, financial commitments and contingent liabilities (continued)

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 £98m (2020: £96m).

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

Appendix to the consolidated financial statements for the year ended 31 March 2021

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' and 'adjusted EBITDA' is shown below:

	Note	**Year ended 31 March 2021**	Year ended 31 March 2020
		£'000	£'000
Operating (loss) / profit (continuing operations)		**(39,166)**	(151,618)
IFRS 16 adjustment		**(51,652)**	(46,884)
Depreciation of property, plant and equipment	11	**24,364**	19,270
Amortisation of intangibles	10	**32,632**	34,068
Depreciation on IFRS 16 right of use assets	20	**57,648**	75,948
EBITDA		**23,826**	**(69,216)**
Other operating expenses		**14,474**	255,516
Adjusted EBITDA pre IFRS 16		**38,300**	**186,300**

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
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
Impairment	These are considered to be non-recurring charges and are therefore removed

Non recurring costs

These items are excluded to reflect performance in a consistent manner and are in line with how the business is managed and measured on day-to-day basis. They are typically material gains or losses arising from events that are not considered part of the core operations of the business though they may cross several accounting periods. The accounting policy in regards to exceptional items is detailed in note 1.These include but are not linked to costs.

Acquisition, integration, launch and rebranding related costs
Acquisition-related costs include legal and advisory fees on completed deals, or significant deals that do not complete. Integration costs are costs incurred on integrating acquired businesses and any double running costs incurred whilst the integration is being completed. Due to the nature of our business any launch or rebranding related costs in regards to our Radio stations (including strategy, consultancy, one off set up costs and costs associated with the launch) are determined to be one-off. In our view, these items also form part of the capital transaction, or are one-off and material in nature, and are therefore excluded from our adjusted measures.

Restructuring and reorganisation costs including vacant property provisions
Where there has been a material change in the organisational structure of a business area, or a material initiative, these costs are highlighted and are excluded from our adjusted measures. These costs arise from significant initiatives to reduce the ongoing cost base and improve efficiency in the business to enable the delivery of our strategic priorities.

Impairment
Impairment includes charges in regards to Goodwill and Intangible assets identified in the annual impairment review, along with any asset write offs or gains due to a loss of contracts. These costs are excluded from adjusting results of the business.

Covid-19
Costs incurred by the business in response to ensuring the Broadcasting centres and offices remained open during the Covid-19 pandemic under the health and safety guidelines issued by local authorities in the geographies the Group operates in are excluded from adjusting results of the business as they are seen to be one-off costs.

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

Non recurring costs	**Year ended 31 March 2021**	Year ended 31 March 2020
	£'000	£'000
Radio: Exceptional costs	**5,713**	14,296
Outdoor: Exceptional costs	**8,761**	241,220
	14,474	255,516

Global Media & Entertainment Limited
Company Statement of Financial Position
At 31 March 2021 Company number 06251684

	Note	31 March 2021 £'000	31 March 2020 £'000
Fixed assets			
Investments	3	**1,257,583**	499,507
		1,257,583	499,507
Current assets			
Trade and other receivables	4	**367,313**	822,742
Cash		**28**	15
		367,341	822,757
Creditors: amounts falling due within one year	5	**(569,195)**	(269,040)
Net current assets		**(201,854)**	553,717
Total assets less current liabilities		**1,055,729**	1,053,224
Creditors: amounts falling due after more than one year	6	**(1,619,578)**	(1,485,942)
Net liabilities		**(563,849)**	(432,718)
Equity			
Share capital	7	**171,889**	171,889
Retained deficit		**(735,738)**	(604,607)
		(563,849)	(432,718)

The Company's loss for the year was £131.1m (2020: loss of £191.4m).

The notes on pages 80 to 89 form part of these financial statements.

The financial statements were approved and authorised for issue by the board of Directors on 29 July 2021 and were signed on its behalf by:

D. Singer

D.D. Singer
Director
29 July 2021

Global Media & Entertainment Limited
Company Statement of Changes in Equity
At 31 March 2021

	Share capital	Retained deficit	Total equity
	£'000	£'000	£'000
At 1 April 2020	171,889	(604,607)	(432,718)
Loss for the year	—	(131,131)	(131,131)
At 31 March 2021	171,889	(735,738)	(563,849)

	Share capital	Retained deficit	Total equity
	£'000	£'000	£'000
At 1 April 2019	171,889	(413,165)	(241,276)
Loss for the year	—	(191,442)	(191,442)
At 31 March 2020	171,889	(604,607)	(432,718)

The notes pages 80 to 89 form part of these financial statements.

1. 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 29 July 2021.

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.

1. 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	1i
Critical accounting estimates and judgments	Critical accounting estimates and judgments	1j
Debtors	Trade and other receivables	1w
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	1ab
Fair value measurement	Fair value measurement	1ac

2. Directors

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

3. Investments

	Investments in subsidiary companies £'000
At 1 April 2020	499,507
Additions	761,287
Impairment	(3,211)
At 31 March 2021	**1,257,583**

During the year the Company acquired 16,667 £0.0001 ordinary shares in Global Outdoor Media Holdings Limited for £473.0m in exchange for intercompany loans. Additionally, the Company acquired a further £0.0001 ordinary share for £287.8m in exchange for intercompany loans.

The Company impaired its investment in Global Radio Acquisitions Limited during the year.

3. Investments (continued)

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

Name	Country	% ordinary share capital ownership	*Registration number*
Arrow Digital Limited	United Kingdom	100	04004082
Atlantic Broadcasting Limited*	United Kingdom	100	04992498
Audio HQ LLC	United States of America	100	N/A
Beat FM Limited	United Kingdom	100	02661902
Bell Bidco Limited*	United Kingdom	100	06309648
Bell Intermediate Limited*	United Kingdom	100	06309642
Buzz FM Limited	United Kingdom	100	03323396
Cambridge and Newmarket FM Radio Limited	United Kingdom	100	02301114
Capital (CDWM) Limited	United Kingdom	100	04090926
Capital Gold Hampshire Limited	United Kingdom	100	04767945
Official Big Top 40 Limited (previously known as Capital Gold Kent Limited)	United Kingdom	100	04767887
Capital Gold Manchester Limited*	United Kingdom	100	04364461
Capital Gold Sussex Limited	United Kingdom	100	04767993
Capital Interactive Limited	United Kingdom	100	03628324
Capital Online Limited	United Kingdom	100	02343305
Capital Radio (London) Limited	United Kingdom	100	02134734
Capital Radio Investments Limited*	United Kingdom	100	00988448
Capital Radio Limited	United Kingdom	100	03911005
Capital Radio Restaurants Group Limited	United Kingdom	100	01311073
Capital Radio Restaurants Limited	United Kingdom	100	01650740
Capital Radio Telstar Entertainment Direct Limited	United Kingdom	50	03587404
Capital Radio Trustee Limited	United Kingdom	100	03632977
Capital Television Limited	United Kingdom	100	02928488
Capital Xtra Limited*	United Kingdom	100	02421343
Castleform Limited	United Kingdom	100	04023527
Central European Broadcasting Limited	United Kingdom	100	02726679
Champion FM Limited	United Kingdom	100	03260165
Cheerdale Limited	United Kingdom	100	02598996
Chill Radio Limited*	United Kingdom	100	03793939
Chiltern Radio Limited*	United Kingdom	100	01472241
Choice FM London Limited	United Kingdom	100	02983969
Choice FM North London Limited	United Kingdom	100	03184284
Classic FM Limited*	United Kingdom	100	02622707
Continental Angel Limited	United Kingdom	100	06480360
Core Digital Radio Limited	United Kingdom	100	03546920
Cotswold Broadcasting Company Limited	United Kingdom	100	02525641
DAX US Inc.	United States of America	100	N/A
Deansgate 1001 Limited	United Kingdom	100	04128828
Deltrack Limited*	United Kingdom	100	03285808
Devonair Radio Limited	United Kingdom	100	01417361
Digital Audio Exchange Limited*	United Kingdom	100	10820862
Digital News Network Limited	United Kingdom	100	04130784
DQ Radio Services Limited*	United Kingdom	100	06873466
East Anglian Radio Limited	United Kingdom	100	01768405
Ecast Ventures Limited	United Kingdom	100	03925414

* 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.

Notes to the Company Financial Statements

3. Investments (continued)

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

Name	Country	% ordinary share capital ownership	Registration number
Essex Radio Limited*	United Kingdom	100	00670633
Expressway Limited	United Kingdom	100	02372642
Falcon Outdoor (North) Limited*	United Kingdom	100	04656512
First Oxfordshire Radio Company Limited*	United Kingdom	100	02247588
Galaxy Radio Birmingham Limited*	United Kingdom	100	03652313
Galaxy Radio Limited	United Kingdom	100	02997500
Galaxy Radio Manchester Limited*	United Kingdom	100	02848034
Galaxy Radio North East Limited*	United Kingdom	100	03139918
Galaxy Radio Yorkshire Limited*	United Kingdom	100	03052392
GCap Media (CRUD) Limited	United Kingdom	100	04406408
GCap Media (FPRL) Limited	United Kingdom	100	03546500
GCap Media (The Jazz) Limited	United Kingdom	100	03909859
GCap Media Limited	United Kingdom	100	03140291
Gemini Radio Limited*	United Kingdom	100	02864089
Global Live Limited*	United Kingdom	100	08908964
Global Media Group Services Limited (previously known as Global Radio Services Limited)	United Kingdom	100	03296557
Global Media Ventures Limited**	United Kingdom	100	08124421
Global Music Television Limited* **	United Kingdom	100	07103948
Global Outdoor Media Limited (formerly Exterion Media (UK) Limited)	United Kingdom	100	02866133
Global Outdoor Media Holdings Limited* **	United Kingdom	100	06309636
Global Radio (AM) Limited*	United Kingdom	100	03074908
Global Radio Acquisitions Limited* **	United Kingdom	100	06417314
Global Radio Digital Limited	United Kingdom	100	03588779
Global Radio Hampshire Limited*	United Kingdom	100	01586580
Global Radio Holdings Limited* **	United Kingdom	100	04077052
Global Radio Limited*	United Kingdom	100	00923454
Global Radio London Limited*	United Kingdom	100	02826601
Global Radio Media Management Limited*	United Kingdom	100	02318655
Global Radio Midlands Limited*	United Kingdom	100	02828239
Global Radio Northwest Limited*	United Kingdom	100	05416681
Global Radio Publishing Limited*	United Kingdom	100	03546507
Global Radio Services Limited (previously known as Global Media Group Services Limited)	United Kingdom	100	02049463
Global Radio UK Limited **	United Kingdom	100	06288359
G.M. Radio News (UK) Limited	United Kingdom	99	01417147
GM&E GmbH	Germany	100	N/A
GM&E Sarl	France	100	N/A
GMG Radio Limited	United Kingdom	100	04184678
GWR (Local Area) Limited	United Kingdom	100	03427545
GWR (Trustee Company) Limited	United Kingdom	100	03110813
GWR (West) Limited*	United Kingdom	100	01458936
GWR East Holdings Limited*	United Kingdom	100	03960678
GWR Group Limited*	United Kingdom	100	00715143
GWR Hungary (Investments) Limited	United Kingdom	100	04404538
GWR International Investments Limited	United Kingdom	100	04168494

* 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.

3. Investments (continued)

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

Name	Country	% ordinary share capital ownership	Registration number
GWR International Limited	United Kingdom	100	02915500
GWR New Zealand (Licences) Limited	New Zealand	100	N/A
GWR New Zealand Limited	New Zealand	100	N/A
GWR Radio (South East) Limited*	United Kingdom	100	03825017
GWR Radio Limited	United Kingdom	100	01027407
Harlow FM Limited	United Kingdom	81	02757939
Healthbuild Limited	United Kingdom	100	02555579
Heart 106 FM Limited	United Kingdom	100	05185951
Heart Radio Limited	United Kingdom	100	04140186
Heart TV Limited	United Kingdom	100	03499203
Hereward Radio Limited	United Kingdom	100	02301358
Hit 40 UK Limited	United Kingdom	100	04466658
Hopstar Limited*	United Kingdom	100	04341970
Independent Radio News Limited	United Kingdom	55	01112963
Investors in Radio Limited	United Kingdom	100	02979090
Invicta Concerts and Promotions Limited	United Kingdom	100	01681332
Jams of London Limited	United Kingdom	100	02058068
Juice Holdco Limited*	United Kingdom	100	09514551
Lancashire Broadcasting Company Limited*	United Kingdom	100	04130072
Lantern Radio Limited	United Kingdom	99	02702198
LBC 1152 Limited	United Kingdom	100	03210292
LBC Radio Limited*	United Kingdom	100	03143623
DAX Digital Audio Exchange Inc.	Canada	100	N/A
Leicester Sound Limited*	United Kingdom	100	01433194
Lite Spaces Limited*	United Kingdom	100	05974000
Livetime Limited	United Kingdom	100	03546495
Marcher Radio Group Limited*	United Kingdom	100	01606318
Maxx Outdoor Limited*	United Kingdom	100	05735642
Mid Anglia Radio Limited*	United Kingdom	100	01391895
Mwah Mwah Limited	United Kingdom	100	02923987
My Kinda Bath Limited	United Kingdom	100	01496573
My Kinda Shacks Limited	United Kingdom	100	01489508
My Kinda Square Limited	United Kingdom	100	01502034
Neal Street Blues Limited	United Kingdom	100	02421532
Ocean FM Limited	United Kingdom	100	02367458
Orchard FM Limited*	United Kingdom	100	03224505
Orchard Media Limited	United Kingdom	100	02333640
Outdoor Plus Limited*	United Kingdom	100	04823380
Oval (709) Limited	United Kingdom	99	00666567
Plymouth Sound Limited*	United Kingdom	100	02595043
Power FM Limited	United Kingdom	100	02397279
Prestfold Limited	United Kingdom	100	08787434
Primesight Airport Advertising Limited	United Kingdom	100	01950228
Primesight Airports Limited	United Kingdom	100	09679775
Primesight Billboards Limited*	United Kingdom	100	06925872
Primesight Communications Limited	United Kingdom	100	03085817

* 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.

3. Investments (continued)

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

Name	Country	% ordinary share capital ownership	Registration number
Primesight Intermediate Holdco Limited*	United Kingdom	100	11192271
Primesight Limited	United Kingdom	100	01847728
Prock Licence (NTLRSL) Limited	United Kingdom	100	03823436
Project Iconic Bidco Limited*	United Kingdom	100	10303941
Project Iconic Holdings Limited*	United Kingdom	100	10303993
Project Iconic Midco Limited*	United Kingdom	100	10303998
Radio Broadland Limited*	United Kingdom	100	01620771
Radio Invicta Limited*	United Kingdom	100	01475448
Radio Mercury Limited*	United Kingdom	100	01717321
Radio Orwell Limited	United Kingdom	100	01003334
Radio South Limited*	United Kingdom	100	01955992
Radio Trent Limited*	United Kingdom	100	00728182
Ram FM Limited	United Kingdom	100	02913953
Real and Smooth Limited*	United Kingdom	100	03739421
Real Radio (North East) Limited*	United Kingdom	100	02802028
Real Radio (North West) Limited*	United Kingdom	100	03409448
Real Radio (Scotland) Limited*	United Kingdom	100	SC145214
Real Radio Limited*	United Kingdom	100	03815009
Riviera Radio Limited	United Kingdom	100	03223803
Rock Radio Limited	United Kingdom	100	SC131424
Saxon Radio Limited	United Kingdom	100	01532605
Scott Place 1002 Limited	United Kingdom	100	02989528
Scott Place 1003 Limited	United Kingdom	100	04220595
Scott Place 1004 Limited	United Kingdom	100	04128788
Smooth Digital Radio Limited	United Kingdom	100	04054273
Smooth Radio Investments Limited*	United Kingdom	100	02585798
Smooth Radio London Limited*	United Kingdom	100	01627850
Smooth Radio Scotland Limited*	United Kingdom	100	SC243652
Smooth Radio West Midlands Limited*	United Kingdom	100	08665246
South Hams Radio Limited	United Kingdom	87	03300698
Southern Radio Group Limited*	United Kingdom	100	01798533
Southern Radio Limited*	United Kingdom	100	01602035
Storm (GWR) Limited	United Kingdom	100	01798533
Storm Broadcasting Limited	United Kingdom	100	03967783
Suffolk Group Radio Limited*	United Kingdom	100	04091105
Tainside Limited*	United Kingdom	100	01582637
Thames Valley Broadcasting Group Limited	United Kingdom	100	02199253
Thames Valley Broadcasting Limited*	United Kingdom	100	01208165
Thamesquote Limited*	United Kingdom	100	02360672
The Digital Radio Group (Investments) Limited*	United Kingdom	100	04280706
The Digital Radio Group Limited*	United Kingdom	100	04027646
The Milton Keynes Broadcasting Company Limited	United Kingdom	100	02234200
The Northamptonshire Broadcasting Company Limited	United Kingdom	100	01848359
The Storm (Digital Radio) Limited	United Kingdom	100	04089796
This is Global Limited	United Kingdom	100	05614997
TS Holdings Limited	United Kingdom	100	02795817
Two Counties Radio Limited*	United Kingdom	100	01388851

* 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.

3. Investments (continued)

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

Name	Country	% ordinary share capital ownership	Registration number
Vibe FM Limited	United Kingdom	100	03555310
We the Unicorns Limited*	United Kingdom	100	09732240
Welovelocal.com Limited*	United Kingdom	100	05975759
West Country Broadcasting Limited	United Kingdom	100	00858419
Westward Radio Limited	United Kingdom	100	03223796
Westward Television Limited	United Kingdom	100	03223798
Wiltshire Radio Limited*	United Kingdom	100	01568150
Wirral FM Limited	United Kingdom	50	02984878
Xfm Limited*	United Kingdom	100	02672315
Xfm Manchester Limited*	United Kingdom	100	05337066
Pop Buzz Limited*	United Kingdom	100	09619068
Exterion Media (UK) Limited (formerly Global Outdoor Media Limited)	United Kingdom	100	02480440
Global Newco One Limited*	United Kingdom	100	12002350
Global Newco Two Limited*	United Kingdom	100	12000875
Doubleplay I Limited*	United Kingdom	100	08604738
Doubleplay II Limited*	United Kingdom	100	08604810
Doubleplay III Limited*	United Kingdom	100	08604817
Exterion Group Holdings Limited	Cayman Islands	100	N/A
Exterion Holdings (BVI) Limited	British Virgin Islands	100	N/A
Exterion Holdings (UK) Limited*	United Kingdom	100	06350231
Exterion Holdings I (Netherlands) B.V.	Netherlands	100	N/A
Exterion Holdings II (Netherlands) B.V.	Netherlands	100	N/A
Exterion Leasing (BDA) Limited	Bermuda	100	N/A
Exterion Leasing (UK) Limited*	United Kingdom	100	06423332
Exterion Limited*	United Kingdom	100	10400127
Exterion Media (Ireland) Limited	Ireland	100	N/A
Exterion Media (Netherlands) B.V.	Netherlands	100	N/A
Exterion Media Holdings Limited*	United Kingdom	100	09546482
Exterion Media Spain S.A.U	Spain	100	N/A
Exterion Partner (BDA) GP	Bermuda	100	N/A

* 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.

The Company's subsidiaries all have a year end of 31 March, with the exception of Audio HQ LLC which has a year end of 31 December.

Notes to the Company Financial Statements

3. Investments (continued)

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

Company	Registered Address
Audio HQ LLC	358 5th Avenue, Suite 302, New York 10001
Bell Bidco Limited	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
Global Outdoor Media Holdings Limited	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
Bell Intermediate Limited	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
Continental Angel Limited	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
DAX Digital Ad Exchange Inc.	901 King Street West, Suite 400, Toronto, Ontario, M5V 3H5
DAX US Inc.	358 5th Avenue, Suite 302, New York 10001
Deltrack Limited	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
Falcon Outdoor (North) Limited	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
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
Lite Spaces Limited	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
Maxx Outdoor Limited	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
Outdoor Plus Limited	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
Prestfold Limited	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
Primesight Airport Advertising Limited	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
Primesight Airports Limited	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
Primesight Billboards Limited	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
Primesight Communications Limited	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
Primesight Intermediate Holdco Limited	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
Primesight Limited	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
Project Iconic Bidco Limited	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
Project Iconic Holdings Limited	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
Project Iconic Midco Limited	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
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
Doublplay I Limited*	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
Doublplay II Limited*	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
Doublplay III Limited*	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
Exterion Group Holdings Limited	Floor 4 Willow House Cricket Square, PO BOX 268, Grand Cayman, K111o4, Cayman Islands
Exterion Holdings (BVI) Limited	2/F Palm Grove House, P.O Box 3340, Road Town, Tortola, British Virgin Islands
Exterion Holdings (UK) Limited*	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
Exterion Holdings I (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 Leasing (BDA) Limited	Cumberland House 1 Victoria Street, 9th Floor, Hamilton, Hm11, Bermuda
Exterion Leasing (UK) Limited	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
Exterion Limited*	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
Exterion Media (Ireland) Limited	25-28 Adelaide Road, Dublin 2D02 RY98
Exterion Media (Netherlands) B.V.	Karspeldreef 8 Amsterdam Z.O., 1101 CJ Netherlands
Exterion Media Holdings Limited	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
Exterion Media Spain S.A.U	Calle Valle de la Fuenfna, 3, 28034 Madrid, Spain
Exterion Partner (BDA) GP	Cumberland House 1 Victoria Street, 9th Floor, Hamilton, Hm11, Bermuda

Notes to the Company Financial Statements

4. Debtors

	31 March 2021 £'000	31 March 2020 £'000
Loans to subsidiaries	**367,313**	822,742
	367,313	822,742

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.

5. Creditors: amounts falling due within one year

	31 March 2021 £'000	31 March 2020 £'000
Bank loans and overdrafts	**61,875**	45,000
Accrued interest	**24,098**	24,027
Amounts owed to group undertakings	**470,613**	177,640
Deferred tax liabilities	**12,609**	22,373
	569,195	269,040

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.

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

	31 March 2021 £'000	31 March 2020 £'000
Bank loans	**344,248**	359,678
Other loans	**1,275,330**	1,126,264
	1,619,578	1,485,942

Included in other loans is shareholder debt, refer to the group consolidated note 16.

7. Share capital

	31 March 2021 £	31 March 2020 £
Authorised, issued, called up and fully paid		
Ordinary shares of £1	**(171,889,147)**	(171,889,147)
	(171,889,147)	(171,889,147)

8. 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.*

9. 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.

10. Events after the reporting period

Please refer to note 30 of the Group accounts.