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**GLOBAL RADIO LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2014**

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**GLOBAL RADIO LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

Lord Allen of Kensington  
MD Connole  
SG Miron  
RFJ Park  
AD Tabor

**COMPANY SECRETARY**

CR Potterell

**REGISTERED NUMBER**

00923454

**REGISTERED OFFICE**

30 Leicester Square  
London  
WC2H 7LA

**INDEPENDENT AUDITOR**

Deloitte LLP  
Statutory Auditor & Chartered Accountants  
2 New Street Square  
London  
EC4A 3BZ

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## GLOBAL RADIO LIMITED

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## GLOBAL RADIO LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2014

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The Directors present their Annual report for the Company.

#### **BUSINESS REVIEW**

Turnover for the year ended 31 March 2014 amounted to £21,003,000 (2013: £25,000,000) and the Company made a profit for the year before tax of £10,000 (2013: £69,259,000). Turnover fell year on year in tough market conditions. The Company had net assets at the end of the year of £342,741,000 (2013: £348,885,000). The directors expect the general level of activity to continue at current levels.

On 31 March 2014, the Company disposed of its investments in two 100% subsidiary companies, Cardiff Broadcasting Company Limited and Galaxy Radio Scotland Limited. This disposal was the result of the divestment requirements of the Competition Commission to allow the Group to acquire the Real and Smooth Limited Group. The carrying value of these investments was £4,869,000. Proceeds were £1,595,000 of which £725,000 was deferred. The initial £870,000 was received just after the year end. The loss on disposal recognised in the Profit and loss account is £3,274,000.

The consideration is recognised as a debtor with Global Radio Services Ltd (note 12), which collects debtors on behalf of the Company under an agency agreement (note 3). On completion, shortly after year end, £850,000 of the consideration was received by Global Radio Services Ltd, £745,000 is deferred and payable over three years.

On 31 March 2014 the Company sold two of its subsidiaries, Cardiff Broadcasting Company Limited and Galaxy Radio Scotland Limited, as part of the remedies agreed with the Competition Commission on the Group's acquisition of Real and Smooth Limited.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

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

##### **Liquidity risk**

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

##### **Market Risk**

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

##### **Interest rate risk**

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

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## GLOBAL RADIO LIMITED

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### STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2014

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#### FINANCIAL KEY PERFORMANCE INDICATORS

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

This report was approved by the board on 25 July 2014 and signed on its behalf.

MD Connoles  
Director



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## GLOBAL RADIO LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

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

#### RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £3,993,000 (2013 - profit £65,028,000).

There were no dividends paid or proposed during the year (2013: £nil).

#### DIRECTORS

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

Lord Allen of Kensington  
MD Connole  
SG Miron  
RFJ Park  
AD Tabor

#### POLITICAL CONTRIBUTIONS

The Company made no political donations or incurred any political expenditure during the year (2013: £nil). During the year the Company made charitable donations of £20 (2013: £Nil).

#### GOING CONCERN

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

#### FINANCIAL INSTRUMENTS

The liquidity and interest rate risks faced by the Company are discussed in the Strategic Report.

##### Interest rate risk

The Group borrows at both fixed and floating rates of interest. In the current economic climate, where the Bank of England base rate and LIBOR are both at historic low points and have remained at such low levels for a number of months, the Directors do not believe that a clear economic benefit does exist for the use of interest rate hedge instruments to fix floating rate liabilities, because fixed rates are significantly higher than prevailing floating rates and would significantly increase the Group's annual interest expense. The Directors continue to monitor this position closely.

##### Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and loan notes. Short-term flexibility is achieved by working capital facilities if required.

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**GLOBAL RADIO LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2014**

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**QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

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

**MATTERS COVERED IN THE STRATEGIC REPORT**

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

**DISCLOSURE OF INFORMATION TO AUDITOR**

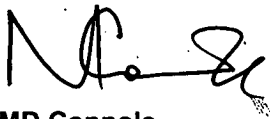
Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

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

**AUDITOR**

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

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



**MD Connole  
Director**

Date: 25 July 2014

30 Leicester Square  
London  
WC2H 7LA

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## GLOBAL RADIO LIMITED

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### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2014**

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The Directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

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

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## GLOBAL RADIO LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL RADIO LIMITED

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We have audited the financial statements of Global Radio Limited for the year ended 31 March 2014, set out on pages 7 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report and the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

*N. R. Lee-Amies*

Mark Lee-Amies (Senior Statutory Auditor)  
for and on behalf of  
**Deloitte LLP**  
Statutory Auditor  
& Chartered Accountants  
2 New Street Square  
London  
EC4A 3BZ

25 July 2014

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GLOBAL RADIO LIMITED

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PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2014

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	Note	2014 £000	2013 £000
<b>TURNOVER</b>	1,2	<b>21,003</b>	<b>25,000</b>
Operating charges		<b>(29,929)</b>	<b>(16,117)</b>
<b>OPERATING (LOSS)/PROFIT</b>	4	<b>(8,926)</b>	<b>8,883</b>
Income from fixed asset investments		<b>1,588</b>	<b>51,598</b>
Loss on disposal of investments	5	<b>(3,274)</b>	-
Interest receivable and similar income	8	<b>10,625</b>	<b>8,668</b>
Other finance income	9	<b>(3)</b>	<b>110</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>10</b>	<b>69,259</b>
Tax on profit on ordinary activities	10	<b>(4,003)</b>	<b>(4,231)</b>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b>(3,993)</b>	<b>65,028</b>

All amounts relate to continuing operations.

The notes on pages 10 to 24 form part of these financial statements.

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GLOBAL RADIO LIMITED

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STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 MARCH 2014

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	Note	2014 £000	2013 £000
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b>(3,993)</b>	<b>65,028</b>
Actuarial loss related to pension scheme	20	(180)	(1,237)
(Decrease)/increase in pension surplus not recognised	20	(1,971)	285
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>		<b>(6,144)</b>	<b>64,076</b>

The notes on pages 10 to 24 form part of these financial statements.

**GLOBAL RADIO LIMITED**  
**REGISTERED NUMBER: 00923454**

**BALANCE SHEET**  
**AS AT 31 MARCH 2014**

	Note	2014 £000	2013 £000
<b>FIXED ASSETS</b>			
Tangible assets	11	3,014	3,402
Investments	12	161,443	166,312
		<u>164,457</u>	<u>169,714</u>
<b>CURRENT ASSETS</b>			
Debtors	13	178,284	179,186
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>342,741</u>	<u>348,900</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax	14	-	(15)
<b>NET ASSETS</b>		<u><u>342,741</u></u>	<u><u>348,885</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	4,162	4,162
Share premium account	16	79,043	79,043
Revaluation reserve	16	429	429
Merger reserve	16	107,128	107,128
Profit and loss account	16	151,979	158,123
<b>SHAREHOLDERS' FUNDS</b>	17	<u><u>342,741</u></u>	<u><u>348,885</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 July 2014.



**MD Connoles**  
**Director**

The notes on pages 10 to 24 form part of these financial statements.

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## GLOBAL RADIO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings and in accordance with applicable accounting standards. They have been applied consistently throughout the current and prior year.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

##### 1.2 Going concern

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

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

##### 1.3 Cash flow

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

##### 1.4 Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Radio airtime revenue generated by the sale of advertising space is recognised on the date of broadcast. Sponsorship and internet revenue are recognised evenly over the life of the contract in accordance with specific contract terms if applicable. Revenue for the production of advertisements is recognised on the date of release to the client. Enterprise revenue relating to events is recognised upon agreed settlement with all related parties and CD revenue is recognised on date of sale. Revenue on barter transactions is recognised only when the goods or services being exchanged are of a dissimilar nature.

##### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short-Term Leasehold Property	-	over the term of the lease, or where the lease is renewable, 5% per annum
Fixtures & fittings	-	10%-20% per annum

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## GLOBAL RADIO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.6 Revaluation of tangible fixed assets

As permitted by the transitional provisions of FRS 15, the Company has elected not to adopt a policy of revaluation of tangible fixed assets. The Company will retain the book value of land and buildings, previously revalued at 1 January 1992 and will not update that valuation.

##### 1.7 Investments

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

##### 1.8 Operating leases

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

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

##### 1.9 Taxation

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

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

#### 2. TURNOVER

The whole of the turnover is attributable to the operation in the London area of the independent radio licence for 95.8 Capital FM and Gold.

All turnover arose within the United Kingdom.

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## GLOBAL RADIO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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#### 3. AGENCY AGREEMENT

Global Radio Services Limited, a subsidiary of Global Radio Limited, provided personnel and other services to the Company. The amounts included in 'operating charges' contain a charge for these services of £3,933,428 (2013: £4,488,907).

#### 4. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	2014 £000	2013 £000
Depreciation of tangible fixed assets:		
- owned by the Company	389	389
Operating lease rentals:		
- other operating leases	1,162	1,050
Provision against investments	17,215	-
	<u>17,215</u>	<u>-</u>

In June 2013, as part of a capital restructuring, the Company subscribed for shares in Galaxy Radio Scotland Limited, Tainside Limited and Capital Gold Manchester Limited and Xfm Manchester Limited at a total cost of £17,215,000. These were all subsequently fully impaired as in the Directors opinion there was insufficient value in the investments to sustain the value of the investments. Galaxy Radio Scotland Limited was subsequently disposed of on 31 March 2014.

Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed, as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, This is Global Limited.

The audit fee in respect of the Company was £1,000 (2013: £1,000).

#### 5. LOSS ON DISPOSAL OF INVESTMENTS

On 31 March 2014, the Company disposed of its investments in two 100% subsidiary companies, Cardiff Broadcasting Company Limited and Galaxy Radio Scotland Limited. This disposal was the result of the divestment requirements of the Competition Commission to allow the Group to acquire the Real and Smooth Limited Group. The carrying value of these investments was £4,869,000. Proceeds were £1,595,000 of which £725,000 was deferred. The initial £870,000 was received just after the year end. The loss on disposal recognised in the Profit and loss account is £3,274,000.

#### 6. STAFF COSTS

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

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**GLOBAL RADIO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

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**7. DIRECTORS' REMUNERATION**

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

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

**8. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Interest receivable from group undertakings	<b>10,578</b>	<b>8,668</b>
Other interest receivable	<b>47</b>	<b>-</b>
	<hr/> <b>10,625</b> <hr/>	<hr/> <b>8,668</b> <hr/>

**9. OTHER FINANCE INCOME /(COSTS)**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Expected return on pension scheme assets	<b>688</b>	<b>(735)</b>
Interest on pension scheme liabilities	<b>(691)</b>	<b>625</b>
	<hr/> <b>(3)</b> <hr/>	<hr/> <b>(110)</b> <hr/>

GLOBAL RADIO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

10. TAXATION

	2014 £000	2013 £000
<b>Analysis of tax charge in the year</b>		
<b>Current tax (see below)</b>		
UK corporation tax charge on profit for the year	4,221	4,186
Adjustments in respect of prior periods	-	(2)
<b>Total current tax</b>	<b>4,221</b>	<b>4,184</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(218)	46
Adjustments relating to prior years	-	1
<b>Total deferred tax (see note 14)</b>	<b>(218)</b>	<b>47</b>
<b>Tax on profit on ordinary activities</b>	<b>4,003</b>	<b>4,231</b>

**Factors affecting tax charge for the year**

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

	2014 £000	2013 £000
Profit on ordinary activities before tax	10	69,259
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 - 24%)	2	16,622
<b>Effects of:</b>		
Provisions against investments	3,959	102
Expenses not deductible for tax purposes	99	89
Capital allowances for year in excess of depreciation	89	(8)
Adjustments to tax charge in respect of prior periods	-	(2)
Increase in pension fund prepayment leading to a decrease in tax	-	(235)
Movements in respect of defined benefit pension scheme	(316)	-
Loss on disposal of investments	753	-
Dividends from UK companies	(365)	(12,384)
<b>Current tax charge for the year (see above)</b>	<b>4,221</b>	<b>4,184</b>

**GLOBAL RADIO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

**10. TAXATION (continued)**

**Factors that may affect future tax charges**

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

**11. TANGIBLE FIXED ASSETS**

	Short-Term Leasehold Property £000	Fixtures & fittings £000	Total £000
<b>Cost or valuation</b>			
At 1 April 2013	8,088	1,811	9,899
Additions	-	1	1
Disposals	-	(1)	(1)
At 31 March 2014	<u>8,088</u>	<u>1,811</u>	<u>9,899</u>
<b>Depreciation</b>			
At 1 April 2013	4,936	1,561	6,497
Charge for the year	343	46	389
On disposals	-	(1)	(1)
At 31 March 2014	<u>5,279</u>	<u>1,606</u>	<u>6,885</u>
<b>Net book value</b>			
At 31 March 2014	<u>2,809</u>	<u>205</u>	<u>3,014</u>
At 31 March 2013	<u>3,152</u>	<u>250</u>	<u>3,402</u>

Cost or valuation at 31 March 2014 is as follows:

	Land and buildings £000
<b>At cost</b>	1
<b>At valuation:</b>	
Pre-1992	<u>8,087</u>
	<u>8,088</u>

GLOBAL RADIO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

11. TANGIBLE FIXED ASSETS (continued)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2014 £000	2013 £000
Cost	7,659	7,659
Accumulated depreciation	(4,608)	(4,433)
Net book value	3,051	3,226

12. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000	Investments in associates £000	Other fixed asset investments £000	Total £000
<b>Cost or valuation</b>				
At 1 April 2013	502,690	594	12	503,296
Additions	17,215	-	-	17,215
Disposals	(22,279)	-	-	(22,279)
At 31 March 2014	497,626	594	12	498,232
<b>Impairment</b>				
At 1 April 2013	336,525	459	-	336,984
Impairment in the year	17,162	53	-	17,215
Impairment on disposals	(17,410)	-	-	(17,410)
At 31 March 2014	336,277	512	-	336,789
<b>Net book value</b>				
At 31 March 2014	161,349	82	12	161,443
At 31 March 2013	166,165	135	12	166,312

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**GLOBAL RADIO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

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**12. FIXED ASSET INVESTMENTS (continued)****Subsidiary undertakings**

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

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
GWR Group Limited	Ordinary	100 %
Southern Radio Group Limited	Ordinary	100 %
GCap Media (CRUD) Limited	Ordinary	70 %
Capital Gold Hampshire Limited	Ordinary	100 %
Capital Gold Kent Limited	Ordinary	100 %
Capital Gold Manchester Limited	Ordinary	100 %
World Television Productions Limited	Ordinary	100 %
First Oxfordshire Radio Company Limited	Ordinary	40 %
Tainside Limited	Ordinary	100 %
Xfm Limited	Ordinary	100 %
Xfm Manchester Limited	Ordinary	100 %
Independent Radio News Limited	Ordinary	46 %
Border Limited	Ordinary	100 %
Capital (CDWM) Limited	Ordinary	100 %
Capital Interactive Limited	Ordinary	100 %
Capital Radio (London) Limited	Ordinary	100 %
Capital Radio Limited	Ordinary	100 %
Capital Radio Restaurants Limited	Ordinary	100 %
Capital Radio Telstar Entertainment Direct Limited	Ordinary	100 %
Capital Radio Trustee Limited	Ordinary	100 %
Capital Television Limited	Ordinary	100 %
Cheerdale Limited	Ordinary	100 %
Glasgow Gold Limited	Ordinary	100 %
Healthbuild Limited	Ordinary	100 %
Investors in Radio Limited	Ordinary	100 %
Thamesquote Limited	Ordinary	100 %
welovelocal.com Limited	Ordinary	100 %
Capital Radio Investments Limited	Ordinary	100 %

In June 2014, as part of a Capital restructuring, the Company subscribed for shares in Galaxy Radio Scotland Limited, Tainside Limited and Capital Gold Manchester Limited and Xfm Manchester Limited at a total cost of £17,215,000. These were all subsequently fully impaired as in the Directors opinion there was insufficient value in the investments to sustain the value of the investments. Galaxy Radio Scotland Limited was subsequently disposed of on 31 March 2014.

On 31 March 2014 the Company sold two of its subsidiaries, Cardiff Broadcasting Company Limited and Galaxy Radio Scotland Limited, as part of the remedies agreed with the Competition Commission on the Group's acquisition of Real and Smooth Limited.

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GLOBAL RADIO LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

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12. FIXED ASSET INVESTMENTS (continued)

Participating interests

RadioCentre Limited	46.3%
Wildstar Records Limited	50.0%
Hit 40 UK Limited	65.8%
MXR Holdings Limited	12.1%
Now Digital (East Midlands Limited)	20.0%

13. DEBTORS

	2014 £000	2013 £000
Amounts owed by group undertakings	178,081	179,186
Deferred tax asset (see note 14)	203	-
	<u>178,284</u>	<u>179,186</u>

14. DEFERRED TAX

	2014 £000	2013 £000
At beginning of year	(15)	32
Released during /(charge for) year (see Note 10)	218	(47)
At end of year	<u>203</u>	<u>(15)</u>

The deferred tax (liability)/asset is made up as follows:

	2014 £000	2013 £000
Deferred capital allowances	32	15
Other timing differences	171	-
	<u>203</u>	<u>15</u>

15. SHARE CAPITAL

	2014 £000	2013 £000
Allotted, called up and fully paid		
166,484,351 (2013: 166,484,351) Ordinary shares of £0.025 each	<u>4,162</u>	<u>4,162</u>

**GLOBAL RADIO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**16. RESERVES**

	Share premium account £000	Revaluation reserve £000	Merger reserve £000	Profit and loss account £000
At 1 April 2013	79,043	429	107,128	158,123
Loss for the financial year	-	-	-	(3,993)
Actuarial loss related to pension scheme	-	-	-	(2,151)
At 31 March 2014	<u>79,043</u>	<u>429</u>	<u>107,128</u>	<u>151,979</u>

**17. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS**

	2014 £000	2013 £000
Opening shareholder's funds	348,885	284,809
(Loss)/profit for the financial year	(3,993)	65,028
Actuarial loss related to pension scheme	(2,151)	(952)
Closing shareholder's funds	<u>342,741</u>	<u>348,885</u>

**18. CONTINGENT LIABILITIES**

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

- a) An inter-group cross guarantee held by Barclays Bank (as agent) whereby the Company guarantees to meet the obligations of This is Global Limited under its banking facilities arrangements.
- b) A floating charge over the assets of the Company held by Barclays Bank (as agent) by way of debenture.
- c) The Company is a member of a group for VAT purposes, resulting in a joint and several liabilities for amounts owing by other group companies for unpaid VAT.

**19. CAPITAL COMMITMENTS**

The Company had no capital commitments as at 31 March 2014 (2013: £nil).

**20. PENSION COMMITMENTS**

The Company operates a defined benefit pension scheme.

The Capital Radio Plc Pension and Assurance Scheme (CRPPAS) is a contributory defined benefit scheme. The scheme was closed to new employees from 31 March 1995. At 31 March 2014, 4 employees of Global Radio Limited were active members of this scheme.

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GLOBAL RADIO LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

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20. PENSION COMMITMENTS (continued)

This scheme provides benefits based on final pensionable pay. The latest full actuarial valuation was carried out at 1 April 2012 and was updated for FRS 17 purposes to 31 March 2014 by a qualified independent actuary.

The pension cost charge for the period represents contributions payable by the Group to the scheme and amounted to £2,270,000 (2013: £925,000). The Company expects to pay contributions of £74,000 to the scheme in the year to 31 March 2015.

Contributions amounting to £7,000 (2013: £79,000) were payable to the scheme at the end of the financial year and are included in creditors.

The amounts recognised in the Balance sheet are as follows:

	2014 £000	2013 £000
Present value of funded obligations	(14,892)	(14,920)
Fair value of scheme assets	19,148	17,205
	<hr/>	<hr/>
Surplus in scheme	4,256	2,285
Surplus not recognised	(4,256)	(2,285)
	<hr/>	<hr/>
Net asset	-	-
	<hr/>	<hr/>

The pension scheme assets include ordinary shares issued by Global Radio Limited with a fair value of £NIL (2013 - £NIL). Scheme assets also include property occupied by Global Radio Limited with a fair value of £NIL (2013 - £NIL).

The amounts recognised in profit and loss account are as follows:

	2014 £000	2013 £000
Current service cost	(58)	(54)
Interest on obligation	(691)	(625)
Expected return on scheme assets	688	735
	<hr/>	<hr/>
Total	(61)	56
	<hr/>	<hr/>
Actual return on scheme assets	565	1,715
	<hr/>	<hr/>

**GLOBAL RADIO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

**20. PENSION COMMITMENTS (continued)**

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

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Opening defined benefit obligation	<b>14,920</b>	12,630
Current service cost	<b>58</b>	54
Interest cost	<b>691</b>	625
Actuarial Losses	<b>57</b>	2,217
Benefits paid	<b>(834)</b>	(606)
Other expenses	<b>-</b>	-
	<hr/>	<hr/>
Closing defined benefit obligation	<b>14,892</b>	14,920
	<hr/>	<hr/>

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

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Opening fair value of scheme assets	<b>17,205</b>	15,200
Expected return on assets	<b>688</b>	735
Actuarial (loss)/gain	<b>(123)</b>	980
Employee contributions	<b>7</b>	8
Benefits paid	<b>(834)</b>	(606)
Expenses paid by the scheme	<b>(62)</b>	(34)
Death in service insurance premiums paid	<b>(3)</b>	(3)
Contributions by employer	<b>2,270</b>	925
	<hr/>	<hr/>
	<b>19,148</b>	17,205
	<hr/>	<hr/>

The total amount recognised in the statement of total recognised gains and losses in respect of actuarial gains on assets is a loss of £123,000 (2013: gain £980,000), actuarial losses on liabilities is £57,000 (2013: £2,217,000) and increase in the limit on the recognised surplus is £1,971,000 (2013: decrease £285,000).

Cumulative actuarial losses reported in the statement of total recognised gains and losses for accounting periods ending on or after 22 June 2002 and subsequently included by prior year adjustment under paragraph 96 of FRS 17, are £3,302,000 (2013 : loss £3,122,000). The cumulative unrecognised surplus is £4,256,000 (2013: £2,285,000).

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

	<b>2014</b>	<b>2013</b>
Bonds	<b>27.60 %</b>	30.56 %
Deposit Administration Contract	<b>63.60 %</b>	69.44 %
Asset Allocation Fund	<b>8.80 %</b>	-

**GLOBAL RADIO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

**20. PENSION COMMITMENTS (continued)**

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	<b>2014</b>	<b>2013</b>
Discount rate at 31 March	<b>4.65 %</b>	<b>4.75 %</b>
Expected return on scheme assets at 31 March	<b>4.73 %</b>	<b>5.90 %</b>
Future salary increases	<b>3.45 %</b>	<b>3.50 %</b>
Future pension increases	<b>3.75 %</b>	<b>3.75 %</b>
Inflation assumption (RPI)	<b>3.45 %</b>	<b>3.50 %</b>
Life expectancy at 60 - current pensioners (male/female)	<b>27.0/29.4 years</b>	<b>26.9/29.3 years</b>

Life expectancy at 60 of pensioners in 20 years time (male/female) is 28.5/31.1 years (2013: 28.5/31.1 years).

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Defined benefit obligation	<b>(14,892)</b>	<b>(14,920)</b>	<b>(12,630)</b>	<b>(11,064)</b>	<b>(11,977)</b>
Scheme assets	<b>19,148</b>	<b>17,205</b>	<b>15,200</b>	<b>14,996</b>	<b>14,543</b>
Surplus	<b>4,256</b>	<b>2,285</b>	<b>2,570</b>	<b>3,932</b>	<b>2,566</b>
Experience adjustments on scheme liabilities	<b>(57)</b>	<b>(2,217)</b>	<b>(2,376)</b>	<b>(1,248)</b>	<b>411</b>
Experience adjustments on scheme assets	<b>(123)</b>	<b>980</b>	<b>(67)</b>	<b>230</b>	<b>2,113</b>

In accordance with FRS 17, the Company has not recognised an asset in relation to the surplus in the scheme because it is not expected to be recoverable either through reduced contributions in the future or through refunds from the scheme.

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## GLOBAL RADIO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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#### 21. OPERATING LEASE COMMITMENTS

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

	Land and buildings	
	2014	2013
	£000	£000
Expiry date:		
Between 2 and 5 years	16	27
After more than 5 years	1,152	1,152
	<u>1,168</u>	<u>1,179</u>

#### 22. RELATED PARTY TRANSACTIONS

Under Financial Reporting Standard 8, the Company is exempt from the disclosure of transactions with other group undertakings on the grounds that it is a wholly owned subsidiary of This is Global Limited (formerly Global Radio UK Limited) and its results are included in the consolidated financial statements of that company.

During the year the Company received £nil (2013:£75,000) in respect of management fees from its investment in Wildstar Records Limited. There was no outstanding debtor or creditor balance as at 31 March 2014 (2013: £nil).

During the year the Company received £85,000 (2013: £121,000) in dividends from its investment in MXR Holdings Limited. There was no outstanding debtor or creditor balance at 31 March 2014 (2013:£nil).

During the year, the Company was charged £139,000 (2013: £181,000) in respect of Radio Centre subscriptions by RadioCentre Limited, in which the Company holds an investment, of which £nil was outstanding at 31 March 2014 (2013: £nil).

During the year the Company received £306,000 (2013: £277,000) in rebates and £1,079,000 (2013: £970,000) in dividends from its investment in IRN Limited. There was no outstanding debtor or creditor balance at 31 March 2014 (2013:£nil).

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## GLOBAL RADIO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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#### **23. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The Directors regard Global Radio Holdings Limited as the immediate parent company.

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

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

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