Global Media & Entertainment Limited

Annual Report and Financial Statements
Year ended 31 March 2020

Company number 06251684

Global Media & Entertainment Limited

Contents

Directors and advisers

Directors

Lord Allen of Kensington CBE (Chairman)
A.D. Tabor-King OBE
S.G. Miron
R.F.J. Park (resigned August 2019 and reappointed May 2020)
M. Gordon (resigned August 2019 and reappointed April 2020)
W. Harding (resigned August 2019 and reappointed April 2020)
I.L. Hanson (resigned August 2019)
D.D. Singer
S. Cairns (appointed April 2020)
J.A Rea (appointed April 2020)
L. Taviansky (appointed April 2020)
D.J. Henderson (appointed June 2020)

Company secretary

R.P. Daniels (resigned October 2019)
M.J Gammon (appointed April 2020)

Registered office

30 Leicester Square
London
WC2H 7LA

Company number

06251684

Auditor

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

Group Strategic Report

The Directors present their strategic report for Global Media & Entertainment Limited and its subsidiaries (the "Group") for the year ended 31 March 2020.

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 2020.

The Group's revenue has grown for the eleventh consecutive year, 24% up on prior year, largely through the contribution of acquisitions made in both the current and prior period. This has been supported by increased engagement with Global's portfolio of brands, both through innovative content for consumers and through creative partnering with clients. This is reflected in our highest ever reach of 25.0m weekly listeners and strongest performance to date from content solutions partnerships.

The Group's continuing adjusted EBITDA of £255.3m (as defined on page 82 of the consolidated accounts) increased by 125% on the prior year figure of £113.5m. The significant increase is largely due to the impact of the adoption of IFRS 16 Leases in the year, with the charge under IFRS 16 of £106.4m being reflected in amortisation and interest in the current year and therefore on a pre IFRS 16 basis the growth is 31%.

Overall the Group made an operating loss of £159.5m, largely due to a £219.1m impairment of Goodwill and Intangible assets in the Outdoor division, driven by the short-term impacts of the Covid-19 pandemic. Additionally the Group increased digital investment, having entered the out-of-home advertising market. The forecasts were impacted by the volatility on advertising spend caused by the national and subsequent local lockdowns which largely affected our outdoor advertising estate, particularly the transport sector and specifically the London Underground estate. The details of management's assumptions are also detailed in note 10 of the consolidated financial statements.

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

Radio

Radio's performance in the year remained in line with the prior period in terms of both the Revenue and Operating profit levels, a strong performance given the decrease in confidence in the UK around December 2019 due to the General Election and then Brexit in January 2020 and most significantly the impact of Covid-19 in the last two trading months of the year. Before this period of uncertainty, radio had experienced 4% year on year growth across its portfolio.

Global rebranded its Digital Audio Exchange (DAX) to Digital Ad Exchange in the year and launched across its Outdoor estate in March 2020. 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 double digit growth with over 65% of revenue being recorded from third parties.

During the year the Group launched seven new radio stations including LBC News, which provided key coverage and debate around the General Election in December 2019 and other stations on Heart, Capital and Smooth networks. The new stations helped us to maintain revenue in the period and outperform the commercial radio market. (Source Radiocentre/Rajar)

Digital engagement with Global's brands has continued to grow year on year, with total digital hours up 37% on 2019. Growth has continued due to investment in Global Player and the increased use of smart speakers, supported by new partnerships with Google and Amazon in regards to streaming our stations. During the lockdown period from March – July 2020, we saw our digital listening hours grow by 53% compared to the previous year.

Group Strategic Report (continued)

Outdoor

The CMA gave the Group clearance on 16 April 2019 for the completion of the "Semper Veritas Holdings S.a.r.l" as referred to as the "Exterion Media Group" acquisition. Post approval from the CMA the Group obtained control over Exterion Media Group and subsequently consolidated the results into the Group's consolidated performance. The previously held investment was derecognised as discussed in note 13 of the consolidated accounts and subsequently accounted for as a Business Combination under IFRS 3, as disclosed in note 24 of the consolidated financial statements. The contribution post acquisition was £387.4m of revenue and an operating loss of £7.0m.

Given the importance of this acquisition to the Group, significant emphasis has been put on the integration of the three Outdoor businesses into the Group, with further details provided in the Directors' report on page 12. The acquisition has allowed us to operate as a leading player within the UK out-of-home media market and expand our operations into Europe, with presence in the Netherlands, France, Ireland and Spain.

In October 2019 the Outdoor division finalised the acquisition of Business Boards in the Netherlands with the acquisition accounting being reflected within the performance of the Group as at 31 March 2020; refer to note 24 of the consolidated financial statements for further details. In the year the Group has finalised the preliminary accounting for the Outdoor Plus Limited and Primesight Limited groups acquired in the prior period.

In February 2020 BT awarded Global their advertising sales contract for street furniture across the UK which includes Wi-Fi enabled digital street units andtraditional payphones. This three year partnership offers an additional 18,000 advertising units within the UK, and incorporates the Group's newly launched ad platform DAX into the digital street unit screens, enabling advertisers to buy truly dynamic digital outdoor at scale.

During the year the Group invested significantly into large format roadside digital screens across the UK, providing advertisers with an attractive product at scale to reach consumers. The group now has over 373 large format roadside digital screens in the UK, making Global's offering the largest in the UK.

In the current year, as discussed in the future developments and going concern section below, management had to consider the potential impact that the Covid-19 pandemic would have on the future forecast cashflows of the business for the impairment assessment as at 31 March 2020. Due to the impact of both national and local lockdowns and low visibility on the effect that the pandemic would have on advertising in all of our markets, especially on the London Underground estate and transport sector, management forecast a significant short-term impact on the Outdoor performance for the purposes of the annual impairment test. Subsequently an impairment charge of £219.1m was recognised, further details on the assumptions made by management are discussed in note 10 of the consolidated financial statements.

Other key highlights of the Group in the year are as follows:

Now in its third year, the prestigious Global Awards brought together all Global's radio stations with, award categories reflecting the music, programmes and news aired throughout the year.

As announced in prior period, the Group completed the disposal of its interest in music festivals with this largely being completed in the first quarter of 2019/20. The disposal allowed the Group to focus on the digital offering and integration of the Radio and Outdoor businesses.

The Group made some significant Board appointments with the addition of Sally Cairns as Chief People Officer and James Rea as Director of Broadcasting.

Global's Make Some Noise is the Group's charity, and continued to raise money for disadvantaged children and young people and to give a voice to smaller charities that find it hard to get heard. Global's Make Some Noise raised over £3.8m (2019 £4.5m) in the year, awarding grants to 32 new charities and projects across the UK and continuing to provide training support to 64 charities. During the year, Global's Make Some Noise funded 98 live grants, helping more than 39,000 beneficiaries.

Global continues to sponsor the Global Academy, a university technical college in Hayes, Middlesex, which opened in 2016 and provides academic and vocational education for students who want to work in the broadcast and digital media industry. For the second year the Group has offered apprentieships to students from the academy for a training and work experience programme.

Financial performance

Revenue and operating profit

The consolidated income statement is set out on page 28 and shows continuing revenue for the year ended 31 March 2020 of £824.8m, a significant increase of £414.3m of which £387.4m was in relation to the Exterion Media Group. In the year the Group made a continuing operating loss of £159.5m compared to an operating profit of £49.3m in prior period. The decrease in the profit from prior period was due to an impairment charge of £219.1m, deal-related costs and non-recurring charges for the year as disclosed on page 82 of the consolidated financial statements.

Adjusted EBITDA

The Directors consider that adjusted EBITDA (as defined on page 82 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 for the year of £148.9m showed growth of £35.4m (31.2%) from £113.5m for the previous year.

Impairment charge

The Group incurred a £219.1m impairment of intangibles charge as discussed in the Business review section and the Future developments section in relation to the forecast impact of Covid-19. Refer to note 10 of the consolidated financial statements for further details of the assumptions taken by management. The Directors consider that the impairment charge is a one off and was not reflective of the operations of the business in the current year.

IFRS 16

The adoption of IFRS 16 from 1 April 2019 has resulted in additional depreciation of £87.8m and an interest charge of £23.7m, which offsets the impact on adjusted EBITDA of transition of £106.4m in the year ended 31 March 2020. The net impact on profit before tax for the year ended 31 March 2020 was £3.6m; refer to Note 20 of the consolidated financial statements for further details.

Other expenses

Other expenses in the current year includes the adoption of IFRS 16 of £106.4m as discussed above. Other expenses on a continuing basis after the impact of IFRS 16 has been deducted, saw an increase from £64.2m to £89.3m (39.1%). The increase was largely due to the increase of amortisation and depreciation on intangible and tangible assets due to the acquisition of the Outdoor businesses. Refer to page 82 of the consolidated financial statements for further details.

Disposal of Festivals operations

The disposal of the festivals operations contributed a loss of £2.3m in the year until disposal, compared to the twelve-month loss of £3.1m in prior period. The festival operations are disclosed as discontinued operations in the consolidated financial statements, refer to Note 1 where it discusses the restatement of prior period comparatives.

Global Media & Entertainment Limited

Group Strategic Report (continued)

Financial performance

	Year ended 31 March 2020 £m	Year ended 31 March 2019 £m
Radio	**358.8**	358.4
Outdoor	**466.0**	52.1
Revenue from continuing operations	**824.8**	410.5
Direct costs from continuing operations	**(303.8)**	(105.5)
Gross profit	**521.0**	305.0
Operating expenses from continuing operations	**(372.1)**	(191.5)
Adjusted EBITDA pre IFRS 16	**148.9**	113.5
IFRS 16 transition adjustment	**106.4**	-
Adjusted EBITDA	**255.3**	**113.5**
Impairment of Intangible assets	**(219.1)**	-
Other expenses (including IFRS 16)	**(195.7)**	(64.2)
Operating profit/(loss) from continuing operations	**(159.5)**	49.3

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, 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, 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.

Going concern

The Board continue to closely monitor the evolving Covid-19 situation. The impact of Covid-19 on the business performance and the Group's liquidity position experienced during the lockdown period has been incorporated into the Directors' consideration in assessing the appropriateness of the Board's adoption of the going concern assumption used in the preparation of the Group's financial statements for the year ended 31 March 2020.

The Directors have prepared forecasts for a range of cash flow scenarios, including base case, low cases, and worst case from the date of approval of these financial statements. The key assumptions in the modelled scenarios relate to the speed of the recovery of the advertising market and the rate and scale of delivery of advertising on our Outdoor inventory as audiences return.

Since year end the Directors have taken the following steps to ensure the Group continues as a Going Concern:

- Reached formal agreement with its existing lending syndicate of banks providing external borrowing facilities in regards to the requirements of covenants until September 2021, with further detail disclosed in Section 1: Basis of preparation in the notes to the consolidated financial statements on page 34.
- Took steps to manage the cashflow of the Group as discussed in the section Future developments below.

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

Group Strategic Report (continued)

Future developments

The Covid-19 lockdown period in the UK, North America and Europe led many companies to react immediately and to reduce their advertising spend, which has negatively impacted both our Radio and Outdoor operations in the short term. Once lockdown measures began to be lifted, we saw an uplift in advertising on both our radio stations and street advertising platforms, but less in relation to transport inventory, especially on the London Underground estate as people travelled into London less frequently.

Looking forward, the global advertising market remains highly volatile with low visibility, especially in regard to the local impact that the pandemic will have on our Outdoor business. Considering the risk of new waves of Covid-19 and new lockdowns being implemented we consider there will be significant impact on our short term performance as evidenced by the impairment charge of £219.1m in our Outdoor operations as disclosed in Note 10 of the financial statements.

Across the first half of the financial year 2021, the Directors took a number of measures to reduce the overhead costs and ensure the future success of the Group both in the short-term and long term. These included a restructuring programme, deferring expenditure on capital projects and discretionary expenditure including marketing spend, implementing a salary sacrifice scheme for senior leadership including the Board of Directors and freezing recruitment and pay rises across the business.

In a media landscape that is increasingly fragmented, radio and out-of-home advertising retains its attractiveness to advertisers due to the fast turnaround of campaigns and the reach the Group has across its combined Radio and Outdoor estate. With DAX, the largest digital audio ad sales platform in the UK and one of the biggest in the world, our ability to retain and win new contracts, and the high quality of our teams across the geographies in which we operate, we believe we are well positioned to return to our pre-pandemic trading results in the medium-term. The strength of our balance sheet is a key competitive advantage that will allow us to pursue further external growth opportunities as they arise and to continue to invest significantly in digital.

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. Whilst the Board undertook a review of these risks in February, since then an additional risk arose in regard to the Covid-19 pandemic.

Covid-19

The Covid-19 pandemic has resulted in unprecedented challenges for organisations globally and, as with most 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. The Board and senior leadership continue to meet regularly so appropriate and timely action can be taken to ensure the future of the Group. Refer to the Future developments for further actions taken by the Board.

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, products in local markets, 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, including international expansion through the acquisition of Exterion Media Group in order to extend its impact across a wider consumer base. Post year-end this has been significantly impacted by the Covid-19 pandemic and has impacted the operations of the Group for the 2021 year end, as discussed in the future developments section.

Commercial risk

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

Group Strategic Report (continued)

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.

While the impact of the United Kingdom leaving the European Union is hard to assess, we do not consider this a significant risk to the Group. We do consider that the exit may have other related factors such as the impact of a tougher UK business environment on interest rates and therefore long-term bond yields or changes in foreign exchange rates, as the Group expands internationally and increases trading in other currencies.

Due to the Covid-19 pandemic, post year-end 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 and a faster return to normal trading levels, as advertisers recognised the strength of the medium, and audiences to the Group's radio stations remained robust and grew on digital platforms. Outdoor advertising decline was felt more significantly, in particular in the transport sector including London Underground. Recovery rates for the Outdoor business are more positive for roadside and retail products, but remain challenging in transport, especially in central London. The impact on the short-term future has been discussed in the Future development section.

Financial risk

The Group is primarily funded by both related party and bank debt. Bank debt has increased in the year due to the acquired debt as disclosed in Note 16 of the consolidated financial statements. 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 below.

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 17. Details of the financial instruments used for these purposes are in note 16 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 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's 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, 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, through special events such as "Your audience awaits" roadshow, through virtual experiences online and through our services. 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 year the Group also 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). The Group has launched the Different Dancers Same Beat initiatives and formed the "RISE" (BAME) Committee, Pride network and other diversity groups. The Board considers that D&I is important for the future of the Group and is a key focus in the 2021 financial period. 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 expectations.
Suppliers	The Group is strongly committed to conducting its business in compliance with all applicable labour and employment-related laws, rules and regulations of every location in which we do business and across our supply chain. This includes, but is not limited to, laws, rules and regulations relating to wages and hours worked, equal employment opportunity, non-discrimination, harassment, immigration and work authorisation, privacy, collective bargaining, and child, prison and forced labour. The approach to partnering with suppliers is governed by a prescribed Responsibility Sourcing Policy. Reflecting the internal code of conduct, this policy sets out expectations and requirements regarding issues such as respect of labour laws, forced and slave labour, human rights, the environment and anti-corruption. The Group carefully selects suppliers and business partners and maintains business relationships with those that share a commitment to high ethical standards. Global expects its suppliers and business partners to comply with applicable laws, rules and regulations as well as our Responsible Sourcing Policy.
Shareholder	The shareholder receives regular and timely information (at least weekly) including 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 company.
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 and it continues to evaluate how to reduce the Group's operations' impact on the environment. In the current year the Group's warehouses decreased their carbon footprint by almost 6% which was 1% more than the set goal for the 2019 calendar year. In addition, the Group's Outdoor division has

Group Strategic Report (continued)

	seen decreasing carbon emissions year on year for the past seven years 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 worked with suppliers to distribute greener vinyl on all of the Outdoor estate, whilst also reviewing all the suppliers used to ensure they meet the same high standards as adhered to by the Group. The commitment from the Outdoor division has been recognised by their being awarded the Green Apple award in November 2019. Global is the only company in its sector to receive this award which recognises Global for gold standard, environmental practices. 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 company, such as charitable work through Global Make Some Noise, our Academy and other important campaigns. In March 2020 the Group supported the 'Clap for our Carers' campaign where we amplified the sentiment on both our Radio stations and Outdoor advertising inventory. On 26 March 2020 and until the campaign ended in May 2020 all of our radio stations paused for the nationwide salute with applause from listeners and presenters as well as the poignant stories of the front-line of the fight against Covid-19.

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

D.D. Singer
Director
5 November 2020

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 2020.

Results and dividends

The loss for the year after taxation amounted to £202.9m (2019:£23.8m). The Directors do not recommend the payment of a dividend (2019: £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 (resigned August 2019 and reappointed May 2020)
M. Gordon (resigned August 2019 and reappointed April 2020)
W. Harding (resigned August 2019 and reappointed April 2020)
I.L. Hanson (resigned August 2019)
D.D. Singer
S. Cairns (appointed April 2020)
J.A Rea (appointed April 2020)
L. Taviansky (appointed April 2020)
D.J. Henderson (appointed June 2020)

Political and charitable contributions

Global Charities, trading as Global's Make Some Noise, is the Group's charity, and continued to raise money for disadvantaged children and young people and to give a voice to smaller charities that find it hard to get heard. Global's Make Some Noise raised over £3.8m (2019: £4.5m) in the year, awarding grants to 32 new charities and projects across the UK and continuing to provide training support to 64 charities. During the year, Global's Make Some Noise was funding 98 live grants, helping more than 39,321 beneficiaries. In the prior period the Group's charities also received £0.4m for the Big Music Project, which was fully funded by grants from the Big Lottery Fund.

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

The Group's donations to charities amounted to £0.2m (2019: £0.2m). No contributions were made to political organisations. The charitable and political donations of the Company amounted to £nil (2019: £nil).

Future developments

The COVID-19 pandemic has impacted the Company's performance post year end, however in the medium to long term the Directors expect the Company to continue operating at the general level of activity reported for the year ended 31 March 2020.

Financial instruments

The Group's risk management process and the policies for mitigating certain type of risks are set out in note 17. Details of the financial instruments used for these purposes are in note 16 to the consolidated financial statements.

Non-financial key performance indicators

The Directors regularly assess the performance of the Group with a number of financial indicators, though the main non-financial measures are 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.

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 current year the Board appointment of Sally Cairns as Chief People Officer provided additional focus on increasing employee involvement amongst the enlarged group. This is achieved through formal and informal meetings, including regular panel interviews with Board members and presenters from the Group's broadcast centres, the introduction of Networking breakfasts hosted by the Group CEO and local office visits to enhance the integration of the Outdoor division.

Climate change

The Group's emission reduction target is to reduce its gross, global scope 1 and 2 emissions in tonnes of CO2e by 5% from 2019-2020 to 2020-2021. The Directors continue 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, informing procurement decisions across 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 2020 is disclosed here for scope 1 and 2 emissions.

Indicator	**2020**
Total gross (CO2e emissions (tCO2e)	6,260
Scope 1: Direct emissions (tCO2e)	445
Scope 2: In-direct emissions (tCO2e)	5,234
Scope 3: Transport data (tCO2e)	581
Carbon offsets used to compensate for remaining emissions (tCO2e)	2,562
Total annual net emissions	**3,698**

Source 2020 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 Electricity and gas are the primary and only utilities used, there is transport activity but no heating or cooling purchases Emissions from air conditioning and refrigeration units in office buildings excluded due to cost of data collection These are estimated to account for less than 0 5% of total scope 1 emissions We have chosen 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

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.

Group Directors' Report (continued)

Disabled employees

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

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

Qualifying third party indemnity provisions

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

Matters covered in the strategic report

Details of the principal risks faced by the Group, including operational 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

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

D. Singer

D.D. Singer

Director

5 November 2020

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 (continued)

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 2020 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the group income statement;
- the group statement of comprehensive income;
- the group statement of financial position;
- the group statement of changes in equity;
- the group statement of cash flows;
- the related notes to the group financial statements 1 to 31;
- the company statement of financial position ;
- the company statement of changes in equity; and
- the related notes to the company financial statements 1 to 9.

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

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.

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

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Impairment of Outdoor cash generating unit; • Adoption of IFRS 16 Leases; • Going concern; • Valuation of related party loans; • Completeness of airtime revenues; and • Exterion Media Group acquisition accounting. Within this report, any new key audit matters are identified with and any key audit matters, which are the same as the prior year, are identified with
Materiality	The materiality that we used for the group financial statements was £6.0m, which was determined on the basis of 2.4% of adjusted EBITDA
Scoping	Our Group audit was split into three separate components: • Commercial radio broadcasting ("Radio"); • Out of home advertising ("Outdoor"); and • Music festivals ("Festivals") We performed a full scope audit in respect of Radio and Outdoor with a collective representation of 71% of the Group's revenue and 76% of the adjusted EBITDA. We perform analytical review procedures in respect of Festivals.
Significant changes in our approach	The most significant changes in the current year is in respect to the impact of Covid-19 on the business. As a result we have included key audit matters with respect to going concern and the impairment of the Outdoor component. Further to this following the acquisition of Semper Veritas Holdings S.a r.l. and its subsidiaries ("Exterion Media Group") which was completed in the year this has been included as a key audit matter. This is also the first year the Group has adopted IFRS 16 Leases and as a result of the material impact on the Group this has been included as a key audit matter. We have removed the Primesight and Outdoor Plus acquisition accounting key audit matter as this is not a recurring matter.

4. Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate, or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least

We have nothing to report in respect of these matters, except as noted in the key audit matter below.

twelve months from the date when the financial statements are authorised for issue.

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 Outdoor cash generating unit ("CGU")

Key audit matter description	As at 31 March 2020 the Outdoor component had £331.0m of goodwill and £373.8m of intangibles, including £177.8m goodwill and £216.2m intangibles from the Exterion acquisition as disclosed in notes 1(a), 10 and 24 to the financial statements. For further information on the acquisition of Exterion see the key audit matter described below. An impairment charge of £219.1m was recorded in the current year relating to the uncertainty that the impact of Covid-19 has had on the forecasting of future cash flows across the short, medium and long-term. The Group used the value in use approach which relies on a discounted cash flow to estimate the recoverable amount of each CGU and operating segment, 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; • agreed the underlying cash flow projections to Board approved forecasts and tested 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; • considered the balance of corroborative and contradictory data, including external sources in order to consider 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

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

	discount rates selected by management • compared the long-term growth rates to independent market data; and • evaluated the Group's disclosures on goodwill and intangibles against the requirements of IFRS
Key observations	Based on our procedures, we determined management's assumptions used in the valuation of the Outdoor segment to be reasonable

5.2. Adoption of IFRS 16 leases

Key audit matter description	The Group has elected to apply IFRS 16 Leases under the modified retrospective transition option from 1 April 2019 for the high number of leases they have. Management determined there to be an increase in total assets of £228.5m and an increase in total liabilities of £230.6m for the opening transition balance sheet at 1 April 2019. The transition to IFRS 16 has required significant resources and the impact is reliant upon a number of key estimates, primarily determining the appropriate discount rates for each lease. Additionally there is a risk that the lease data which underpins the IFRS 16 calculation of new lease arrangements is not accurate and new lease arrangements entered into in the period that should be accounted for under IFRS 16 are not identified. Further information is set out in notes 1(n) and 20 to the financial statements.
How the scope of our audit responded to the key audit matter	In responding to the identified key audit matter we completed the following audit procedures: • obtained an understanding of relevant controls over the identification of new leases, the underlying lease data and the associated disclosures; • verified the accuracy of the underlying lease data by agreeing a representative sample of leases to original contract or other supporting information, and checked the integrity and mechanical accuracy of the IFRS 16 calculations for each lease sampled through recalculation of the expected IFRS 16 adjustment; • worked with a valuation specialist to review management's methodology for determining the discount rates used to calculate lease liabilities; • assessed the discount rates used to calculate the lease obligation for a sample of new leases in the period with the involvement of our valuation specialists; • considered completeness of lease arrangements by testing the reconciliation to the Group's operating lease commitments as reported in the prior year's financial statements, and by investigating key service contracts to assess whether they contained a lease under IFRS 16; • verified the existence of a sample of assets; and • assessed whether the disclosures within the financial statements are in accordance with IFRS 16
Key observations	Based on our procedures, we determined that the lease liabilities, right of use assets recognised under IFRS 16 and associated disclosures are appropriate. The discount rates used by the Group to determine the IFRS 16 lease liability are reasonable.

5.3. Going concern

Key audit matter description	The impact of the Covid-19 pandemic has led to significant uncertainty both in terms of the severity and the duration of the macroeconomic impact. Economic uncertainty could adversely impact the ability of the Group to continue trading and in turn result in the Group failing to meet the requirements of their banking covenants.

	The Directors are required to make a specific assessment of the Group's ability to continue as a going concern which should include a comprehensive assessment of the impact of Covid 19 on the Group. In assessing the ability to continue as a going concern the Directors make a number of assumptions in the cash flow forecasts around the forecast trading of the business. The Group has taken specific actions to amend the requirements of the banking covenants during the forecast period and identify mitigating actions in order to manage the cashflow. Agreement has been reached with the lending banks to adjust the leverage and interest cover covenants on the June 2021 and September 2021 testing dates. For further details see the going concern statement as set out in the Strategic report as well as note 1(j) to the financial statements.
How the scope of our audit responded to the key audit matter	In order to address this key audit matter, our audit work included: • obtaining an understanding of relevant controls over the review going concern assessment process and the assessment of the impact of Covid 19; • challenging the assumptions utilised in the cash flow forecasts with reference to historical trading performance and benchmarking management's assumptions around Covid-19 to the latest available external macroeconomic and industry data • reviewing and challenging the adequacy of management's sensitivity analysis in relation to key assumptions; • applying further sensitivities to management's forecasts and considering the extent of change in the underlying assumptions that either individually or collectively would be required for the Group to no longer have the resources to continue as a going concern; • assessing management's ability to execute mitigating actions as required • obtained and reviewed the agreement with the banking syndicate for the revised covenant tests in June and September 2021; • recalculated the Group's forecast covenant compliance calculations throughout the going concern period, based on management's forecasts and sensitivities, and • reviewing the disclosures around going concern and the impact of Covid-19 in the financial statements to assess whether these are compliant with IAS 1
Key observations	Based on the evidence received we concluded that there is adequate support for the assumptions underlying the Directors' assessment of going concern and we consider management's assessment to be reflective of the latest available information at the date of this assessment. We are satisfied that the adoption of the going concern basis of accounting is appropriate.

5.4. 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 2020 related party loans amounted to a fair value of £1,126.1m, a decrease on the prior year of £120.7m owing to the fair value movement of the loans received from related parties. See borrowings accounting policy note 1 and critical accounting judgment note 1(i) As set out in note 16 to the Financial Statements, the loans are individually extended at below (0%), around (7% + Libor) and above (10.5% + Libor) market rates of interest. In line with the requirements of IFRS 9 Financial Instruments, management is required to make an assumption as to the market rate of interest applicable in determining the fair value of related party loans. Management have determined a market rate of interest to be in the range of 9.5% to 10.3% depending on the loan. Owing to the quantitative significance of the

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

	loans, the applicable interest rate is considered highly sensitive whereby a marginal change could result in a material change in the fair value of borrowings recognised.
How the scope of our audit responded to the key audit matter	We performed the following audit procedures to assess the valuation of related party loans recognised: • gained an understanding of the relevant 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 review of equivalent rates applied by comparable companies in the sector and calculating our own independent interest rate; • challenged and assessed the mechanical accuracy of management's sensitivity analysis of the discount rate and reviewed the disclosures against the requirements of the accounting standards; • 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.*

5.5. Completeness of airtime revenues

Key audit matter description	Airtime revenues totalled £203.5m in FY20 accounting for 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 2020 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 1(aa))
How the scope of our audit responded to the key audit matter	We performed the following audit procedures to assess the completeness of Airtime revenues: • gained an understanding of the relevant controls and tested the operating effectiveness of relevant automated and manual controls surrounding the Group's revenue recognition processes, specifically the reconciliations performed between scheduling, play out and billing systems; • 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 list of live broadcasts 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.*

5.6. Exterion Media Group acquisition accounting

Key audit matter description	The Group completed the acquisition of Exterion Media Group on 16 April 2019. The Group applied IFRS 3 Business Combinations ("IFRS 3") to identify and value the identifiable net assets of the acquisition business at this time using the assistance of an external valuations expert. The valuation of certain intangible assets (£216.2m), in particular franchise rights, and goodwill (£177.8m) arising on the acquisition of Exterion Media Group is considered a key audit matter due to the significant judgement required in their valuation. Following the impact of the Covid-19 pandemic on the business these assets have been impaired as described in the key audit matter above. The valuations are based on a number of assumptions that require significant judgement including the forecast revenue, EBITDA projections and the discount rates applied for the relevant acquired businesses. Further information is set out in notes 1(p) and 24 to the financial statements.

How the scope of our audit responded to the key audit matter	We performed the following audit procedures to assess the Exterion Media Group acquisition accounting:
	• obtained an understanding of the relevant controls covering the measurement of intangible assets, in particular the key controls over the forecasts that underpin franchise right and goodwill valuations;
	• assessed the competence, capability and objectivity of management's expert;
	• involved our valuation specialist to evaluate the methodology and key assumptions used by management's expert and to test the mathematical accuracy of the valuation models;
	• challenged the key assumptions used within the acquisition date valuations including:
	    o assessment of discount rates against external market sources;
	    o challenging revenue and earnings projections forecast by management by reference to market evidence, and challenge of margin trends over the forecast period compared with historical performance;
	    o assessment of the methodology used to establish useful economic lives of assets with the involvement of our valuation specialist;
	    o agreeing data including customer attrition and contract length, which feed into the determination of useful economic lives, back to supporting documentation; and
	    o searching for and assessing contradictory evidence through review of programme minutes, analyst reports and industry publications; and
	• assessed whether the disclosures within the financial statements are in accordance with IFRS 3.

Key observations	Based on our procedures completed we found that the judgements formed by management were within an acceptable range, the overall position adopted was reasonable and disclosures made in the financial statements were appropriate.

6. Our application of materiality

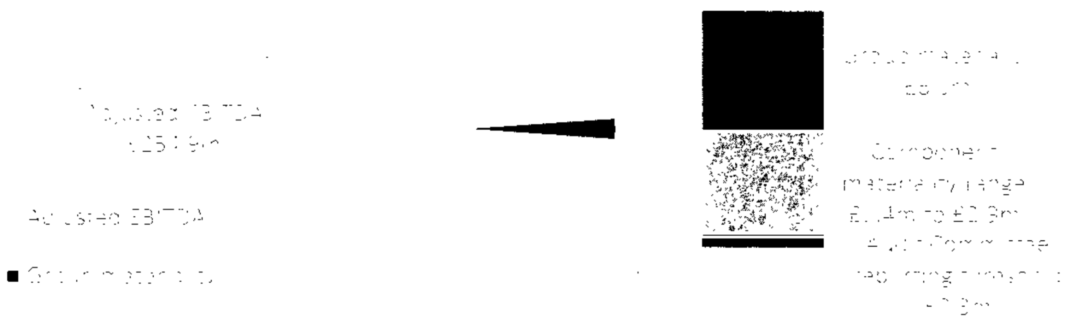
6.1. Materiality

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.

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

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	£6.0m (2019: £6.0m)	£2.9m (2019: £4.5m)
Basis for determining materiality	Our determination of materiality is reflective of our consideration of a range of possible outcomes using an Adjusted EBITDA (see note 2). Materiality of £6.0m represents 2.4% (2019: 5.0%) of this measure. The reduction in benchmark percentage compared to the prior year reflects the increased risk due to Covid-19.	Parent company materiality equates to 2% (2019: 2%) of company only net liabilities and is capped at 48% (2019:75%) of Group materiality. The reduction in the cap reflects the increased risk due to Covid-19.
Rationale for the benchmark applied	Adjusted EBITDA is considered to represent the single most important key performance indicators of the Group and the area of interest of major stakeholders.	The parent company holds the Group's related party borrowings, these are the only instruments of significance in the parent only financial statements.



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 performance materiality was set at 70% of group materiality for the 2020 audit (2019: 70%). In determining performance materiality, we considered the following factors:

- our risk assessment, including our assessment of the Group's overall control environment; 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 Board of Directors that we would report to the Board all audit differences in excess of £0.3m (2019: £0.3m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Board on disclosure matters that we identified when assessing the overall presentation of the financial statements.

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

7. An overview of the scope of our audit

7.1. Identification and scoping of components

The Group completed the acquisition of Exterion Media Group on 16 April 2019. As a result of the acquisition there was a significant change in the structure of the Group from last year which had a significant impact on the scope of our audit. Following the acquisition of Exterion, the Outdoor business of the Group significantly increased in size and has operations outside of the UK.

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.

We consider that the Group comprises three components:

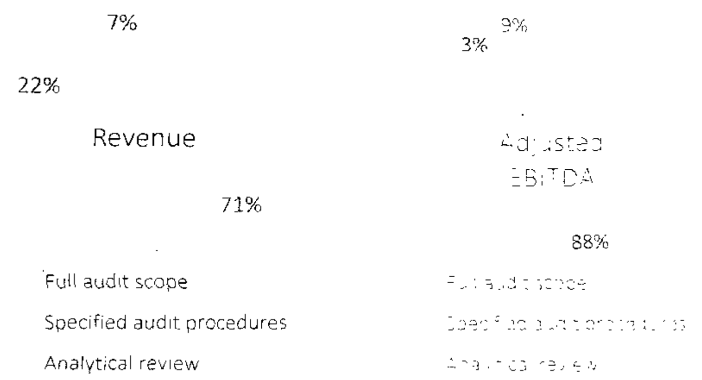
- **Radio**: the Radio component is considered a financially significant component of the Group representing 43% of the Group's revenue and 41% of the Group's adjusted EBITDA. Accordingly, full scope audit procedures have been performed to a component materiality of £2.9m

- **Outdoor**: the Outdoor component is financially significant to the Group following the acquisition of Exterion with the component now accounting for 55% of the Group's revenue and 59% 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 £0.4m to £2.3m.

- **Festivals**: the Festival entities are individually immaterial to the Group with the aggregate accounting for 2% of the Group's revenue and 0% of the Group's adjusted EBITDA. Following the disposal of the component during the year analytical procedures were performed by the Group team using group materiality.

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

Our audit work on these components, excluding the parent company, was executed at levels of materiality ranging between £0.4m and £2.9m which were lower than Group materiality of £6.0m. Our audit coverage with respect to Group revenue and adjusted EBITDA:



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

7.2. Component auditors

As described above the Group operates outside the UK and as a result we have engaged with component auditors to complete the audit this year. The Group audit team exercises its oversight of component auditors using a carefully designed programme, which considers a variety of factors including the size of entity and number of significant risks This programme is put in place to ensure that appropriate guidance is provided to the component auditors through a combination of:

- upfront planning meetings with all component teams;
- central review of documentation; and
- risk assessment discussions and detailed workpaper reviews.

These are designed so that the Senior Statutory Auditor or a senior member of the Group audit team visits all key locations across the Group on a regular basis however, given the impact of Covid-19 this was not possible this year. As a result this year we have held regular virtual meetings with the component auditors and reviewing their work remotely in order to ensure appropriate supervision of the work performed. In addition we assess the competence of each of our component auditors in years when we do not visit a key location we:

- include the component audit partner in our team planning meeting;
- discuss their risk assessment; and
- review documentation of the findings from their work and discuss with them as needed.

We also hold meetings with management at a regional and global level in order to update our understanding of the Group and its environment on an ongoing basis.

8. Other information

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

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

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

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

We have nothing to report in respect of these matters.

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.

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

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.

Report on other legal and regulatory requirements

11. 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.

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

12.1. 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.

12.2. 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.

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

13. 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
5 November 2020

Global Media & Entertainment Limited

Consolidated Income Statement
For the year ended 31 March 2020

	Note	Year ended 31 March 2020 £'000	Year ended 31 March 2019[1] £'000
Revenue	4	**824,817**	410,484
Direct costs		**(303,833)**	(105,535)
Gross profit from continuing operations		**520,984**	304,949
Administrative expenses		**(461,427)**	(255,648)
Operating profit from continuing operations before impairment		**59,557**	49,301
Impairment of intangible assets	10	**(219,100)**	-
Operating (loss)/profit from continuing operations	2	**(159,543)**	49,301
Finance income	7	**121,859**	18,696
Finance expense	8	**(140,901)**	(81,687)
Net finance costs		**(19,042)**	(62,991)
Share of profit of equity-accounted investees, net of tax	12	**1,219**	1,108
Loss before taxation from continuing operations		**(177,366)**	(12,582)
Income tax charge	9	**(23,285)**	(8,134)
Loss for the year from continuing operations		**(200,651)**	(20,716)
Discontinued operations			
Loss for the year from discontinued operations	2	**(2,292)**	(3,114)
Loss for the year		**(202,943)**	(23,830)
Attributable to:			
Owners of the Company		**(205,824)**	(26,070)
Non-controlling interests	22	**2,881**	2,240
		(202,943)	(23,830)

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

The notes on pages 34 to 81 form part of these financial statements.

Consolidated Statement of Comprehensive Income
For the year ended 31 March 2020

	Note	Year ended 31 March 2020 £'000	Year ended 31 March 2019[1] £'000
Loss for the year		**(202,943)**	(23,830)
Items that will not be reclassified to profit or loss:			
Actuarial loss related to the pension scheme	21	**(1,010)**	(1,365)
Foreign exchange gain / (loss)		**4,775**	(510)
Deferred tax on actuarial loss	19	**156**	98
Other comprehensive profit / (loss) for the year, net of tax		**3,921**	(1,777)
Total comprehensive loss for the year		**(199,022)**	(25,607)
Attributable to			
Owners of the Company		**(201,903)**	(27,847)
Non-controlling interests	22	**2,881**	2,240
		(199,022)	(25,607)

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

The notes on pages 34 to 81 form part of these financial statements.

Global Media & Entertainment Limited

Consolidated Statement of Financial Position

As at 31 March 2020

Registered number: 06251684

	Note	31 March 2020 £'000	31 March 2019[1] £'000
ASSETS			
Non-current assets			
Intangible assets	10	**839,898**	722,115
Property, plant and equipment	11	**173,778**	90,361
Right-of-use assets	20	**392,315**	-
Equity accounted investments	12	**1,326**	1,464
Investments	13	**834**	428,237
Surplus on defined benefit pension scheme	21	**2,794**	1,626
Deferred tax asset	19	**29,127**	-
		1,440,072	1,243,803
Current assets			
Inventory		**1,049**	257
Current tax assets		**805**	-
Trade and other receivables	14	**255,639**	124,990
Cash and cash equivalents		**83,728**	88,271
		341,221	213,518
Total assets		**1,781,293**	1,457,321
LIABILITIES			
Current liabilities			
Trade and other payables	15	**239,134**	160,125
Income tax liabilities		**1,971**	5,852
Lease liabilities	20	**87,703**	-
Borrowings	16	**69,094**	64,134
Provisions	18	**5,898**	1,413
		403,800	231,524
Non-current liabilities			
Trade and other payables	15	**70**	-
Employee benefits	21	**6,100**	-
Lease liabilities	20	**340,510**	-
Borrowings	16	**1,485,734**	1,552,349
Provisions	18	**18,959**	10,051
Deferred tax liability	19	**81,576**	23,061
		1,932,949	1,585,461
Total liabilities		**2,336,749**	1,816,985
Net liabilities		**(555,456)**	(359,664)
EQUITY			
Share capital	23	**171,889**	171,889
Retained deficit		**(727,345)**	(531,553)
		(555,456)	(359,664)
Attributable to:			
Shareholders' funds		**(558,181)**	(371,385)
Non-controlling interests	22	**2,725**	11,721
Total equity		**(555,456)**	(359,664)

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

The financial statements were approved and authorised for issue by the board of Directors on 5 November 2020 and were signed on its behalf by:

D. Singer

D.D. Singer
Director
5 November 2020

Consolidated Statement of Changes in Equity

For the year ended 31 March 2020

	Note	Share capital	Put option reserve	Retained deficit	Total	Non-controlling interests	Total equity
		£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2018		171,889	(25,415)	(490,927)	(344,453)	12,710	(331,743)
Loss for the year		-	-	(34,977)	(34 977)	-	(34,977)
Non-controlling interest share of profit	22	-	-	-	-	2,240	2,240
Dividends paid to non-controlling interests	22	-	-	-	-	(3,428)	(3,428)
Non-controlling interests acquired during the year	22	-	-	-	-	199	199
Actuarial loss related to the pension scheme	21	-	-	(1 365)	(1,365)	-	(1 365)
Foreign exchange movements		-	-	(510)	(510)	-	(510)
Fair value of put option payments		-	915	-	915	-	915
Deferred tax on actuarial loss	19	-	-	98	98	-	98
At 31 March 2029		**171,889**	**(24,500)**	**(527,681)**	**(380,292)**	**11,721**	**(368,571)**
At 1 April 2019 as previously stated		171,889	(24,500)	(527,681)	(380,292)	11,721	(368,571)
Restatement (see note 1)	1	-	-	8,907	8,907	-	8,907
At 1 April 2019 restated		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	22	-	-	-	-	2 881	2 881
Dividends paid to non-controlling interests	22	-	-	-	-	(2 155)	(2 155)
Non-controlling interests disposed during the year	22	-	-	-	-	(9 722)	(9,722)
Actuarial loss related to the pension scheme	21	-	-	(1,010)	(1,010)	-	(1,010)
Foreign exchange movements		-	(607)	4 775	4,168	-	4,168
Fair value of put option payments	1(g)	-	-	(9,393)	(9,393)	-	(9,393)
Movement in put option reserves	1(g) / 25	-	25,107	-	25,107	-	25,107
Deferred tax on actuarial loss	19	-	-	156	156	-	156
At 31 March 2020		**171,889**	**-**	**(730,070)**	**(558,181)**	**2,725**	**(555,456)**

Global Media & Entertainment Limited

Consolidated Statement of Cash Flows

	Note	31 March 2020 £'000	31 March 2019* £'000
Cash flows from operating activities			
Loss for the year from continuing operations		(200,651)	(20,716)
Loss for the year from discontinued operations		(2,292)	(3,114)
Adjustments for:			
Depreciation	11	23,922	11,543
Amortisation	10	36,926	25,058
Right of use assets depreciation		95,627	–
Loss on disposal of property, plant and equipment	11	10,106	32
Loss on disposal of intangible assets		17,366	–
Net finance costs		19,042	63,000
Share of profits of equity-accounted investments	12	(1,219)	(1,281)
Movement in retirement benefit obligations		(1,925)	(1,844)
Fair value movement on put option		851	(962)
Movement in unrealised foreign exchange		(4,983)	–
Loss / (profit) on disposal of investments and subsidiary undertakings	25	1,400	(5,874)
Impairment loss	10	219,100	25,419
Income tax charge		23,285	4,453
		236,555	95,714
Increase in inventories		(792)	(85)
Increase in trade and other receivables		(325)	(4,734)
Decrease in trade and other payables		(32,600)	(6,338)
Decrease in provisions		(1,485)	2,711
Cash flows generated from operations		201,353	87,268
Interest paid		(15,109)	(5,129)
Income taxes paid		(16,695)	(9,093)
Net cash flows from operating activities		169,549	73,046
Net cash flows from operating activities - continuing		219,748	60,201
Net cash flows from operating activities - discontinued		(50,199)	12,845
Cash flows from investing activities			
Interest received		45	28
Dividends received from associates	12	1,053	969
Acquisition of subsidiaries, net of cash acquired		4,269	(355,938)
Purchase of investments	13	(213)	(428,057)
Purchase of property, plant and equipment	11	(63,477)	(18,702)
Expenditure on intangible assets	10	(14,854)	(7,634)
Proceeds from disposal of property, plant and equipment	11	6,003	–
Net proceeds from disposal of investments and subsidiary undertakings	25	37,067	11,474
Net cash flows from investing activities		(30,107)	(797,860)
Net cash flows from investing activities - continuing		(67,174)	(788,218)
Net cash flows from investing activities - discontinued		37,067	(9,642)
Cash flows from financing activities			
Proceeds from borrowings		100,000	1,138,000
Repayments of loans and borrowings		(131,315)	(373,392)
Payment of debt issue costs		(1,982)	(5,298)
Repayments of lease liabilities		(124,933)	–
Proceeds from lease liabilities		16,400	–
Dividends paid to non-controlling interests	22	(2,155)	(3,428)
Net cash flows from financing activities		(143,985)	755,882
Net cash flows from financing activities - continuing		(143,985)	757,481
Net cash flows from financing activities - discontinued		–	(1,599)
Net (decrease)/increase in cash and cash equivalents		**(4,543)**	31,068
Cash and cash equivalents at the start of the year		**88,271**	57,203
Cash and cash equivalents at the end of the year		**83,728**	88,271

Consolidated Statement of Cash Flows

'These numbers have been restated, 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 2019	1,616,483	-	1,616,483
Lease liability balance at transition	-	230,571	230,571
Cash flows	(35,497)	(124,933)	(160,430)
Accrued Interest	95,027	26,958	121,985
Debt issuance costs	(477)	-	(477)
Changes in fair value	(120,708)	-	(120,708)
Acquisitions	-	182,930	182,930
Additions	-	117,427	117,427
Foreign exchange	-	2,035	2,035
Other movements	-	(6,775)	(6,775)
Year ended 31 March 2020	**1,554,828**	**428,213**	**1,983,041**

The lease liability on leases previously classified as finance leases under IAS 17 and previously presented within trade payables of £55m is now presented in the line lease liabilities. There has been no change in the liability recognised.

The notes on pages 34 to 81 form part of these financial statements.

Notes to the consolidated financial statements for the year ended 31 March 2020

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 5 November 2020.

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, except for borrowings, pension assets, investments and put-options which are measured 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 and associated notes has been restated for the impact of the Festivals 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.

The comparative information for the year ended 31 March 2019 has also been restated for the finalisation of acquisition accounting for Primesight and Outdoor Plus, in accordance with *IFRS 3 Business Combinations*. The impact of this restatement is to increase goodwill £1.2m and reduce intangible assets £1.2m. Further explanation is set within note 24.

Deferred tax assets have been restated by £9.0m at 31 March 2019 in relation to accounting for business combinations. Further explanation is set within note 19.

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.

1. **Accounting policies (continued)**

f) Interests in equity-accounted investments

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

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

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

g) Call and put options

Valuation of call and put options

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

Put option reserve

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

The value of options at 31 March 2020 is £nil. During the period £15.0m of the reserve was disposed of due to the Festivals disposal as disclosed in note 25. The disposal of these options has been accounted for within the loss on disposal for the year.

The option previously held over Audio HQ was exercised in August 2019 resulting in the fair value of this option being £nil which was subsequently reflected in both the option reserve and liability. £0.8m in fair value movements were recognised within the profit and loss for the year.

h) New accounting standards and interpretations not yet effective

New accounting standards

The following new standards, amendments to standards and interpretations issued by the International Accounting Standards Board ("IASB") became effective during the year ended 31 March 2020. 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 2019. The adoption of these standards aside from IFRS 16 *Leases* has not impacted the Group's earnings, however has required certain reclassifications in the Group Statement of Financial Position and introduced additional disclosure requirements:

- IFRS 16 *Leases*
- Amendments to IAS 28: *Long-term interests in Associates and Joint Ventures*
- IFRIC 23: *Uncertainty over Income Tax Treatments*
- Amendments to IFRS 9: *Prepayment Features with Negative Compensation*
- Annual improvements to IFRS standards 2015-2017 cycle
- IAS 19 *Plan Amendment, Curtailment or Settlement*

IFRS 16 Leases

The Group adopted IFRS 16 on 1 April 2019 using the modified retrospective approach; see below for the impact of the new standard. IFRS 16 Leases replaced the existing leasing standard, IAS 17 Leases. It treats all leases in a consistent way, eliminating the distinction between operating and finance leases, and requires lessees to recognise all leases on the balance sheet, with some practical expedients. The most significant effect of the new requirements is in the recognition of lease assets (right of use assets) and lease liabilities for leases previously categorised as operating leases. The new standard also changes the nature of expenses related to those leases, replacing the straight line operating lease expense with a depreciation charge for the right of use lease asset (included within operating costs) and an interest expense on the lease liability (included within finance costs).

1. Accounting policies (continued)

Impact of the new definition of a lease

There are several practical expedients and exemptions available under IFRS 16. The Group is using the practical expedient where, at the adoption date, right of use lease assets are set to equal the lease liabilities (adjusted for accruals and prepayments) and there is no restatement of the comparative period. The major classes of leases impacted by the new standard are property leases and advertising structures. The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease based on whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on "risks and rewards" in IAS 17. The group has elected to rely on its assessment of whether leases are onerous applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application. The group has adjusted the right-of-use asset at the date of initial application by the amount of any provision for onerous leases recognised in the statement of financial position immediately before the date of initial application.

Impact on lessee accounting

On 1 April 2019, the Group adopted the new accounting standard, IFRS 16 Leases. IFRS 16 changes how the Group accounts for leases previously classified as operating leases under IAS 17, which were not previously presented on the balance sheet.

There are several practical expedients and exemptions available under IFRS 16. The Group has elected to apply the modified retrospective method of implementation where there is no restatement of the comparative period and the using the practical expedient where, at the adoption date, right of use lease assets are set to equal the lease liability (adjusted for accruals and prepayments). The Group has excluded leases of low value assets and short-term leases, with a duration of less than 12 months from the application of IFRS 16, with payments for these leases continuing to be expensed directly to the Income Statement as operating leases.

Impact on lessee accounting

For leases assessed as IFRS 16 applicable, the Group:

- Recognises right of use assets and lease liabilities in the Consolidated Statement of Financial Position, initially measured at the present value of the future lease payments; and
- Recognises depreciation of right of use assets and interest on lease liabilities in profit or loss

Leased assets which are under construction are capitalised in Property plant and equipment and once fully constructed these are transferred to right of use assets and recognised under IFRS 16. Any cash payments made to third party suppliers in constructing these assets are shown under cash outflow from investing activities.

Lease incentives are recognised as part of the measurement of the right of use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses generally on a straight-line basis.

Under IFRS 16 the right of use assets will be tested for impairment in accordance with *IAS 36 Impairment of Assets*. This replaced the previous requirement to recognise a provision for onerous leases. An impairment assessment of the right-of-use assets was performed on transition at 1 April 2019 with no impact identified. The major classes of leases impacted by the new standard are property, motor vehicles and franchise contract leases.

At 1 April 2019 transition date adoption of IFRS 16 resulted in the Group recognising right-of use assets of £228.5m and lease liabilities of £230.6m. There is a reduction of £1.9m for prepaid rental amounts now netted against the right-of-use assets and a reduction of £4.1m to liabilities for property provisions and deferred rent-free amounts netted against the right of use asset.

The weighted average incremental borrowing rates (IBR) used at the transition date to discount lease liabilities were within the range of 6.16% and 6.80%. A single IBR has been applied to a portfolio of leases when these have shared similar characteristics including location, during and nature of the leases, including whether a group guarantee is provided. The approach to use an IBR to discount lease has been followed since the transition date as the interest rate implicit in individual leases cannot be readily determined. On transition the Group elected to

1. Accounting policies (continued)

apply the practical expedient to rely on the reviews performed at 31 March 2019 to consider any onerous property contracts.

IFRS 16 defines the lease term as the non-cancellable period of a lease together with the options to extend or terminate a lease, if the lessee were reasonably certain to exercise that option. Where a lease includes the option for the Group to extend the lease term, the Group makes a judgement as to whether it is reasonably certain that the option will be taken, and an assumed expiry date is determined. Where there are extension options on specific leases and the assumed expiry date is determined to have changed, the lease term is reassessed. This reassessment of the remaining life of the lease could result in a recalculation of the lease liability and the right of use asset and potentially result in a material adjustment to the associated balances of depreciation and finance lease interest.

The adoption of the new standard in the year has had an impact on the income statement due to a depreciation charge of £96.6m relating to the right of use assets associated with IFRS 16 and an interest cost relating to the IFRS 16 lease liabilities of £27.0m. At 31 March 2020 the Consolidated Statement of Financial Position included the following IFRS 16 amounts; a net book value of the IFRS 16 right-of-use asset of £392.3m and lease liabilities of £428.2m.

The following table reconciles the opening balance for the lease liabilities as at 1 April 2019 based upon the operating lease obligations as at 31 March 2019:

	£'000
Operating lease commitments as at 31 March 2019	389,192
Short-term leases and leases of low-value assets	(16,686)
Effect of discounting the above amounts	(141,935)
Lease liabilities recognised at 1 April 2019	230,571

Standards effective in future periods

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

Effective for periods starting on or after 1 January 2020

- Definition of a Business – Amendments to IFRS 3
- Definition of Material – Amendments to IAS 1 and IAS 8
- The Conceptual Framework for Financial Reporting
- IFRS 17 Insurance Contracts
- IFRS 10 and IAS 28 Sale or Contribution of Assets between investor and its Associate or Joint Venture - Amendments

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

i) Critical accounting judgements and key sources of estimation uncertainty

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

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

1. Accounting policies (continued)

Critical judgements

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

IFRS 16 – Incremental Borrowing Rate

IFRS 16 requires certain judgements and estimates to be made. The most significant of these relate to the discount rates used and the term of the lease life. Discount rates are calculated on a lease by lease basis. The rate used is a portfolio rate, based on estimates of incremental borrowing costs. The portfolio of rates depends on the territory of the relevant lease, hence the currency used, and the weighted average lease term. As a result, reflecting the breadth of the Group's acquired lease portfolio in the year, the transition approach adopted has required a level of judgement in selecting the most appropriate discount rate for those leases acquired. As at transition, an increase of 1-2% in IBR would decrease lease liabilities by £11.6m to £21.3m and a decrease of 1-2% in IBR would increase lease liabilities by £21,3m to £35.1m.

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.

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 82 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.

In light of the ongoing Covid-19 pandemic, the Group's cash flow projections over the five year period have been revised and include a Covid-19 overlay in year 1 (the Covid-19 scenario), focusing on the downturn in advertising spend on our Outdoor advertising estate during an estimated lock down period and the internally controllable mitigating actions the Group is taking to protect the business. 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.

1. Accounting policies (continued)

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 2019	10.3%
Shareholder loan notes (pre year end 31/3/19)	31 December 2019	9.5%
Loan from parent entity	31 December 2019	9.5%

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	(41,720)	44,162
Loan from parent entity	(6,171)	6,563

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.

j) 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, we have seen significant volatility and business disruption reducing our expected performance in 2020/21. We have already felt the impact of the government's guidelines on lockdown, with our Outdoor advertising estate being heavily impacted. We have seen a decline in customers advertising spend on both our Outdoor and Radio advertising mediums.

The Covid-19 scenario assumes a significant decline in revenue for the remainder of 2020/21. In addition, stress testing has also been applied to the model, which represents a significant decline in advertising revenue compared to the Covid-19 scenario. Such a scenario, and the sequence of events which could lead to it is considered to be remote.

The Covid-19 scenario reflects the actions already taken by management, including: – Cost-saving initiatives, such as reducing marketing spend, freezing pay and recruitment, and technology and operating expenditure cut, including a decrease in headcount due to an announced group restructure.

1. Accounting policies (continued)

The Group benefited from the government's job retention scheme to help meet the cost of furloughed roles throughout the group which should generate savings up to 31 August 2020. In addition, the following further steps have also been taken:

In April a Formal agreement was reached with the lending syndicate of banks providing external borrowing facilities, totalling £410m as at 31 March 2020, 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.

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 2020 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.

k) Segment reporting

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

l) Foreign currency translation

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

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

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

m) Investments

Investments are included in the Statement of Financial Position (or Balance Sheet) at cost less amounts written-off, representing impairment in value. Impairment charges are recorded if events or changes in circumstances indicate that the carrying value may not be recoverable.

In 2019 the Group recorded its interest in Exterion Media Group as an investment at fair value as at 31 March 2019, given the restriction on control as a result of the CMA review of the acquisition. During the current year the CMA process was finalised and as a result Exterion Media Group has been fully consolidated in accordance IFRS 10, leading to the derecognition of this investment. The acquisition of Exterion Media Group has been treated as a business combination and goodwill recognised in accordance with accounting policy 1p.

n) Property, plant and equipment

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

1. Accounting policies (continued)

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

Freehold property	25 to 50 years
Capitalised leasehold costs	Over the term of the lease
Fixtures, fittings and technical equipment	3 to 10 years
Festival assets	3 to 10 years
Advertising panels	7.5 to 20 years
Transmitters	10 years

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

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 isites which are noy 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.

o) 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 live 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.

p) Goodwill

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

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

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

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

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Please see note 10 in these financial statements.

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

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

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

q) 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.

1. Accounting policies (continued)

r) 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.

s) 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.

t) 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 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.

u) Finance income and expense

Finance income comprises interest received on cash balances.

Finance expense comprises interest payable on borrowings, interest on lease liabilities, 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.

v) 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

1. **Accounting policies (continued)**

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment of financial assets

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

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

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

Financial liabilities

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

Financial liabilities at FVTPL

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

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

Financial liabilities measured subsequently at amortised cost

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

Derecognition of financial liabilities

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

w) 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.

1. Accounting policies (continued)

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.

x) Employee benefits

Short term employee benefits

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

Termination benefits

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

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.

1. Accounting policies (continued)

y) 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 considered in determining the grant date fair value.

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

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

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

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

z) Provisions

Provisions for 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.

aa) 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.

1. **Accounting policies (continued)**

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

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

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

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

The transaction price is determined by the agreed terms of the contract. In some instances, contracts will comprise an element of variable consideration, often in the form of volume-based rebates. In these instances, the total transaction price of the contract is reduced by the estimated variable consideration. The standard requires the entity to estimate the amount of variable consideration and based on this the Group accrues the value of rebates on a monthly basis based on its expectation of year-end sales volumes. Under IFRS 15 the Group applies the 'most likely amount method' for estimating the amount of 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.

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.

bb) 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).

1. Accounting policies (continued)

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 17, 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.

cc) 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 contract as a contingent liability until as such time as it becomes probable that the Group will be required to make a payment under the guarantee.

2. Operating segments

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

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

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. The Music festivals operations were discontinued operations in the year until disposal, refer to note 25 for further details.

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 was one customer that provided more than 10% of the Group revenue in the year.

Year ended 31 March 2020

	Radio £'000	Outdoor £'000	Group £'000	Continuing Total £'000	Music Festivals discontinued operations £'000	Total £'000
Total revenue	358 770	466 047	-	824 817	14 015	838 832
Revenue from external customers	**358,770**	**466,047**	**-**	**824,817**	**14,015**	**838,832**
Direct costs	(66 927)	(236 906)		(303 833)	(12 447)	(316 280)
Gross profit	**291,843**	**229,141**	**-**	**520,984**	**1,568**	**522,552**
Operating expenses	(186 922)	(78 804)	-	(265 726)	(1 910)	(267 636)
Adjusted EBITDA*	**104,921**	**150,337**	**-**	**255,258**	**(342)**	**254,916**
Other expenses	(32 262)	(163,439)	-	(195 701)	(2 167)	(197 868)
Impairment of intangible assets	-	(219 100)	-	(219 100)	-	(219 100)
Operating profit / (loss)	**72,659**	**(232,202)**	**-**	**(159,543)**	**(2,509)**	**(162,052)**
Net finance expense	44 483	(63 525)	-	(19 042)	25	(19 017)
Share of profit / (loss) of equity-accounted investees net of tax	1 219	-	-	1 219	-	1 219
Profit / (loss) before taxation	**118,361**	**(295,727)**	**-**	**(177,366)**	**(2,484)**	**(179,850)**

Year ended 31 March 2019

	Radio £'000	Outdoor £'000	Group £'000	Continuing Total £'000	Music Festivals discontinued operations £'000	Total £'000
Total revenue	358 403	52 081	-	410 484	69 561	480 045
Revenue from external customers	**358,403**	**52,081**	**-**	**410,484**	**69,561**	**480,045**
Direct costs	(69 463)	(36 072)	-	(105 535)	(60 721)	(166 256)
Gross profit	**288,940**	**16,009**	**-**	**304,949**	**8,840**	**313,789**
Operating expenses	(185 261)	(6,233)	-	(191 494)	(5 087)	(196 581)
Adjusted EBITDA*	**103,679**	**9,776**	**-**	**113,455**	**3,753**	**117,208**
Other expenses	(27 966)	(10 769)	(25 419)	(64 154)	(10 712)	(74 866)
Operating profit / (loss)	**75,713**	**(993)**	**(25,419)**	**49,301**	**(6,959)**	**42,342**
Net finance expense	(53,663)	(9,328)	-	(62,991)	(9)	(63,000)
Share of profit / (loss) of equity-accounted investees net of tax	1 108	-	-	1 108	173	1 281
Profit / (loss) before taxation	**23,158**	**(10,321)**	**(25,419)**	**(12,582)**	**(6,795)**	**(19,377)**

*The reconciliation and definition of Adjusted EBITDA is disclosed on page 82 of the accounts.

3. Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Amortisation of intangible assets	**36,926**	25,058
Depreciation of property, plant and equipment	**23,922**	11,543
Depreciation of right of use assets	**95,627**	-
Impairment	**219,100**	-
Loss on disposal of property, plant and equipment	**10,038**	32
Loss on disposal of intangibles	**60,182**	-
Operating lease rentals:		
- land and buildings	**428**	42,610
- motor vehicles and other leases	**1,493**	1,331

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

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	**816**	377
Fees payable to the Group's auditor and its associates in respect of:		
Other services pursuant to legislation	**13**	13
Taxation compliance services	**327**	459
Corporate finance services	**130**	2,710
Pension services	**5**	-
Share option plan services	**124**	53

In the prior period as the Group's interest in Exterion Media Group was recognised as an investment as at 31 March 2019 on the basis that Exterion was under a hold-separate as instructed by the CMA, audit and non-audit fees payable to the Group's auditor were not included within the prior period comparative.

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 2020 £000	Year ended 31 March 2019 £000
Radio	**358,770**	358,403
Outdoor	**466,047**	52,081
Revenue from continuing operations	**824,817**	410,484

4. Revenue from contracts with customers (continued)

Geographic split of revenue recognition for continuing operations:

	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
Europe	**159,411**	-
North America	**11,726**	9.322
United Kingdom	**653,680**	401,162
	824,817	410.484

Timing of revenue recognition for continuing operations:

	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
Goods and services transferred at a point in time	**389;296**	349,164
Goods and services transferred over time	**435,521**	61.320
	824,817	410.484

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 2020 £000	Year ended 31 March 2019 £000
Contract assets	**14,960**	11,267
Contract liabilities	**19,552**	23,871

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

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

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

Revenue recognised in the current period that was included in the contract liability balance at the beginning of the period was £23.7m. There was no revenue recognised in the period from performance obligations satisfied (or partially satisfied) in previous periods.

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

5. Employees

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

	Year ended 31 March 2020	Year ended 31 March 2019
Sales and marketing	**1,342**	719
Programming	**385**	410
Administration	**713**	354
	2,440	1,483

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 2020 £'000	Year ended 31 March 2019 £'000
Wages and salaries	**136,489**	88,045
Social security costs	**20,695**	9,947
Net expense related to defined benefit pension schemes	**(530)**	2,368
Contributions to defined contribution pension schemes	**3,388**	2,657
	160,042	103,017

6. Directors

The remuneration costs of the Group's Directors were:

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Remuneration	**5,569**	7,345
	5,569	7,345

Total remuneration includes £13k of contributions to the defined contribution schemes (2019: £20k).

The remuneration of the highest paid Director was:

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Aggregate emoluments	**2,640**	2,522
	2,640	2,522

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

IAS 24 *Related party transactions* ("IAS 24") requires the Group and Company to disclose all transactions and outstanding balances with the Group and Compay'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.

6. Directors (continued)

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

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

	Year ended 31 March 2020	Year ended 31 March 2019
	£'000	£'000
Loans to directors in relation to cash-settled share based payment arrangement	-	142

No interest has been charged on the loans made to directors (2019: £nil).

7. Finance income

	Year ended 31 March 2020	Year ended 31 March 2019
	£'000	£'000
Bank interest receivable	**45**	22
Interest on pension scheme assets	**1,106**	1,124
Movement in fair value on related party loan borrowings	**120,708**	17,550
	121,859	18,696

8. Finance expense

	Year ended 31 March 2020	Year ended 31 March 2019
	£'000	£'000
Interest payable on bank loans and overdrafts	**10,881**	5,152
Interest payable on other loans	**94,999**	74,107
Amortisation of debt issue costs	**1,503**	845
Interest on lease liabilities	**26,958**	-
Foreign exchange movements	**5,050**	-
Interest on pension scheme liabilities	**1,510**	1,583
	140,901	81,687

9. Income tax charge

(a) Analysis of tax charge in the year

	Year ended 31 March 2020 £'000	Year ended 31 March 2019[1] £'000
Current tax expense		
UK corporation tax on the loss for the year	**7,750**	11,569
Adjustments in respect of prior years	**(2,043)**	94
Total current tax expense	**5,707**	11,663
Deferred tax charge / (credit)		
Origination and reversal of temporary differences	**17,097**	(7,256)
Adjustments in respect of prior years	**481**	46
Total deferred tax charge / (credit)	**17,578**	(7,210)
Income tax charge	**23,285**	4,453

(b) Factors affecting the tax charge in the year

	Year ended 31 March 2020 £'000	Year ended 31 March 2019[1] £'000
Loss before tax	**(177,366)**	(19 377)
Loss before tax multiplied by the standard rate of corporation tax of 19% (2019: 19%)	**(33,700)**	(3,682)
Effects of		
Expenses not deductible for tax purposes	**46,641**	6,195
Interest expense not deductible for tax purposes	-	533
Recognition of deferred tax on temporary differences	**14,831**	1,011
Share of profit of equity accounted investments	**(295)**	592
Special factors affecting joint-ventures and associates	**(32)**	(72)
UK Dividend income from associates	**(200)**	(717)
Effects of changes in tax rates	**(3,137)**	314
Adjustments in respect of prior years	**(1,562)**	139
Overseas rates vs UK rates	**739**	140
Income tax charge	**23,285**	4,453

[1] The numbers presented within this note for the year ended 31 March 2019 have been restated in relation to recognising a deferred tax asset in respect of interest restricted under the Corporate Interest Restriction legislation and carried forward but only on the basis and to the extent that it offsets against deferred tax liabilities created in the accounting for business combinations. The impact of this adjustment is £9m on profit for the year and deferred tax assets held on the statement of financial position.

Material items within 'expenses not deductibe for tax purposes' relate to tax of £37.8m on the impairment of intangible assets as disclosed within note 10.

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

9. Income tax charge (continued)

	Year ended 31 March 2020 £'000	Year ended 31 March 2019[1] £'000
Income tax charge for continuing operations	**(23,285)**	(8,134)
Income tax charge for discontinued operations	**-**	3,681
Total income tax charge	**(23,285)**	(4,453)

(c) Factors that may affect future tax charge

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

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

10. Intangible assets

	Software costs £'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	551	-	-	180,320	408,951
Additions	14,521	-	7	-	-	-	14,528
Disposals	(13,761)	(18 702)	-	(2,000)	(69,183)	(231)	(103,877)
Transfers	3,932	-	-	-	-	-	3,932
Effects of movements in foreign exchange	236	6,275	146	-	-	234	6,891
At 31 March 2020	**45,783**	**390,362**	**704**	**20,063**	**16,458**	**978,858**	**1,462,228**
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 31 March 2020	**30,928**	**344,713**	**281**	**9,156**	**2**	**454,818**	**839,898**

	Software costs £'000	Franchise rights £'000	Other £'000	Licenses £'000	Brands and trademarks £'000	Goodwill £'000	Total £'000
Cost							
At 1 April 2018	31 641	-	-	20 861	75,860	645,809	774,171
Acquisitions	-	184 235	-	1,179	9,773	152,726	347,913
Additions	7,603	-	-	23	8	-	7,634
Disposals	(7 915)	-	-	-	-	-	(7,915)
Disposal of subsidiaries	-	-	-	-	-	-	-
At 31 March 2019	31,329	184,235	-	22,063	85,641	798,535	1,121,803
Amortisation and impairment							
At 1 April 2018	18,882	-	-	6,266	16,000	315,977	357,125
Charge for the year	6,358	4 481	-	3 171	11,048	-	25,058
Disposals	(7,915)	-	-	-	-	-	(7,915)
Disposal of subsidiaries	-	-	-	-	-	-	-
Impairment	-	-	-	-	16,456	8,963	25,419
At 31 March 2019	17,325	4,481	-	9,437	43,504	324,940	399,687
Net book value							
At 1 April 2018	12,759	-	-	14,595	59,860	329,832	417,046
At 31 March 2019	14,004	179,754	-	12,626	42,137	473,595	722,115

10. Intangible assets (continued)

All acquisitions of intangible assets during the year were in relation to the new Outdoor division (see Business Combinations note 24. Prior year balances are restated for the finalisation of the acquisition accounting of Primesight and Outdoor Plus, in accordance with IFRS 3 Business Combinations. See basis of preparation within note 1 for additional information.

During the year, the Group capitalised £14.5m (2019: £6.9m) of software development costs.

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 and EBITDA.

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 reflect a conservative view of the short-term future performance of the CGU with significant reductions in forecasted EBITDA in 20/21. 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 2020. 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 (%)	
	2020	2020	2019	2020	2019
Outdoor	(199,100)	1.7	-	9.8	-
Radio	816,500	1.8	3.0	11.0	6.2

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 the Radio CGU and the impairment of £199.1m of Goodwill in 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 led to an impairment of £20.0m of United Kingdom intangible assets.

The Group has undertaken a sensitivity analysis based on changes to key assumptions considered to be reasonably possible by management. These sensitivities around EBITDA 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 2020 post impairment is £454,818 which is allocated to the CGU's. The allocated Goodwill for each CGU is £323,129k (Radio) and £131,689k (Outdoor).

10. Intangible assets (continued)

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 a further impairment to Goodwill within the CGU if the key assumptions changed.

- 0.5% increase to pre-tax discount rate would further impair Goodwill by £46.1m
- 1% decrease in LTGR would further impair Goodwill by £65 0m
- 10% decrease to forecasted EBITDA would further impair Goodwill by £69.6m

11. Property, plant and equipment

	Land and buildings	Transmitters, fixtures and technical equipment	Festival assets	Construction in progress	Leasehold improvements	Total
	£'000	£'000	£'000	£'000	£'000	£'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
Acquisitions	-	-	-	-	-	-
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 31 March 2020	**14,557**	**110,949**	**-**	**46,832**	**1,440**	**173,778**

	Land and buildings	Transmitters, fixtures and technical equipment	Festival assets	Construction in progress	Leasehold improvements	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2018	19,309	13,287	1,204	-	245	34,045
Additions	1,320	16,330	1,052	-	-	18,702
Acquisitions	-	56,554	2	-	-	56,556
Disposals	(628)	(3,289)	-	-	-	(3,917)
At 31 March 2019	20,001	82,882	2,258	-	245	105,386
Depreciation						
At 1 April 2018	3,251	3,879	237	-	-	7,367
Charge for the year	1,487	9,085	726	-	245	11,543
Disposals	(628)	(3,257)	-	-	-	(3,885)
At 31 March 2019	4,110	9,707	963	-	245	15,025
Net book value						
At 1 April 2018	16,058	9,408	967	-	245	26,678
At 31 March 2019	15,891	73,175	1,295	-	-	90,361

12. Equity accounted investments

	Investments in joint ventures	Investments in associates	Total
	£'000	£'000	£'000
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**

	Investments in joint ventures	Investments in associates	Total
Cost			
At 1 April 2018	606	546	1,152
Share of profit of equity accounted investments	740	541	1.281
Dividends received from equity accounted investments	(700)	(269)	(969)
At 31 March 2019	646	818	1.464

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 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
Provision for impairment			
At 1 April 2019	308	-	308
At 31 March 2020	308	-	308
Net book value			
At 31 March 2020	**834**	**-**	**834**

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

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

During the current year, the Group has consolidated the results of the Exterion Media Group group from the date at which control was obtained, 16 April 2019, and as such, has in the current year treated the acquisition as a business combination under IFRS 3. As a result, the investment previously recognised in relation to Exterion Media Group has been derecognised during the year. Entries related to the business combination can be seen within note 24. The difference between the £428.1m cash investment held at 31 March 2019 compared to the fair value consideration paid of £161.1m was the settlement of existing external liabilities, see note 24.

Acquired investments relate to those held by the Exterion Media Group which is fully consolidated in the current period.

14. Trade and other receivables

	31 March 2020	31 March 2019
	£'000	£'000
Gross trade receivables	215,798	85,677
Less provision for impairment	(7,208)	(358)
	208,590	85,319
Other debtors	18,033	5,544
Prepayments	14,056	22,860
Contract assets	14,960	11,267
	255,639	124,990

	31 March 2020	31 March 2019
	£'000	£'000
Balance at the beginning of the year	358	418
Movement in provision	6,850	(60)
Balance at the end of the year	7,208	358

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 increase in the provision amount is due to acquisitions made in the year, see note 24 for further detail.

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

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.

15. Trade and other payables (continued)

Current	31 March 2020	31 March 2019
	£'000	£'000
Trade payables	**92,586**	27,812
Other taxes and social security costs	**2,919**	9,882
Other creditors	**23,271**	13,249
Accruals	**100,806**	85,311
Contract liabilities	**19,552**	23,871
	239,134	160,125

Non-current	31 March 2020	31 March 2019
	£'000	£'000
Other creditors	**70**	-
	70	-

16. Borrowings

Current	31 March 2020	31 March 2019
	£'000	£'000
Bank loans and overdrafts	**45,000**	35,000
Accrued interest	**24,094**	29,134
	69,094	64,134

Non-current	31 March 2020	31 March 2019
	£'000	£'000
Bank loans	**359,678**	301,407
Other loans	**1,126,056**	1,250,942
	1,485,734	1,552,349
Total borrowings	**1,554,828**	1,616,483

16. Borrowings (continued)

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

	31 March 2020	31 March 2019
	£'000	£'000
Accrued interest	24,094	29,134
Senior term loans	410,000	341,250
Shareholder loan notes	1,043,298	950,079
Connected party loan	-	97,328
Loan from parent entity	204,165	204,165
	1,681,557	1,621,956

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

	31 March 2020	31 March 2019
	£'000	£'000
Accrued interest	24,094	29,134
Senior term loans	404,678	336,407
Shareholder loan notes	1,004,898	1 014,192
Connected party loan	-	114,594
Loan from parent entity	121,158	122,156
	1,554,828	1,616,483

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

Interest rates on variable interest borrowings	31 March 2020	31 March 2019
	% above LIBOR	% above LIBOR
Shareholder loan notes	7.00%	7.00%
Senior term loans	2.00%	2.25%
Connected party loan	0.00%	10.50%

Interest rates on fixed interest borrowings	31 March 2020	31 March 2019
	Fixed rate	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)	10.25%	7.91%
Shareholder loan notes (pre year end 31/3/19)	9.50%	7.91%
Loan from parent entity	9.50%	7.91%

16. Borrowings (continued)

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.

The Group's borrowings have the following maturity profile:

	31 March 2020	31 March 2019
	£'000	£'000
Less than one year	**176,442**	174.284
Two to five years	**775,883**	735.802
Over five years	**1,343,837**	1,451.158
	2,296,162	2,361,244
Less interest cash flows		
Senior term loans	**(36,361)**	(40.737)
Shareholder loan notes	**(578,244)**	(620,840)
Connected party loan	-	(77,711)
Loan from parent entity	-	-
Total principal cash flows	**1,681,557**	1,621.956

The shareholder loans are listed on the International Stock Exchange ("TISE"). On 31 December 2019 the Shareholder Loan notes had interest of £93.2m capitalised to the loan principal.

The Group has undrawn committed borrowing facilities of £10.0m at 31 March 2020 (31 March 2019: £10.0m).

Significant non-cash transactions in the year in respect of financing activities comprised unpaid interest which was capitalised into borrowings of £90.8m (2019: £37.4m).

17. Funding and financial risk management

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 hierachy:

	Fair value hierarchy	**31 March 2020**	31 March 2019
		£'000	£'000
Senior term loans	Level 3	**404,678**	336,407
Shareholder loan notes	Level 3	**1,004,898**	1.014,192
Connected party loan	Level 3	-	114,594
Loan from parent entity	Level 3	**121,158**	122,156
		1,530,734	1,587,349

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

Financial risk management

17. Funding and financial risk management (continued)

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 2020 the Group earned 21% of its revenues from continuing operations and incurred 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 £17.0m impact on revenue and a circa £0.8m impact on retained profit. The impact on net assets from a 10% movement in EUR to GBP exchange rates at 31 March 2020 would be £8.0m. The impact in the year ended 31 March 2019 is not material to the Group as foreign operations expended as a result of the acquisition of Exterion in the period and did not exist in the prior year. 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.

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

The Group has policies in place to manage potential credit risk from trade receivables. The Group mitigates the risk of payment default by its customers by the use of trade credit insurance for high value customers. Customer credit terms are determined using independent ratings agency data and regularly updated to reflect any changes

in customer circumstances or trading conditions. Trade receivables are reviewed on a regular basis by the Group's credit control department to ensure debts are recovered in full.

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

Liquidity risk

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

Capital management

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

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

18. Provisions

	£'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**

	£'000
At 1 April 2018	1,374
Utilised during the year	10.243
Released during the year	(153)
At 31 March 2019	11,464

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

	31 March 2020	31 March 2019
	£'000	£'000
Current	**5,898**	1,413
Non-current	**18,959**	10,051
Total	**24,857**	11,464

Provisions include dilapidation provision costs (£21.3m) and other (£3.6m) for the year ended 31 March 2020.

Dilapidation provision represents 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.

Transfers relate to onerous lease provisions which are no longer required under IFRS 16 and have been offset against the right of use asset recognised on transition date.

19. 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[1]	4 513	1 704	-	8 907	296	15 420
Deferred tax liabilities	(35 738)	-	(2 475)	-	(268)	(38 481)
At 31 March 2019[1]	(31 225)	1 704	(2 475)	8 907	28	(23 061)
Charge 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)	5 133	-	-	-	(15 906)
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 assets	5 844	1 908	8 185	-	34	15 971
Deferred tax liabilities	(9 227)	-	(4 926)	-	(196)	(14 349)
At 31 March 2018	(3 383)	1 908	3 259	-	(162)	1 622
Credit to the income statement[1]	5 064	(1 112)	(5 734)	8 907	85	7 210
Recognised in other comprehensive income	-	-	-	-	98	98
Acquired in the year	(32 906)	908	-	-	7	(31 991)
At 31 March 2019[1]	(31 225)	1 704	(2 475)	8 907	28	(23 061)
Deferred tax assets[1]	4 513	1 704	-	8 907	296	15 420
Deferred tax liabilities	(35 738)	-	(2 475)	-	(268)	(38 481)
At 31 March 2019[1]	(31 225)	1 704	(2 475)	8 907	28	(23 061)

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 2020	31 March 2019[1]
	£'000	£'000
Property, plant and equipment	**-**	183
Tax losses	**36,534**	15,965
Interest paid	**9,493**	-
Interest restricted under corporate interest restriction (CIR) carried forward	**17,871**	679
	63,898	16,827

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.

[1]These numbers presented within this note for the year ended 31 March 2019 have been restated in relation to recognizing a deferred tax asset on the impact of business combinations on the corporate interest restriction received by the Group with relation to taxation. This deferred tax asset is recognized to the extent it offsets against deferred tax liabilities created in accounting for business combinations.

The impact of this adjustment is £9.0m on profit for the year and deferred tax assets held on the statement of financial position, as at 31 March 2019.

20. IFRS 16 Leases (Group as a lessee)

(a) IFRS 16 leases at 31 March 2020

The impact of IFRS 16 for the year ended 31 March 2020 increases operating profit by £18.6m, reflecting the removal of IAS 17 operating lease expenses of £106.4m and replacing this with IFRS 16 depreciation of £87.8m. Profit before tax decreases by £5.1m, reflecting the operating profit change together with the IFRS 16 net finance expense of £23.7m. Tax therefore decreases by £1.0m and results in an after tax decrease of £4.1m. Prior year finance lease obligations under IAS 17 have been reclassified to lease liabilities on transition to IFRS 16 and during the year amounts of £46.3m and £55.0m were capitalised to right of use assets and lease liabilities. The depreciation charged on right of use assets on these contracts was £7.8m as well as £3.2m interest expensed to the P&L.

(b) Modifications of leases

In the context of Covid-19 health crisis, the Group has negotiated reductions in fixed and minimum guaranteed rents with its concession grantors without consideration or modification of the other terms of contract. The Group has recognised modification as a decrease of £12.9m to the lease liability and a gain of £0.4m in the income statement.

20. 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
Acquisitions	-	-	-	-
Disposals	(248)	(116)	(26,354)	(26,718)
Impairment	-	-	-	-
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

The group leases several assets including properties, motor vehicles and franchise contracts. The average lease term is 15 years. Included in franchise contracts additions is an amount of £23.3m construction in progress which has been transferred from property, plant and equipment.

Amounts recognised in profit and loss:

	£'000
Depreciation expense of right-of-use assets	95,627
Interest expense on lease liabilities	26,958
Expense relating to short term leases	12,202
Expense relating to variable lease payment	139,382

The total cash outflow for leases amounted to £124.9m.

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

Lease liabilities	Year ended 31 March 2020 £'000
Maturity Analysis	
Year 1	87,703
Year 2	55,256
Year 3	44,823
Year 4	34,104
Year 5	21,349
Onwards	184,978
	428,213

	Year ended 31 March 2020 £'000
Analysed as:	
Non-current	340,510
Current	87,703
	428,213

21. Pension schemes

The Group operates multiple pension schemes on behalf of its employees. Three of these pension schemes are in the UK and post-acquisition of Exterion Media Group a French pension scheme is also included. 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 2020, 1,315 (2019: 1,376) employees were active members of this scheme. The Group makes age-related employer contributions to the scheme. At 31 March 2020 there were 520 members 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 2020, the MRGPS had 5 (2019: 5) active members and the CRPPAS had 4 (2019: 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 17.4 years.

The Group contributed £5,652,000 (2019: £5,025,000) to the schemes. This contribution included £2,264,000 (2019: £2,368,000) to defined benefit schemes and £3,388,000 (2019: £2,657,000) to defined contribution schemes.

Contributions amounting to £113,000 (2019: £27,000) 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.

21. Pension schemes (continued)

The actual return on the two defined benefit pension schemes assets over the period from 1 April 2019 to 31 March 2020 was a loss of £1,262,000 for MRGPS and £396,000 for CRPPAS (gain for the period from 1 April 2018 to 31 March 2019 was £1,146,000 and £382,000 respectively). Each asset class has a quoted market price in an active market, as defined in IFRS 13.

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

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

	31 March 2020	31 March 2019
	£'000	£'000
Present value of funded obligations	**(41,292)**	(42,960)
Fair value of scheme assets	**44,086**	44,586
Surplus in scheme	**2,794**	1,626
Midlands	**277**	833
Capital	**2,517**	793
Total surplus	**2,794**	1,626

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

	31 March 2020	31 March 2019
	£'000	£'000
Current service cost	**(225)**	(203)
Past service cost	**-**	(262)
Interest on obligation	**(1,041)**	(1,066)
Expected return on scheme assets	**1,106**	1,124
Total	**(160)**	(407)
Actual return on scheme assets	**(1,658)**	1,528

21. Pension schemes (continued)

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

	31 March 2020	31 March 2019
	£'000	£'000
Opening defined benefit obligation	42,960	40.752
Current service cost	225	203
Past service cost	-	262
Interest cost	1,041	1 066
Contributions by scheme participants	22	22
Actuarial (gains) / losses	(1,942)	1.769
Benefits paid	(1,014)	(1.114)
Closing defined benefit obligation	41,292	42.960

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

	31 March 2020	31 March 2019
	£'000	£'000
Opening fair value of scheme assets	44,586	41,841
Expected return on assets	1,106	1.124
Actuarial (losses) / gains	(2,764)	404
Contributions by employer	2,264	2.368
Contributions by scheme participants	22	22
Benefits paid	(1,014)	(1.114)
Expenses paid by scheme	(114)	(59)
Closing fair value of scheme assets	44,086	44,586

The total amount recognised in the Group Statement of Comprehensive Income in respect of actuarial losses on assets is £2,764,000 (2019: gain of £404,000) and the amount recognised for actuarial gains on liabilities is £1,942,000 (2019: loss of £1,769,000).

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 £272,000 to its defined benefit pension schemes in 2020 (2019: £254,000).

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

	31 March 2020	31 March 2019
Equities	15.59%	17.61%
Bonds	29.63%	29.33%
Diversified growth funds	46.36%	43.77%
Gilts	7.70%	7.44%
Cash	0.71%	1.85%

21. Pension schemes (continued)

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

	31 March 2020	31 March 2019
Discount rate	**2.35%**	2.45%
Future salary increases	**2.90%**	3.45%
Future pension increases	**3.35%**	3.55%
Inflation assumption	**2.40%**	2.95%

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

The assumed life expectations on retirement age 65 are:

	31 March 2020	31 March 2019
	Number	Number
Retiring today		
Males	**22.1**	22.0
Females	**24.0**	23.9
Retiring in 20 years		
Males	**23.5**	23.4
Females	**25.5**	25.5

Amounts for the current and previous year are as follows:

	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	**(41,292)**	(42,960)	(40,752)	(41,698)	(35,867)
Scheme assets	**44,086**	44,586	41,841	43,090	39,391
	2,794	1,626	1,089	1,392	3,524
Experience adjustments on scheme liabilities	**1,942**	(1,769)	407	(5,306)	1,604
Experience adjustments on scheme assets	**(2,764)**	404	(614)	3,021	(2,739)

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.

21. Pension schemes (continued)

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 £695,000 (2019: increase of £776,000).

An increase in inflation and salary growth assumptions by 0.1% will increase the scheme's liabilities by £226,000 (2019: increase of £269,000).

The French pension scheme relates to a retirement indemnity plan and jubilee awards. This includes employees transferred to subcontractor for which the maximum pension liability has been agreed and the liability is retained with the French subsidiary.

An amount of £6.1m relates to a provision for retirement payments, of which £1.9m relates to transferred employees with agreed pension amounts and £4.2m recorded based on actuarial calculation in compliance with IAS19. According to the French labour law, a company is obliged to pay retirement indemnities on the retirement of permanent employees. Employees, who voluntarily leave or are dismissed, are not entitled to such a payment. The payment depends on the length of Group service at retirement and final salary.

An amount of £0.1m relates to a provision for jubilee awards calculated in line with IAS 19 and based upon actuarial assumptions.

These defined benefit plans are not backed by assets for this respective purpose. Therefore, a provision is recorded for the full obligation.

	31 March 2020
	£'000
Retirement Indemnity plan	**5,963**
Long term service awards	**137**
Present value of unfunded defined benefit obligations	**6,100**

21. Pension schemes (continued)

Movements in present value of defined benefit obligation

	Retirement Indemnity plan 31 March 2020	Long term service awards 31 March 2020	Total 31 March 2020
	£'000	£'000	£'000
Opening defined benefit obligation	6,861	146	7,007
Current service cost	310	4	314
Interest cost	53	1	54
Curtailment	(1,053)	(8)	(1,061)
Actuarial losses	188	0	188
Foreign exchange	(252)	(4)	(256)
Benefits paid	(144)	(2)	(146)
Closing defined benefit obligation	5,963	137	6,100

Expense recognised in the income statement:

	Retirement Indemnity plan 31 March 2020	Long term service awards 31 March 2020	Total 31 March 2020
	£'000	£'000	£'000
Current service cost	(310)	(4)	(314)
Curtailment	1,053	8	1,061
Immediate recognition on gain	-	(0)	(0)
Interest on defined benefit pension plan obligation	(53)	(1)	(54)
Closing defined benefit obligation	690	3	693

The expense is recognised in the following line items in the income statement

GBP

	Retirement Indemnity plan 31 March 2020	Long term service awards 31 March 2020	Total 31 March 2020
	£'000	£'000	£'000
Administrative expenses	743	4	747
Finance expenses	(53)	(1)	(54)
	690	3	693

21. Pension schemes (continued)

Actuarial gains and losses recognised directly in equity in the statement of comprehensive income during the year:

	Retirement Indemnity plan 31 March 2020	Long term service awards 31 March 2020	Total 31 March 2020
	£'000	£'000	£'000
Recognised in the year	188	-	188

Principal actuarial assumptions (expressed as weighted averages) at the year-end were as follows

	Retirement Indemnity plan 31 March 2020	Long term service awards 31 March 2020
Discount rate	0.8%	0.8%

22. Non-controlling interests

	£'000
At 1 April 2019	11,721
Acquisitions during the year	-
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**

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

The disposal of NCI above reflects the derecognition of NCI in the period related to the Festival division, which was sold during the period. The value of NCI held at 31 March 2020 in relation to Festivals is £nil (2019: £9.5m).

23. Share capital

	31 March 2020	31 March 2019
	£	£
Authorised, issued, called up and fully paid		
Ordinary shares of £1	**171,889,147**	171,889,147
	171,889,147	171,889,147

24. Business combinations

During the year, the Group made two acquisitions in the out-of-home ("Outdoor") market.

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

Outdoor acquisitions

Exterion Media Group

The Group diversified into Outdoor during the prior year, making a series of strategic acquisitions into the sector. These acquisitions will allow the Group to further expand its advertising offering to clients and consumers, providing opportunities for vertical integration as well as geographical diversification.

The acquisition of Exterion Media Group was not considered a business combination under IFRS 3 as at the prior year as the CMA served an initial enforcement order (IEO) under section 72(2) of the Enterprise Act 2002 in relation to the completed acquisition, placing significant restrictions on Global's management of the Exterion Media Group business. The CMA cleared the completed acquisition on 16 April 2019, from which date control passed to the Group and the Exterion Media Group businesses fully consolidated.

During the year ended 31 March 2020 Exterion Media Group, as well as the two outdoor businesses acquired in the prior year, form an operating segment and a single cash-generating unit, with separate reporting and discrete financial information assessed by management on a monthly basis.

The fair valuation of the acquired assets and liabilities remained in progress as at the 31 March 2019, as permitted within the measurement period under IFRS 3, however has been finalised at the current reporting date. The fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill for Exterion Media Group is listed below:

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.

24. Business combinations (continued)

	Semper Veritas Holding S.a.r.l £'000	Business 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 have been charged to administration expenses in the Income Statement for the year ended 31 March 2020 relating to the Exterion Media Group and are not recognised within consideration.

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

The difference between the £428.1m cash investment held at 31 March 2019 compared to the fair value consideration paid of £161.1m was the settlement of existing external liabilities. The de-recognition of the investment balances held in prior period due to the CMA approval process is detailed further in note 13.

Since the acquisition dates, the acquired entities have contributed £389.2m to the Group's revenue and £7m to operating loss. If the acquisitions had occurred on 1 April 2019, the acquired entities would have contributed £406.9m to the Group's revenue and £7m to operating loss.

Prior year acquisitions

During the prior period the Group acquired 100% of the issued share capital of the Outdoor Plus and Primesight groups. The acquisition consideration was disclosed in the financial statements for the period ended 31 March 2019, however at this date the IFRS 3 measurement period of one-year post acquisition had not lapsed therefore the valuation attributed to the fair value of tangible and intangible assets was not finalised. As this period has now been reached, in accordance with IFRS 3 the prior year has been restated for the finalised fair value of acquired assets, impacting the fair value attributed to both tangible and intangible assets.

This restatement has resulted in a reduction of acquired net assets of £1.2m and an increase to goodwill of £1.2m.

No other revisions have been made in relation to these revisions.

25. Disposals

The disposal of the Festivals operations was finalised during the period with the final disposal being completed in September 2019. The consideration, including estimated working capital was £47.3m, with £47.1m received in cash and £0.2m of deferred consideration receivable in 20/21 financial year which has subsequently been received by the group post balance sheet date. The operations have been disclosed as discontinuing operations in the year with the prior period being restated.

The group recognised a loss on disposal of £1.4m with the contribution from the disposed operations in the current period contributing £2.5m pre-tax loss to the Group operations in the year. The tax charge in the year relating to the discontinued operations is £0.2m therefore resulting in a £2.3m post tax loss contribution.

26. 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 1st 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. The C, D, E, F and G 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 shares.

On 10 December 2019, the company acquired 70% of the D shares and 70% of the G shares for market value. The unacquired shares remain with the directors and senior managers as "hanging shares" with no sale rights.

The number of C, D, E and F shares issued in 2015 and G shares issued in 2017 and outstanding at 31 March 2020 was 254,545 (31 March 2019: 421,150).

The EBITDA used to determine the value of the C, D E, F and G 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 £7,266,000 (2019: £4,835,000).

Share-based payment liability

The Scheme requires the Group to pay the intrinsic value of these share-based payments to the employee at the date of exercise. The liability is re-valued at each reporting date and settlement date with any changes to fair value being recognised in the profit and loss account. The Group has recorded liabilities in respect of unvested grants of £5,651,000 (2019: £14,306,000).

27. Commitments and contingencies

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

	Year ended 31 March 2020	Year ended 31 March 2019
	£'000	£'000
Land and buildings		
Within one year	**57**	7,539
Between two and five years	-	21,479
After five years	-	38,921
	57	67,939

	Year ended 31 March 2020	Year ended 31 March 2019
	£'000	£'000
Vehicles and equipment		
Within one year	**63**	1,236
Between two and five years	**1**	673
After five years	-	-
	64	1,909

	Year ended 31 March 2020	Year ended 31 March 2019
	£'000	£'000
Franchise Fee Commitments		
Within one year	**2,460**	42,101
Between two and five years	-	120,426
After five years	-	199,188
	2,460	361,715

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

The significant decrease in the year is due to the application of IFRS 16 from 1 April 2019 and the recognition of lease liabilities. Please see note 20 within these financial statements. Remaining balances relate to those leases which are out of the scope of IFRS 16.

28. Related party transactions

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

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

During the year, the Company was charged £1,335,334 (2019: £1,299,598) in respect of digital radio services by CE Digital Limited, an associated undertaking of the Group, of which £nil was outstanding at 31 March 2020 (2019: £nil). The Company received £286,991 (2019: £399,025) in respect of legal expertise and engineering time from CE Digital Limited.

28. Related party transactions (continued)

Digital Radio Group (London) Limited, an associated undertaking of the Group, operates a digital radio multiplex and during the year the Company paid £136,123 (2019: £94,074) to this company for transmission services. The Company had an outstanding balance owing of £nil at 31 March 2020 (2019: £nil).

Now Digital East Midlands Limited, an associate of the Group, operates digital radio multiplexes and during the year the Company paid £1,069,873 (2019: £1,038,834) to this company for transmission services. The Company had an outstanding creditor of £nil at 31 March 2020 (2019: £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 £1,737,928 (2019: £1,724,478) in levies to Radio Centre Limited and had an outstanding balance of £nil at 31 March 2020 (2019: £nil).

Global Radio Services Limited also provides contract accounting services for which it charged £41,142 for the year ended 31 March 2020 (2019: £40,138) 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 2020 amounted to £3,535,784 (2019: £3,459,067). At the financial year end the net balance due to Independent Radio News Limited at 31 March 2020 was £1,409,173 (2019: £1,390,475).

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 2020 the outstanding debtor was £288,909 (2019: £123,915).

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

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

29. Immediate and ultimate parent company

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

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

30. Guarantees, financial commitments and contingent liabilities

Guarantees

The Company will guarantee the debts and liabilities of certain of its UK subsidiaries at the reporting date in accordance with section 479A of the Companies Act 2006. The Company has assessed the probability of loss under these guarantees as remote and the full list of subsidiaries is disclosed within note 3 of the Company financial statements.

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 £96m (2019: £104.5m).

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

31. Events after the Balance Sheet date

IFRS 16

Post year-end due to the Covid 19 situation the Group continued to negotiate with lessors to obtain further extension on waivers of minimum gurantees of Franchise fees.

Covid-19

Due to the Covid-19 pandemic the Group benefited from the government's job retention scheme to help meet the cost of furloughed roles throughout the group which should generate savings up to 31 August 2020.

In April a formal agreement was reached with the lending syndicate of banks providing external borrowing facilities to remove covenants for a period of 12 months. In October further agreement was reached with the lending facilities in regards to relaxing covenant requirements until September 2020.

Note 1.j Going Concern has further details on the steps that the Directors have taken post year end in regards to responding to the Covid-19 pandemic.

The Directors note the national lockdown from 4 November 2020, and do not believe it changes the assessment as to the going concern assessment.

Carrying value of intangible assets including Goodwill

The Directors continue to closely monitor the future forecasts of the business due to the Covid-19 situation. In regards to the assumptions used in any future impairment tests it is too early to determine whether there would be an impact on the carrying value of the intangible assets.

Appendix to the consolidated financial statements for the year ended 31 March 2020

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, depreciation, amortisation and non-recurring items).

A reconciliation between the statutory measure 'operating profit' to the alternative measure 'EBITDA' is shown below, covering all Group operations (both continuing and discontinued). The impact of discontinued EBITDA can be referred to in note 2 of the consolidated financial statements:

	Note	**Year ended 31 March 2020 £'000**	Year ended 31 March 2019 £'000
Operating (loss) / profit (continuing operations)		**(159,543)**	49 301
Operating loss (discontinued operations)		**(2,509)**	(6,959)
Depreciation of property, plant and equipment	11	**23,922**	11,543
Amortisation of intangibles	10	**36,926**	25 058
Depreciation on IFRS 16 right of use assets	20	**95,627**	-
EBITDA		**(5,577)**	78,943
Movement in fair value of put options		**-**	(962)
Other operating expenses		**260,493**	39,227
Adjusted EBITDA		**254,916**	117,208

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

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

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

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

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

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

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

Non recurring costs	Year ended 31 March 2020	Year ended 31 March 2019
	£'000	£'000
Group: Exceptional costs	**-**	25,419
Festivals: Exceptional costs	**852**	1,705
Radio: Exceptional costs	**14,296**	11,747
Outdoor: Exceptional costs	**245,345**	356
	260,493	39,227

Significant non-recurring items within the radio operating segment include costs of acquisition, integration costs related to the recent Outdoor acquisitions and of the regional restructure. Non-recurring costs within the Outdoor operating segment include the impairment of franchise fees and goodwill (as discussed in note 10), integration related costs as well as the write back of liabilities transferred to other Group entities in the year. Festivals non-recurring costs include professional costs associated with disposals made in the year, including the disposal of put options.

Company Statement of Financial Position

At 31 March 2020

Company number 06251684

	Note	31 March 2020 £'000	31 March 2019 £'000
Fixed assets			
Investments	3	**499,507**	92,581
		499,507	92,581
Current assets			
Trade and other receivables	4	**822,742**	1,289,837
Cash		**15**	26
		822,757	1,289,863
Trade and other payables	5	**(269,040)**	(71,229)
Net current assets		**553,717**	1,218,634
Total assets less current liabilities		**1,053,224**	1,311,215
Trade and other payables	5	**(1,485,942)**	(1,552,491)
Net liabilities		**(432,718)**	(241,276)
Equity			
Share capital	6	**171,889**	171,889
Retained deficit		**(604,607)**	(413,165)
		(432,718)	(241,276)

The Company's loss for the year was £191.4m (2019: profit of £38.2m).

The notes on pages 86 to 94 form part of these financial statements.

The financial statements were approved and authorised for issue by the board of Directors on 5 November 2020 and were signed on its behalf by:

D. Singer

D.D. Singer
Director
5 November 2020

Company Statement of Changes in Equity
For the year ended 31 March 2020

	Share capital (note 6) £'000	Retained deficit £'000	Total equity £'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)

	Share capital (note 6) £'000	Retained deficit £'000	Total equity £'000
At 1 April 2018	171,889	(451,325)	(279,436)
Profit for the year	-	38,160	38,160
At 31 March 2019	171,889	(413,165)	(241,276)

The notes on pages 86 to 94 form part of these financial statements.

Notes to the Company 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 5 November 2020.

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 Statement of Financial Position at cost less amounts written-off, representing impairment in value, which has been recorded at fair value. Impairment charges are recorded if events or changes in circumstances indicate that the carrying value may not be recoverable.

Notes to the Company Financial Statements

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	1h
Critical accounting estimates and judgements	Critical accounting estimates and judgements	1i
Debtors	Trade and other receivables	1q
Cash	Cash	1r
Share capital	Share capital	1s
Creditors	Trade and other payables	1t
Interest receivable and similar income	Finance income and expense	1v
Interest payable and similar expense	Finance income and expense	1v
Financial instruments	Financial instruments	1w
Current and deferred tax	Current and deferred tax	1x
Revenue recognition	Revenue recognition	1bb
Fair value measurement	Fair value measurement	1dd

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 2019	92,581
Additions	657,559
Impairment	(250,633)
At 31 March 2020	**499,507**

During the year ended 31 March 2020 the Company acquired 100% of the shares in Bell Holdco Limited, a subsidiary within the Group, from Global Radio Services Limited, another Group entity for £143,666,000 in exchange for intercompany loans.

During the same period the Company acquired 257,416,000 ordinary £1 shares in an existing subsidiary, Global Radio Acquisitions Limited in exchange for intercompany loans.

Additionally, the Company acquired shares in Global Radio Holdings Limited from Global Radio Acquisitions Limited, both of which are subsidiaries of the Group, for £256,477,000 in exchange for intercompany loans. Following this, Global Radio Holdings is now wholly owned by the Company.

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

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
Arrow Digital Limited	United Kingdom	100
Atlantic Broadcasting Limited*	United Kingdom	100
Audio HQ LLC	United States of America	65
Beat FM Limited	United Kingdom	100
Bell Bidco Limited*	United Kingdom	100
Bell Intermediate Limited*	United Kingdom	100
Buzz FM Limited	United Kingdom	100
Cambridge and Newmarket FM Radio Limited	United Kingdom	100
Capital (CDWM) Limited	United Kingdom	100
Capital Gold Hampshire Limited	United Kingdom	100
Capital Gold Kent Limited	United Kingdom	100
Capital Gold Manchester Limited*	United Kingdom	100
Capital Gold Sussex Limited	United Kingdom	100
Capital Interactive Limited	United Kingdom	100
Capital Online Limited	United Kingdom	100
Capital Radio (London) Limited	United Kingdom	100
Capital Radio Investments Limited*	United Kingdom	100
Capital Radio Limited	United Kingdom	100
Capital Radio Restaurants Group Limited	United Kingdom	100
Capital Radio Restaurants Limited	United Kingdom	100
Capital Radio Telstar Entertainment Direct Limited	United Kingdom	100
Capital Radio Trustee Limited	United Kingdom	100
Capital Television Limited	United Kingdom	100
Capital Xtra Limited*	United Kingdom	100
Castleform Limited	United Kingdom	100
Central European Broadcasting Limited	United Kingdom	100
Champion FM Limited	United Kingdom	100
Cheerdale Limited	United Kingdom	100
Chill Radio Limited*	United Kingdom	100
Chiltern Radio Limited*	United Kingdom	100
Choice FM London Limited	United Kingdom	100
Choice FM North London Limited	United Kingdom	100
Classic FM BV	Netherlands	100
Classic FM Limited*	United Kingdom	100
Continental Angel Limited	United Kingdom	100
Core Digital Radio Limited	United Kingdom	100
Cotswold Broadcasting Company Limited	United Kingdom	100
DAX US Inc.	United States of America	100
Deansgate 1001 Limited	United Kingdom	100
Deltrack Limited*	United Kingdom	100
Devonair Radio Limited	United Kingdom	100
Digital Audio Exchange Limited*	United Kingdom	100
Digital News Network Limited	United Kingdom	100
DQ Radio Services Limited*	United Kingdom	100
East Anglian Radio Limited	United Kingdom	100
Ecast Ventures Limited	United Kingdom	100

* 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. See note 30 of the consolidated financial statements.

** 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
Essex Radio Limited*	United Kingdom	100
Expressway Limited	United Kingdom	100
Falcon Outdoor (North) Limited*	United Kingdom	100
First Oxfordshire Radio Company Limited*	United Kingdom	100
Galaxy Radio Birmingham Limited*	United Kingdom	100
Galaxy Radio Limited	United Kingdom	100
Galaxy Radio Manchester Limited*	United Kingdom	100
Galaxy Radio North East Limited*	United Kingdom	100
Galaxy Radio Yorkshire Limited*	United Kingdom	100
GCap Media (CRUD) Limited	United Kingdom	100
GCap Media (FPRL) Limited	United Kingdom	100
GCap Media (The Jazz) Limited	United Kingdom	100
GCap Media Limited	United Kingdom	100
Gemini Radio Limited*	United Kingdom	100
Global Live Limited*	United Kingdom	100
Global Media Group Services Limited	United Kingdom	100
Global Media Ventures Limited**	United Kingdom	100
Global Music Television Limited* **	United Kingdom	100
Global Outdoor Media Limited (formerly Exterion Media (UK) Limited)	United Kingdom	100
Global Outdoor Media Holdings Limited* **	United Kingdom	100
Global Radio (AM) Limited*	United Kingdom	100
Global Radio Acquisitions Limited* **	United Kingdom	100
Global Radio Digital Limited	United Kingdom	100
Global Radio Hampshire Limited*	United Kingdom	100
Global Radio Holdings Limited* **	United Kingdom	100
Global Radio Limited*	United Kingdom	100
Global Radio London Limited*	United Kingdom	100
Global Radio Media Management Limited*	United Kingdom	100
Global Radio Midlands Limited*	United Kingdom	100
Global Radio Northwest Limited*	United Kingdom	100
Global Radio Publishing Limited*	United Kingdom	100
Global Radio Services Limited	United Kingdom	100
Global Radio UK Limited **	United Kingdom	100
GM Radio News (UK) Limited	United Kingdom	55
GM&E GmbH	Germany	100
GM&E Sarl	France	100
GMG Radio Limited	United Kingdom	100
GWR (Local Area) Limited	United Kingdom	100
GWR (Trustee Company) Limited	United Kingdom	100
GWR (West) Limited*	United Kingdom	100
GWR East Holdings Limited*	United Kingdom	100
GWR Group Limited*	United Kingdom	100
GWR Hungary (Investments) Limited	United Kingdom	100
GWR International Investments Limited	United Kingdom	100
GWR International Limited	United Kingdom	100
GWR New Zealand Licences Limited	New Zealand	100
GWR New Zealand Limited	New Zealand	100

* 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. See note 30 of the consolidated financial statements.

** 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
GWR Radio (South East) Limited*	United Kingdom	100
GWR Radio Limited	United Kingdom	100
Harlow FM Limited	United Kingdom	99.8
Healthbuild Limited	United Kingdom	100
Heart 106 FM Limited	United Kingdom	100
Heart Radio Limited	United Kingdom	100
Heart TV Limited	United Kingdom	100
Hereward Radio Limited	United Kingdom	100
Hit 40 UK Limited	United Kingdom	100
Hopstar Limited*	United Kingdom	100
Independent Radio News Limited	United Kingdom	55
Industrial Curation Limited	United Kingdom	55.5
Investors in Radio Limited	United Kingdom	100
Invicta Concerts and Promotions Limited	United Kingdom	100
Jams of London Limited	United Kingdom	100
Juice Holdco Limited*	United Kingdom	100
Lancashire Broadcasting Company Limited*	United Kingdom	100
Lantern Radio Limited	United Kingdom	99
LBC 1152 Limited	United Kingdom	100
LBC Radio Limited*	United Kingdom	100
DAX Digital Audio Exchange Inc	Canada	100
Leicester Sound Limited*	United Kingdom	100
Lite Spaces Limited*	United Kingdom	100
Livetime Limited	United Kingdom	100
Marcher Radio Group Limited*	United Kingdom	100
Maxx Outdoor Limited*	United Kingdom	100
Mid Anglia Radio Limited*	United Kingdom	100
Mwah Mwah Limited	United Kingdom	100
My Kinda Bath Limited	United Kingdom	100
My Kinda Shacks Limited	United Kingdom	100
My Kinda Square Limited	United Kingdom	100
Neal Street Blues Limited	United Kingdom	100
Ocean FM Limited	United Kingdom	100
Orchard FM Limited*	United Kingdom	100
Orchard Media Limited	United Kingdom	100
Outdoor Plus Limited*	United Kingdom	100
Oval (709) Limited	United Kingdom	100
Plymouth Sound Limited*	United Kingdom	100
Power FM Limited	United Kingdom	100
Prestfold Limited	United Kingdom	100
Primesight Airport Advertising Limited	United Kingdom	100
Primesight Airports Limited	United Kingdom	100
Primesight Billboards Limited*	United Kingdom	100
Primesight Communications Limited	United Kingdom	100
Primesight Intermediate Holdco Limited*	United Kingdom	100
Primesight Limited	United Kingdom	100
Prock Licence (NTLRSL) Limited	United Kingdom	100

* Exemption from Audit by Parent Guarantee – Entities' debts and liabilities are guaranteed by the Company at the reporting date in accordance with section 479A of the Companies Act 2006. See note 30 of the consolidated financial statements.

** 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
Project Iconic Bidco Limited*	United Kingdom	100
Project Iconic Holdings Limited*	United Kingdom	100
Project Iconic Midco Limited*	United Kingdom	100
Radio Broadland Limited*	United Kingdom	100
Radio Invicta Limited*	United Kingdom	100
Radio Mercury Limited*	United Kingdom	100
Radio Orwell Limited	United Kingdom	100
Radio South Limited*	United Kingdom	100
Radio Trent Limited*	United Kingdom	100
Ram FM Limited	United Kingdom	100
Real and Smooth Limited*	United Kingdom	100
Real Radio (North East) Limited*	United Kingdom	100
Real Radio (North West) Limited*	United Kingdom	100
Real Radio (Scotland) Limited*	United Kingdom	100
Real Radio Limited*	United Kingdom	100
Riviera Radio Limited	United Kingdom	100
Rock Radio Limited	United Kingdom	100
Saxon Radio Limited	United Kingdom	100
Scott Place 1002 Limited	United Kingdom	100
Scott Place 1003 Limited	United Kingdom	100
Scott Place 1004 Limited	United Kingdom	100
Smooth Digital Radio Limited	United Kingdom	100
Smooth Radio Investments Limited*	United Kingdom	100
Smooth Radio London Limited*	United Kingdom	100
Smooth Radio Scotland Limited*	United Kingdom	100
Smooth Radio West Midlands Limited*	United Kingdom	100
South Hams Radio Limited	United Kingdom	87 1
Southern Radio Group Limited*	United Kingdom	100
Southern Radio Limited*	United Kingdom	100
Storm (GWR) Limited	United Kingdom	100
Storm Broadcasting Limited	United Kingdom	100
Suffolk Group Radio Limited*	United Kingdom	100
Tainside Limited*	United Kingdom	100
Thames Valley Broadcasting Group Limited	United Kingdom	100
Thames Valley Broadcasting Limited*	United Kingdom	100
Thamesquote Limited*	United Kingdom	100
The Digital Radio Group (Investments) Limited*	United Kingdom	100
The Digital Radio Group Limited*	United Kingdom	100
The Milton Keynes Broadcasting Company Limited	United Kingdom	100
The Northamptonshire Broadcasting Company Limited	United Kingdom	100
The Storm (Digital Radio) Limited	United Kingdom	100
This is Global Limited	United Kingdom	100
TS Holdings Limited	United Kingdom	100
Two Counties Radio Limited*	United Kingdom	100
Vibe FM Limited	United Kingdom	100
We the Unicorns Limited*	United Kingdom	100
Welovelocal.com Limited*	United Kingdom	100

* Exemption from Audit by Parent Guarantee – Entities' debts and liabilities are guaranteed by the Company at the reporting date in accordance with section 479A of the Companies Act 2006. See note 30 of the consolidated financial statements.

** 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
West Country Broadcasting Limited	United Kingdom	100
Westward Radio Limited	United Kingdom	100
Westward Television Limited	United Kingdom	100
Wiltshire Radio Limited*	United Kingdom	100
Wirral FM Limited	United Kingdom	100
Xfm Limited*	United Kingdom	100
Xfm Manchester Limited*	United Kingdom	100
Pop buzz Limited*	United Kingdom	100
Exterion Media (UK) Limited (formerly Global Outdoor Media Limited)	United Kingdom	100
Global Newco One Limited	United Kingdom	100
Global Newco Two Limited	United Kingdom	100
Doubleplay I Limited*	United Kingdom	100
Doubleplay II Limited*	United Kingdom	100
Doubleplay III Limited*	United Kingdom	100
Exterion Group Holdings Limited	Cayman Islands	100
Exterion Holdings (BVI) Limited	British Virgin Islands	100
Exterion Holdings (France) SAS	France	100
Exterion Holdings (HK) Limited	Hong Kong	100
Exterion Holdings (UK) Limited*	United Kingdom	100
Exterion Holdings I (Netherlands) B.V	Netherlands	100
Exterion Holdings II (Netherlands) B V	Netherlands	100
Exterion Leasing (BDA) Limited	Bermuda	100
Exterion Leasing (UK) Limited*	United Kingdom	100
Exterion Limited*	United Kingdom	100
Exterion Media (France) SA	France	100
Exterion Media (Ireland) Limited	Ireland	100
Exterion Media (Netherlands) B V	Netherlands	100
Exterion Media Holdings Limited*	United Kingdom	100
Exterion Media Spain S.A.U	Spain	100
Exterion Partner (BDA) GP	Bermuda	100

* Exemption from Audit by Parent Guarantee – Entities' debts and liabilities are guaranteed by the Company at the reporting date in accordance with section 479A of the Companies Act 2006. See note 30 of the consolidated financial statements.

** 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	138 Millard Avenue New York 10708
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
Classic FM BV	Naarderpoort 2, 1411MA Naarden The Netherlands
Continental Angel Limited	7th Floor Lacon House 84 Theobalds Road, London, United Kingdom WC1X 8NL
DAX US Inc	874 Walker Road, Suice C City of Dover County of Kent, Delaware 1990430
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
Leanstream Inc	2800 Park Place, 666 Burrard Street, Vancouver, BC V6C 2Z7
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
Doubleplay I Limited*	7th Floor, Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
Doubleplay II Limited*	7th Floor Lacon House, 84 Theobalds Road, London, United Kingdom, WC1X 8NL
Doubleplay 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, K11104, Cayman Islands
Exterion Holdings (BVI) Limited	2/F Palm Grove House, P O Box 3340 Road Town, Tortola, British Virgin Islands
Exterion Holdings (France) SAS	3 Espl du Foncet, 92130 Issy-les-Moulineaux, France
Exterion Holdings (HK) Limited	Level 54, Hopewell Center, 183 Queen's Road East, Hong Kong
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 (France) SA	3 Espl. du Foncet, 92130 Issy-les-Moulineaux, France
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 Fuenfría, 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. Trade and other receivables

	31 March 2020	31 March 2019
	£'000	£'000
Loans to subsidiaries	822,742	367,313
Amounts owed by group undertakings		922,524
Deferred tax asset	-	-
	822,742	1,289,837

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. Trade and other payables

Current

	31 March 2020	31 March 2019
	£'000	£'000
Bank loans and overdrafts	45,000	35,000
Accrued interest	24,027	29,225
Amounts owed to group undertakings	177,640	4,529
Deferred tax liabilities	22,373	2,475
	269,040	71,229

Non-current

	31 March 2020	31 March 2019
	£'000	£'000
Bank loans	359,678	301,407
Other loans	1,126,264	1,251,084
	1,485,942	1,552,491

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. Share capital

	31 March 2020	31 March 2019
	£	£
Authorised, issued, called up and fully paid		
Ordinary shares of £1	171,889,147	171,889,147
	171,889,147	171,889,147

7. Related party transactions

As disclosed in note 28 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.

8. 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.

9. Events after the reporting period

Please refer to note 31 of the Group accounts.