

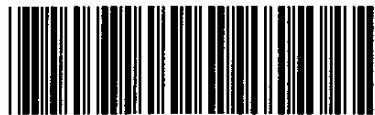
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RADIO BROADCASTING LIMITED
1620771

Global Media & Entertainment Limited

Annual Report and Financial Statements
Year ended 31 March 2018

Company number 06251684

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Global Media & Entertainment Limited

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Global Media & Entertainment Limited

Directors and Advisers

Directors

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

Company secretary

R.P. Daniels

Registered office

30 Leicester Square
London
WC2H 7LA

Company number

06251684

Auditor

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

Global Media & Entertainment Limited

Group Strategic Report

The Directors present their strategic report for Global Media & Entertainment Limited and its subsidiaries (the "Group") for the year ended 31 March 2018.

Principal activity

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

Business review

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

The year ended 31 March 2018 was the ninth consecutive year of growth for the Group with adjusted EBITDA of £104.0m (as defined in note 3), showing an increase of 34% on the prior year figure of £77.9m. Adjusted EBITDA margin rose from 26% to 27%, generating a statutory profit of £19.7m compared to the prior year loss of £0.8m.

The main reason for the increase in profitability was the 13% growth in our commercial revenues year on year, driven by a strong performance in traditional airtime as well as by increased activity in the interactive and digital space, generated by organic growth and through acquisitions. For the year ended 31 March 2018, our commercial revenue growth far exceeded the market, which increased by 8% over the same period (source: Radiocentre website). This year, Global's radio stations have reached an average of 25.1m weekly listeners (2017: 24.4m), in part driven by audience growth in LBC, the Group's talk radio station, as well as in Classic FM (source: RAJAR).

During the year, the Group has made a number of radio licence acquisitions across the United Kingdom, increasing the reach of Heart and Smooth in North Lancashire and Cumbria with the purchase of The Bay and Lakeland Radio, as well as expanding Capital's footprint in the south with Juice 107.2 FM.

The Group has further consolidated the Global brand through the creation of the Global Player, an app that allows listeners to enjoy the UK's favourite commercial radio stations wherever they are, across a range of devices. The app allows the listener to pick from a range of curated music streams as well as to choose their own tracks while tuning in, a world-first for live radio.

The Group significantly expanded its Digital Audio Exchange (DAX) business, both by the acquisition of Audio HQ in the US and also through opening offices in Germany and France. This activity has enabled Global to become a key player in the international market, operating the world's largest digital audio platform.

2018 saw the inaugural Global Awards ceremony celebrate the stars of music and entertainment, bridging genres and audiences with performances from Sam Smith, Rita Ora, Kasabian, Martin Garrix and Andrea Bocelli.

The year also saw Classic FM turn 25, with celebrations held throughout the year culminating in a birthday concert with the Liverpool Philharmonic Orchestra broadcast live on air. The concert featured repertoire firmly associated with the station, which continues to broaden its appeal to younger listeners, launching a new video game music show, with classicfm.com the world's most popular classical music website.

The year ended 31 March 2018 was the first year in which the financial performance of the Group's music festivals was fully realised, given that the majority of events took place prior to acquisition during the prior year. The Festivals component generated revenue of £58.5m during the year.

Global's Make Some Noise, the Group's charity, continued to raise money for disadvantaged children and young people and to give a voice to smaller charities that find it hard to get heard. Global's Make Some Noise raised over £3.7m (2017: £3.4m) in the year, and awarded grants to 33 charities and projects across the UK. This will allow the Group to support more than 16,000 children and young people living with illness, disability or lack of opportunity. This year also saw the fourth year of The Big Music Project, an employability project for disadvantaged young people, which aims to reduce barriers to the creative industries through workshops, networking and career advice. More than 6,000 young people participated during the year.

Global continues to sponsor the Global Academy, a university technical college in Hayes, Middlesex, which opened in 2016 and provides academic and vocational education for students who want to work in the broadcast and digital media industry. In summer 2018, the first cohort of Year 13 students will graduate from the Academy, with a number of students joining Global on apprenticeship schemes, while others will progress to university or take on roles elsewhere in the creative industries.

The Directors noted that the Group's excellent financial performance over the year reflected a continued focus on high-quality radio programming as well as successful revenue diversification, both in terms of geographical markets served and product offering.

During the year, £3.9m of loans were converted to 3,854,597 £1 ordinary shares, and 2,725,000 £1 ordinary shares were issued outside of the Group. All issued shares were called up and fully paid.

Global Media & Entertainment Limited

Group Strategic Report (continued)

Financial performance

The consolidated income statement is set out on page 16 and shows revenue for the year ended 31 March 2018 of £388.0m, an increase of 28% on last year's figure of £302.6m. Operating profit of £83.1m increased by £31.5m compared to last year's figure of £51.6m. Operating profit is stated after charging depreciation of £4.4m (2017: £4.3m) and amortisation of £19.4m (2017: £12.9m). The profit before taxation of £25.1m (2017: loss of £3.1m) has increased mainly due to organic revenue growth, acquisitions and maintained margins.

The Directors consider that adjusted EBITDA (as defined in note 3 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 results for the year set out below show growth of £26.1m (34%) in adjusted EBITDA from £77.9m in 2017 to £104.0m for the year ended 31 March 2018.

	Year ended 31 March 2018	Year ended 31 March 2017
	£m	£m
Radio	329.5	290.9
Music festivals	58.5	11.7
Total revenue	388.0	302.6
Direct costs (note 2)	107.2	66.7
Gross profit	280.8	236.0
Other operating costs	176.8	158.1
Adjusted EBITDA (note 3)	104.0	77.9

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 and vacant property provisions, as well as costs of acquisition. This is 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 and vacant property provisions, as well as costs of acquisition. This is consistent with prior year.

Going concern

At 31 March 2018 the Group had net liabilities of £331.7m (2017: £348.7m). The Directors confirm that, after making enquiries, they have a reasonable expectation that the Company has adequate resources, and support of the holders of the related party loans, to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis of accounting in preparing these financial statements. Further information around the assessment of going concern can be found in note 1 of the financial statements.

Future developments

The Directors believe that the year ended 31 March 2018 represented an exceptional level of performance and that future levels of activity will return to a more typical trading outlook of moderate but stable growth, although the UK commercial radio and festival markets remain uncertain. The Directors continue to explore a number of opportunities to grow and expand the existing business.

Principal risks and uncertainties

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

Operational risk

Audience levels at the Group's stations could erode the Group's position, both in local markets and in the national marketplace, if they were to decline. To address this, the Group markets its radio brands regularly and continually strives to improve programming standards to increase audiences. 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 performance of festivals could be negatively impacted by poor weather which could result in less festival day revenues, due to lower attendance at the festival and festival attendees spending less time at the festival.

Global Media & Entertainment Limited

Group Strategic Report (continued)

The Group has tried to mitigate these risks by extending its presence in the digital advertising market with further investment in its DAX proposition, including international expansion, and by acquiring a portfolio of festivals which occur across a number of different dates, appealing to a range of audiences across different genres.

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 our products, which was enhanced during the year with the addition of a number of music festivals. The development of new media opportunities is at the heart of the Group's strategy, which over time will reduce the pressure on our traditional revenue generators.

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

Financial risk

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

Credit risk

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

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses long-term debt finance.

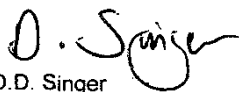
Financial instruments

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

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, festival ticket sales, as well as financial indicators such as revenue, adjusted EBITDA and operating margins. Variance analysis is performed monthly and variances are monitored and discussed within a formal meeting structure.

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



D.D. Singer
Director
27 July 2018

Global Media & Entertainment Limited

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 2018.

Results and dividends

The profit for the year after taxation amounted to £19.7m (2017: loss of £0.8m). The Directors do not recommend the payment of a dividend (2017: £nil).

Directors

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

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

Political and charitable contributions

The Group is involved with a number of charities that are linked to its radio operations and during the course of the financial year, the Group's charities were involved in fundraising activities which generated £3.7m (2017: £3.4m) for its own and many other third-party causes as part of Global's Make Some Noise. The Group's charities also received funding of £1.5m (2017: £2.8m) for the Big Music Project, which has been fully funded by grants from the Big Lottery Fund, as in the prior year.

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 £200,520 (2017: £377,600). No contributions were made to political organisations. The charitable and political donations of the Company amounted to £nil (2017: £nil).

Future developments

The Directors believe that the current level of activity will return to more moderate levels of growth in the foreseeable future. The Directors continue to explore a number of opportunities to grow and expand the existing business.

Financial instruments

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

Employee involvement

The Group places considerable value on the involvement of its people and has continued to keep them informed on matters affecting their employment and on the various factors affecting the performance of the Group and the Company. This is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

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.

Global Media & Entertainment Limited

Directors' Report (continued)

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 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.

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



D.D. Singer
Director
27 July 2018

Global Media & Entertainment Limited

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

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.

Global Media & Entertainment Limited

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

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Global Media & Entertainment Limited (the 'parent company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 March 2018 and of the Group's profit 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 and parent company statements of financial position;
- the Group and parent company statements of changes in equity;
- the Group statement of cash flows; and
- the related notes 1 to 39.

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

Basis for opinion

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

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

Summary of our audit approach

Key audit matters

The key audit matters that we identified in the current year were:

- Completeness of Airtime revenue; and
- Valuation of related party loan.

Global Media & Entertainment Limited

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

Materiality	The materiality that we used for the Group financial statements was £5.0m which was determined based on a combination of benchmarks and represents 1.3% of revenue and 5% of adjusted EBITDA.
Scoping	<p>Our Group audit was split into two separate components:</p> <ul style="list-style-type: none">• Commercial radio broadcasting ("Radio"); and• Music festivals & other ("Festivals"). <p>We performed a full scope audit in respect of Radio and specified audit procedures over select account balances for Festivals with a collective representation of 97% of the Group's revenue and 97% of the adjusted EBITDA.</p>

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

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.

Completeness of Airtime revenues

Key audit matter



description

Airtime revenues totalled £197.7m in FY18 accounting for 51% 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

Global Media & Entertainment Limited

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

How the scope of our audit responded to the key audit matter



in the year ending 31 March 2018 to represent a key audit matter on account of the reliance placed on the interaction between systems and the quantitative significance of Airtime revenues recorded (see accounting policy note bb).

We performed the following audit procedures to assess the completeness of Airtime revenues:

- Gained an understanding of the control environment in place, specifically the processes and controls deployed to mitigate the risk of material misstatement;
- Assessed the design and implementation and tested the operating effectiveness of relevant automated and manual controls surrounding the Group's revenue recognition processes, specifically the reconciliations performed between scheduling, play out and billing systems;
- Engaged our internal IT specialists to assess the Group's general IT controls pertaining to key systems to include review interfacing and flow of information, report logic, change management and data export and import processes; and
- Agreed a sample of advertisements from the list of live broadcasts throughout the year to the Group's scheduling and finance systems.

Key observations



We did not identify any material misstatements in the course of our work. Accordingly we are satisfied as to the completeness of Airtime revenues recognised in the year.

Valuation of related party loans

Key audit matter description



The Group is funded in part through related party loans in the form of the shareholder loan notes, connected party loan and loan from its parent entity. As at 31 March 2018 related party loans amounted to a fair value of £664.5m. See borrowings accounting policy note U and critical accounting judgment note I).

As set out in note 16 to the financial statements, the loans are individually extended at above (10.5% + Libor & 15%) and below (0%) market rates of interest. In line with the requirements of IAS 39 *Financial Instruments: Recognition and Measurement*, management is required to make an assumption as to the market rate of interest applicable in determining the fair value of related party loans. Management have determined a market rate of interest to be 7.8%. Owing to the quantitative significance of the loans, the applicable interest rate is considered highly sensitive whereby a marginal change could result in a material change in the fair value of borrowings recognised.

Global Media & Entertainment Limited

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

How the scope of our audit responded to the key audit matter



We performed the following audit procedures to assess the valuation of related party loans recognised:

- Gained an understanding of the control environment in place, specifically the processes and controls deployed to mitigate the risk of material misstatement;
- Assessed the design and implementation of relevant controls;
- Challenged the reasonableness of the interest rate applied by management through review of equivalent rates applied by comparable companies in the sector.
- Assessed the integrity of key inputs and the mechanical accuracy of management's fair value calculation through recalculation; and
- Obtained copies of supporting agreements to validate keys terms of the loans and any extensions;

Key observations



We did not identify any material misstatements in the course of our work. Accordingly we are satisfied as to the valuation of the related party loans.

Our application of materiality

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

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

	Group financial statements	Parent company financial statements
Materiality	£5.0m	£4.9m
Basis for determining materiality	Our determination of materiality is reflective of our consideration of a range of possible outcomes using a combination of benchmarks, specifically revenue and adjusted EBITDA (see note 3). Materiality of £5.0m represents 1.3% of revenue and 5% of adjusted EBITDA.	Parent company materiality equates to 1.8% of company only net liabilities and is capped at 98% of Group materiality.

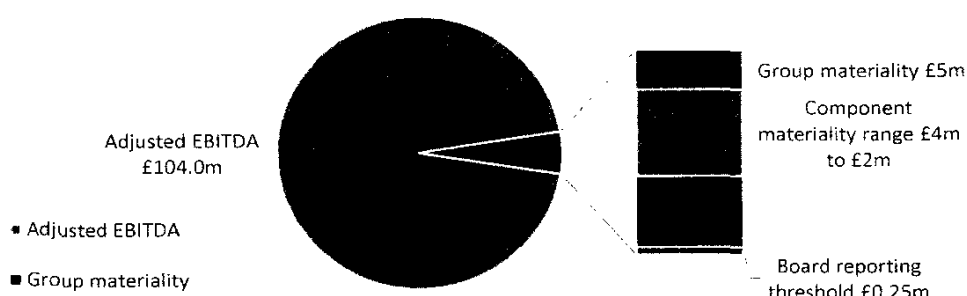
Global Media & Entertainment Limited

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

Rationale for the benchmark applied

Revenue and adjusted EBITDA are considered to represent the key performance indicators of the Group and the areas of interest of major stakeholders. Our determination of materiality is reflective of our consideration of a range of possible outcomes using a combination revenue and adjusted EBITDA.

The parent company holds the Group's related party borrowings, these are the only instruments of significance in the parent only financial statements.



We agreed with the Board of Directors that we would report to the Board all audit differences in excess of £0.25m, 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.

An overview of the scope of our audit

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

We consider that the Group comprises two key components:

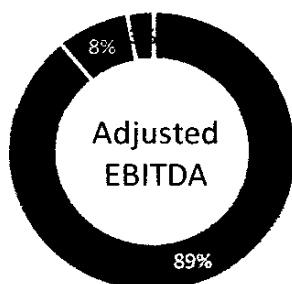
- 1) **Radio:** the Radio component is considered a financially significant component of the Group representing 82% of the Group's revenue and 89% of the Group's adjusted EBITDA. Accordingly, full scope audit procedures have been performed to a component materiality of £4.0m.
- 2) **Festivals:** Festival entities are individually immaterial to the Group with the aggregate accounting for 15% of the Group's revenue and 8% of the Group's adjusted EBITDA. Accordingly, certain specified audit procedures have been performed over selected account balances using a component materiality of £2.0m.

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.

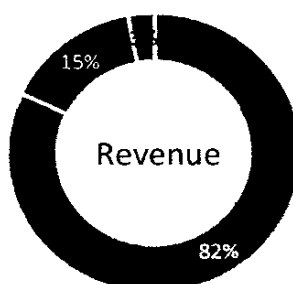
Global Media & Entertainment Limited

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

Our audit work on these components, excluding the parent company, was executed at levels of materiality ranging between £2.0m and £4.0m which were lower than Group materiality of £5.0m. Our audit coverage with respect to Group revenue, adjusted EBITDA:



- Full audit scope
- Specified audit procedures
- Review at group level



- Full audit scope
- Specified audit procedures
- Review at group level

At the Parent entity level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no additional significant risks of material misstatement or key audit matters of the aggregated financial information.

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.

We have nothing to report in respect of these matters.

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.

Global Media & Entertainment Limited

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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 or 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.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

We have nothing to report in respect of these matters.

Global Media & Entertainment Limited

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

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.

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.

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 FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Reading, United Kingdom

27 July 2018

Global Media & Entertainment Limited

Group Income Statement For the year ended 31 March 2018

	<i>Note</i>	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Revenue	2	388,009	302,634
Direct costs		(107,210)	(66,679)
Gross profit		280,799	235,955
Administrative expenses		(197,703)	(184,392)
Operating profit	4	83,096	51,563
Finance income	7	1,211	15,713
Finance expense	8	(60,431)	(70,962)
Net finance costs		(59,220)	(55,249)
Share of profit of equity-accounted investees, net of tax	12	1,260	605
Profit / (loss) before taxation		25,136	(3,081)
Income tax (charge) / credit	9	(5,452)	2,279
Profit / (loss) for the year		19,684	(802)
Attributable to:			
Owners of the Company		18,666	(1,578)
Non-controlling interests		1,018	776
		19,684	(802)

The notes on pages 22 to 54 form part of these financial statements.

Global Media & Entertainment Limited

Group Statement of Comprehensive Income

For the year ended 31 March 2018

	Note	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Profit / (loss) for the year		19,684	(802)
Items that will not be reclassified to profit or loss:			
Actuarial loss related to the pension scheme	26	(207)	(2,285)
Deferred tax on actuarial loss	18	32	447
Other comprehensive profit / (loss) for the year, net of tax		19,509	(2,640)
Total comprehensive profit / (loss) for the year		19,509	(2,640)
Attributable to			
Owners of the Company		18,491	(3,416)
Non-controlling interests		1,018	776
		19,509	(2,640)

The notes on pages 22 to 54 form part of these financial statements.

Global Media & Entertainment Limited

Group Statement of Financial Position

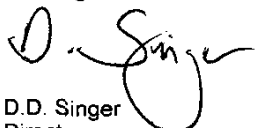
As at 31 March 2018

Registered number: 06251684

		31 March 2018	31 March 2017
	Note	£'000	£'000
ASSETS			
Non-current assets			
Intangible assets	10	417,046	417,939
Property, plant and equipment	11	26,678	25,117
Equity accounted investments	12	1,152	1,797
Investments	13	5,780	5,780
Surplus on defined benefit pension scheme	26	1,089	1,392
Deferred tax asset	18	1,622	-
		453,367	452,025
Current assets			
Current tax assets		-	111
Trade and other receivables	14	84,104	64,118
Cash and cash equivalents		57,203	41,338
		141,307	105,567
Total assets		594,674	557,592
LIABILITIES			
Current liabilities			
Trade and other payables	15	105,323	95,309
Borrowings	16	38,294	46,978
Income tax liabilities		3,618	-
Provisions	17	807	1,519
		148,042	143,806
Non-current liabilities			
Trade and other payables	15	16,332	16,679
Borrowings	16	761,476	742,047
Provisions	17	567	1,202
Deferred tax liabilities	18	-	2,517
		778,375	762,445
Total liabilities		926,417	906,251
Net liabilities		(331,743)	(348,659)
EQUITY			
Share capital	19	171,889	165,310
Retained deficit		(503,632)	(513,969)
		(331,743)	(348,659)
Attributable to:			
Shareholders funds		(344,453)	(360,787)
Non-controlling interests		12,710	12,128
Total equity		(331,743)	(348,659)

The notes on pages 22 to 54 form part of these financial statements.

The financial statements were approved and authorised for issue by the board of Directors on 27 July 2018 and were signed on its behalf by:



D.D. Singer
Director
27 July 2018

Global Media & Entertainment Limited

Group Statement of Changes in Equity For the year ended 31 March 2018

	Note	Share capital	Put option reserve	Retained deficit	Total	Non-controlling interests	Total equity
		£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2016		49,167	-	(506,002)	(456,835)	1,214	(455,621)
Shares issued in the year		116,143	-	-	116,143	-	116,143
Loss for the year		-	-	(1,578)	(1,578)	-	(1,578)
Non-controlling interest share of profit		-	-	-	-	776	776
Dividends paid to non-controlling interests		-	-	-	-	(1,395)	(1,395)
Non-controlling interests acquired during the year		-	-	-	-	11,533	11,533
Actuarial loss related to the pension scheme	26	-	-	(2,285)	(2,285)	-	(2,285)
Fair value of put option payments		-	(16,679)	-	(16,679)	-	(16,679)
Deferred tax on actuarial loss	18	-	-	447	447	-	447
At 31 March 2017		165,310	(16,679)	(509,418)	(360,787)	12,128	(348,659)
At 1 April 2017		165,310	(16,679)	(509,418)	(360,787)	12,128	(348,659)
Shares issued in the year	19	6,579	-	-	6,579	-	6,579
Profit for the year		-	-	18,666	18,666	-	18,666
Non-controlling interest share of profit		-	-	-	-	1,018	1,018
Dividends paid to non-controlling interests		-	-	-	-	(1,654)	(1,654)
Non-controlling interests acquired during the year		-	-	-	-	1,218	1,218
Actuarial loss related to the pension scheme	26	-	-	(207)	(207)	-	(207)
Fair value of put option payments		-	(8,736)	-	(8,736)	-	(8,736)
Deferred tax on actuarial loss	18	-	-	32	32	-	32
At 31 March 2018		171,889	(25,415)	(490,927)	(344,453)	12,710	(331,743)

The notes on pages 22 to 54 form part of these financial statements.

Global Media & Entertainment Limited

Group Statement of Cash Flows

For the year ended 31 March 2018

	Note	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Cash flows from operating activities			
Profit/(loss) for the year		19,684	(802)
Adjustments for:			
Depreciation	11	4,445	4,269
Amortisation	10	19,412	12,881
Loss on disposal of property, plant and equipment	11	297	96
Net finance costs		59,220	55,249
Share of profits of equity accounted investments	12	(1,260)	(605)
Movement in retirement benefit obligations		139	427
Movement in put option reserve		(9,083)	–
Profit on disposal of equity accounted investments		–	(1,712)
Income tax charge/(credit)		5,452	(2,279)
		98,306	67,524
Changes in:			
Trade and other receivables		(15,142)	(5,106)
Trade and other payables		254	20,280
Provisions		(1,347)	164
Cash generated from operating activities		82,071	82,862
Interest paid		(3,224)	(4,284)
Income taxes paid		(5,102)	(194)
Net cash from operating activities		73,745	78,384
Cash flows from investing activities			
Interest received		23	28
Dividends received from associates	12	1,905	186
Acquisition of subsidiaries, net of cash acquired		(5,249)	(30,164)
Acquisition of investments		–	–
Acquisition of property, plant and equipment	11	(6,252)	(4,536)
Acquisition of intangible assets	10	(5,176)	(26,750)
Acquisition of non-controlling interests in subsidiaries		–	(1,250)
Proceeds from disposal of equity accounted investments		–	873
Investments in equity accounted investments	12	–	(679)
		(14,749)	(62,292)
Cash flows from financing activities			
Proceeds from borrowings		4,271	19,336
Repayments of loans and borrowings		(45,716)	(29,732)
Payment of debt issue costs		(32)	(443)
Dividends paid to non-controlling interests	21	(1,654)	(1,395)
New shares issued during the year	19	–	1,758
		(43,131)	(10,476)
Increase in cash and cash equivalents		15,865	5,616
Cash and cash equivalents at the start of the year		41,338	35,722
Cash and cash equivalents at the end of the year		57,203	41,338

Global Media & Entertainment Limited

Group Statement of Cash Flows

For the year ended 31 March 2018

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

<i>Liabilities</i>	Year ended 31 March 2017	Cash flows	Accrued Interest	Debt issuance costs	Fair Value Changes	Year ended 31 March 2018
	£'000	£'000	£'000	£'000	£'000	£'000
Long term borrowings	789,025	(41,447)	51,463	550	179	799,770
Total Liabilities from financing activities	789,025	(41,447)	51,463	550	179	799,770

The notes on pages 22 to 54 form part of these financial statements.

Global Media & Entertainment Limited

Notes to the Group Financial Statements

1. Accounting policies

a) Reporting entity

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

These consolidated financial statements are for the Global Media & Entertainment Limited group (the "Group") and they comprise the Company and its subsidiaries which are listed in full in note 33 of the Company financial statements.

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

The Group financial statements were approved by the Board of Directors on 27 July 2018.

b) Statement of compliance

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

c) Functional and presentational currency

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

d) Basis of preparation

The financial statements have been prepared on a historical cost basis. The accounting policies set out below have been applied consistently to the Group to all periods presented in these financial statements.

e) Basis of consolidation

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

A subsidiary is an entity controlled, either directly or indirectly, by the Company. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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

f) Interests in equity-accounted investments

The Group's interests in equity-accounted investees 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 the 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 investees, 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.

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

1. Accounting policies (continued)

h) New accounting standards and interpretations not yet effective

New accounting standards

The following new standards, amendments to standards and interpretations issued by the International Accounting Standards Board ("IASB") became effective during the year ended 31 March 2018. 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 2017. These have not had any material impact on the financial statements.

- Amendments to IAS 7 *Statement of Cash Flows* - Disclosure Initiative
- Amendments to IAS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*
- Annual improvements to IFRS 2014 to 2016 cycle – amendment to IFRS 12 is effective for the year ended 31 March 2018

Standards effective in future periods

Certain new standards, amendments and interpretations to existing standards have been published that are relevant to the Group's activities and are mandatory for the Group's accounting periods beginning after 1 January 2018 or later and which the Group has decided not to adopt early.

- IFRS 9 *Financial Instruments* (will become effective for accounting periods starting on or after 1 January 2018)
- IFRS 15 *Revenue from contracts with customers* (will become effective for accounting periods starting on or after 1 January 2018)
- IFRS 16 *Leases* (will become effective for accounting periods starting on or after 1 January 2019)

The Directors considered the impact on the Group of other new and revised accounting standards, interpretations or amendments that are currently endorsed but not yet effective. The standards IFRS 15 and IFRS 9 will both be effective for the period beginning 1 April 2018 and a summary of the expected impact is provided below. IFRS 16 is effective for the period beginning 1 April 2019, the impact of which is currently being assessed.

IFRS 9 'Financial Instruments' is effective 1 January 2018 and introduces changes for the classification of financial assets and liabilities, including the accounting for credit risk and losses. An assessment has been performed on the Group's financial instruments and focussed on the classification of financial assets and liabilities and the implications for trade receivables impairment. The impact on the Group's financial instrument accounting and disclosure is not material at either a Group or operating segment level.

IFRS 15 'Revenue from Contracts with Customers' is effective 1 January 2018 and requires the identification of 'performance obligations' within contracts, against which total consideration must be allocated. An assessment of the impact on all of the Group's revenue streams has been completed, with focus on the possibility of material changes of the new standard on individual streams. The impact on the Group's revenues and results is not material at either a Group or operating segment level and recognition is consistent with the policy within note 1(aa).

The Directors adopted both IFRSs on 1 April 2018 on a fully retrospective basis and will present comparative financial information in the financial statements for the year ended 31 March 2019.

IFRS 16 'Leases' is effective 1 April 2019 and introduces changes to lease accounting for lessees under operating leases, requiring recognition of an asset and a liability to represent the right of use and future lease payments respectively. The Directors expect the revisions to have a material impact on the presentation of the Group's assets and liabilities due to the changes in lease accounting, primarily driven by property leases. The Directors' impact assessment remains ongoing.

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 readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Group's accounting policies

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 effect on the amounts recognised in financial statements.

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

1. Accounting policies (continued)

Impairment of goodwill, intangible assets and property, plant and equipment

These assets are reviewed annually for impairment or more frequently if there is an indication of impairment to ensure that they are not carried above their estimated recoverable amounts. To assess if any impairment exists, estimates are made of the future cash flows expected to result from the use of the asset and its eventual disposal. Actual outcomes could vary from such estimates of discounted future cash flows.

Useful economic life of assets

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

Control over the Group's subsidiaries

The Group must assess whether it controls its subsidiaries when determining whether to consolidate the subsidiaries.

The Group's influence over associates

The Group must assess whether it has significant influence over its associates when determining whether it should equity account for the associates.

Adjusted EBITDA

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

Key sources of estimation uncertainty

Determination of discount rate

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

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

	Latest modification	Discount rate
Shareholder loan notes	31 December 2017	7.8%
Connected party loan	31 December 2017	7.8%
Loan from parent entity	No history of modification	8.1%

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	(2,519)	2,567
Connected party loan	(624)	636
Loan from parent entity	(1,731)	1,763

j) Going concern

At 31 March 2018 the Group had net liabilities of £331.7m (2017: £348.7m). The Directors confirm that, after making enquiries, they have a reasonable expectation that the Company has adequate resources, and support of the holders of the related party loans, to continue in operational existence for the foreseeable future.

The Group has prepared forecasts of expected future cash flows for the three years ending 31 March 2021 ("the forecasts"). The Board considers the forecasts have 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 Group can continue to trade for the foreseeable future and operate within its facility and the associated financial covenants.

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

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

1) Accounting policies (continued)

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 goodwill and fair value adjustments arising on consolidation, are translated to the Group's functional currency, sterling, at foreign currency exchange rates ruling at the reporting date.

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.

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.

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
Transmitters	10 years

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

Impairment of property, plant and equipment

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

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

1) Accounting policies (continued)

o) Intangible assets

Software costs

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

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

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

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

Radio licences

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

Festival licences

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

Festival brands

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

Impairment of intangible assets (excluding goodwill)

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

p) Goodwill

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

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

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

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

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

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

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

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

1) Accounting policies (continued)

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

q) Trade and other receivables

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

r) Cash

Cash and cash equivalents comprises 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 purpose of the Statement of Cash Flows.

s) Share capital

Ordinary shares

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

Share premium

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

Retained deficit

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

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.

t) Trade and other payables

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

u) Borrowings

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

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

v) Finance income and expense

Finance income comprises interest received on cash balances.

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

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

w) Financial instruments

A financial instrument is initially recognised at fair value on the Statement of Financial Position 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. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Subsequent to initial recognition, all financial liabilities are stated at amortised cost using the effective interest method.

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

1) Accounting policies (continued)

x) Current and deferred income tax

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

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

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

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

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

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

y) Employee benefits

Short term employee benefits

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

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 *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 1 year after the end of the reporting period are discounted to their present value.

Defined contribution pension scheme

The Group operates employee optional stakeholder retirement and death benefit schemes. Both employee 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 scheme

The Group operates a defined benefit pension scheme which requires contributions to be made to separately administered funds. The cost of providing benefits under the plan is determined using an independent actuarial valuation. This is based on the projected unit credit method and is 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.

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

1) Accounting policies (continued)

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 defined benefit liability or asset recognised in the Statement of Financial Position (or Balance Sheet) 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 plan is in surplus, the asset recognised is limited to the amount which the Group expects to recover by way of refunds or reduction in future contributions.

z) Share based payments

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

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

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

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

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

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

aa) Provisions

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

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

Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures 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.

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

1) Accounting policies (continued)

bb) Revenue recognition

Revenue is stated excluding any value added tax, agency commissions and trade discounts.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Key classes of revenue are recognised on the following basis:

Radio advertising	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	On date of release to clients
Enterprise revenue	On agreed settlement with all parties
CD revenue	On sale of CD
Festival ticket revenue	On the day of the festival
Festival non-ticket sales	At the point of sale

Revenue on barter transactions is recognised only when the services being exchanged are of a similar nature. All key classes of revenue above relate to the rendering of services, with the exception of CD revenue, which relates to the sale of goods.

cc) Leases

The Group is both a lessor and lessee of property, plant and equipment.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Operating lease rental expenditure/income is charged to the Income Statement on a straight-line basis over the lease term.

Lease incentives are recorded as a liability and then recognised over the lease term on straight-line basis in the Income Statement as a reduction of rental expense.

dd) Fair value measurement

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

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

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

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

Borrowings (level 3)

Borrowings, as disclosed in note 16 and note 20, is 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 loan 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 are sensitive to the discount rate used at the loans' inception. The discount rate is reassessed when new off-market loans are introduced or existing other borrowings are significantly modified.

ee) Financial guarantee contracts

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

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

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 on a monthly basis in order to assess performance and allocate resources.

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

The Group has two reportable segments being commercial radio broadcasting, including associated operations in the United Kingdom, and music festivals. Neither of these segments met the quantitative thresholds for reportable segments in the 2018 or 2017 financial years.

The Group's operations are virtually all completed in the United Kingdom, the Group's operations outside the United Kingdom are not material.

All transactions between segments are completed on an arms-length basis.

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

	Radio		Music Festivals		Total	
	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2017
	£'000	£'000	£'000	£'000	£'000	£'000
Total revenue	329,545	290,933	58,464	11,701	388,009	302,634
less inter-segment revenue	-	-	-	-	-	-
Revenue from external customers	329,545	290,933	58,464	11,701	388,009	302,634
Direct costs	(61,183)	(57,198)	(46,027)	(9,481)	(107,210)	(66,679)
Gross profit	268,362	233,735	12,437	2,220	280,799	235,955
Operating expenses	(172,195)	(157,927)	(4,594)	(176)	(176,789)	(158,103)
Adjusted EBITDA	96,167	75,808	7,843	2,044	104,010	77,852
Other expenses	(14,285)	(18,800)	(6,629)	(7,489)	(20,914)	(26,289)
Operating profit / (loss)	81,882	57,008	1,214	(5,445)	83,096	51,563
Net finance expense	(59,222)	(55,247)	2	(2)	(59,220)	(55,249)
Share of profit / (loss) of equity-accounted investees, net of tax	1,179	1,071	81	(466)	1,260	605
Profit / (loss) before taxation	23,839	2,832	1,297	(5,913)	25,136	(3,081)

3. Adjusted EBITDA

	Note	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Operating profit		83,096	51,563
Depreciation of property, plant and equipment		4,445	4,269
Amortisation of intangibles		19,412	12,881
Movement in fair value of put options	20	(9,083)	-
Other operating expenses		6,140	9,139
Adjusted EBITDA		104,010	77,852

Other operating expenses comprises any charges or credits relating to non-recurring items including restructuring and integration costs such as launch costs including rebranding, redundancy costs and vacant property provisions, as well as costs of acquisition. Management's interpretation of other operating expenses remains consistent with prior year. The Directors consider that adjusted EBITDA represents a key measure of the business performance as it demonstrates the underlying trading performance by excluding the effects of non-recurring items.

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

4. Operating profit

Operating profit is stated after charging/(crediting):

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Amortisation of intangible assets	19,412	12,881
Depreciation of property, plant and equipment	4,445	4,269
Loss on disposal of property, plant and equipment	296	96
Profit on disposal of equity accounted investments	-	(1,713)
Operating lease rentals:		
- land and buildings	6,675	5,993
- motor vehicles and other leases	1,037	1,155
Lease income received	(66)	(66)

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

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	175	265
Fees payable to the Group's auditor and its associates in respect of:		
Other services pursuant to legislation	13	13
Taxation compliance services	-	-
All taxation advisory services not included above	192	142
Corporate finance services	264	882
Pension services	25	-
Share option plan services	53	37
IT services	19	-

5. Employees

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

	Year ended 31 March 2018 Number	Year ended 31 March 2017 Number
Sales	664	654
Programming	384	377
Administration	275	240
	1,323	1,271

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).

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

5. Employees (continued)

The aggregate remuneration costs of these employees were as follows:

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Wages and salaries	75,653	67,722
Social security costs	8,603	7,187
Contributions to defined benefit pension schemes	142	249
Contributions to defined contribution pension schemes	1,892	1,499
	86,290	76,657

6. Directors

The remuneration costs of the Group's Directors were:

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Remuneration	7,181	6,168
	7,181	6,168

The remuneration of the highest paid Director was:

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Aggregate emoluments	2,456	2,362
	2,456	2,362

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

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

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

During the year a number of Directors were granted loans in relation to a cash-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 2018 £'000	Year ended 31 March 2017 £'000
Loans to directors in relation to cash-settled share based payment arrangement	142	375

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

7. Finance income

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Bank interest receivable	23	28
Interest on pension scheme assets	1,188	1,444
Movement in fair value adjustments on borrowings	-	14,241
	1,211	15,713

8. Finance expense

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Interest payable on bank loans and overdrafts	3,230	4,286
Interest payable on other loans	55,290	64,849
Amortisation of debt issue costs	584	513
Movement in fair value adjustments on borrowings	179	-
Interest on pension scheme liabilities	1,148	1,314
	60,431	70,962

9. Income tax charge

(a) Analysis of tax charge / (credit) in the period

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Current tax expense		
UK corporation tax on the profit / (loss) for the year	9,902	256
Adjustments in respect of prior years	(344)	(241)
Total current tax expense	9,558	15
Deferred tax credit		
Origination and reversal of temporary differences	(2,664)	(2,447)
Adjustments in respect of prior years	(1,442)	153
Total deferred tax credit	(4,106)	(2,294)
Income tax charge / (credit)	5,452	(2,279)

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

9. Income tax charge (continued)

(b) Factors affecting the tax charge / (credit) in the period

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Profit / (loss) before tax	25,136	(3,081)
Profit / (loss) before tax multiplied by the standard rate of corporation tax of 19% (2017: 20%)	4,776	(616)
Effects of:		
Expenses not deductible for tax purposes	609	2,412
Interest expense not deductible for tax purposes	-	(279)
Recognition of deferred tax on temporary differences	2,139	(3,708)
Share of profit of equity accounted investments	-	-
Special factors affecting joint-ventures and associates	(280)	(56)
UK Dividend income from associates	(1)	(37)
Effects of changes in tax rates	(31)	93
Adjustments in respect of prior years	(1,785)	(88)
Overseas rates vs UK rates	25	-
Income tax charge / (credit)	5,452	(2,279)

(c) Factors that may affect future tax charge

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

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

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

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

10. Intangible assets

	Software costs £'000	Radio Licences £'000	Festival Brands £'000	Festival License £'000	Goodwill £'000	Total £'000
Cost						
At 1 April 2017	26,465	13,032	75,860	-	640,295	755,652
Acquisitions	-	5,829	-	2,000	5,514	13,343
Additions	5,176	-	-	-	-	5,176
Disposals	-	-	-	-	-	-
At 31 March 2018	31,641	18,861	75,860	2,000	645,809	774,171
Amortisation and impairment						
At 1 April 2017	12,526	4,047	5,163	-	315,977	337,713
Charge for the year	6,356	2,219	10,837	-	-	19,412
Disposals	-	-	-	-	-	-
At 31 March 2018	18,882	6,266	16,000	-	315,977	357,125
Net book value						
At 31 March 2018	12,759	12,595	59,860	2,000	329,832	417,046

	Software costs £'000	Radio Licences £'000	Festival Brands £'000	Festival License £'000	Goodwill £'000	Total £'000
Cost						
At 1 April 2016	19,754	13,032	-	-	632,784	665,570
Acquisitions	-	-	58,806	-	7,511	66,117
Additions	9,496	-	17,254	-	-	26,750
Disposals	(2,785)	-	-	-	-	(2,785)
At 31 March 2017	26,465	13,032	75,860	-	640,295	755,652
Amortisation and impairment						
At 1 April 2016	9,811	1,829	-	-	315,977	327,617
Charge for the year	5,500	2,218	5,163	-	-	12,881
Disposals	(2,785)	-	-	-	-	(2,785)
At 31 March 2017	12,526	4,047	5,163	-	315,977	337,713
Net book value						
At 1 April 2016	9,943	11,203	-	-	316,807	337,953
At 31 March 2017	13,939	8,985	70,697	-	324,318	417,939

During the year the Group acquired festival brands with a value of £nil (2017: £58.6m). At 31 March 2018 the carrying value of the festival brands was £59.9m and they had remaining useful economic lives of between five and seven years. During the year, the Group acquired a festival licence with a value of £2m which has a useful life of two years.

At 31 March 2018, the net book values of goodwill recognised within the Radio and Festivals components were £322.0m and £7.8m, respectively.

During the year the Group capitalised £4.7m (2017: £5.3m) of software development costs.

The Group completes an impairment review of goodwill annually. In accordance with IAS 36 *Impairment of assets* ("IAS 36") the Group has completed a review of its operations and determined that the Group has two cash generating units ("CGU"), being the Commercial Radio Broadcasting CGU and Music Festivals CGU. For the purposes of testing for impairment the Group's goodwill is allocated to the CGUs based on the goodwill that existed on the transaction date.

The Group estimates the recoverable amount of a CGU using a value in use model by projecting pre-tax cash flows for the next five years together with a terminal value using a long term growth rate. The key assumptions underpinning the recoverable amounts of the CGUs tested for impairment are forecast revenue and EBITDA.

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

10. Intangible assets (continued)

Commercial Radio Broadcasting CGU goodwill impairment review

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

The key assumptions used are a pre-tax discount rate of 7.8% (2017: 7.8%), a short to medium term growth rate of 3% (2017: 3%), and a long term growth rate of 3% (2017: 3%).

The pre-tax discount rate used is derived from a weighted average cost of capital ("WACC") calculation for the Group and benchmarked against similar organisations operating within the sector. The long term growth rate used does not exceed the average for the sector.

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

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

Music Festivals CGU goodwill impairment review

The budgets used in the impairment models are based on festival management's past experience and future expectations of performance.

The key assumptions used are a pre-tax discount rate of 7.8% (2017: 7.8%), a short to medium term growth rate of 3% (2017: 3%), and a long term growth rate of 3% (2017: 3%).

The pre-tax discount rate used is derived from a weighted average cost of capital ("WACC") calculation for the Group and benchmarked against similar organisations operating within the sector. The long term growth rate used does not exceed the average for the sector.

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

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

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

11. Property, plant and equipment

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

	Land and buildings	Transmitters, fixtures and technical equipment	Festival assets	Leasehold improvements	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2016	17,720	8,325	-	-	26,045
Additions	1,599	2,923	2	12	4,536
Acquisitions	-	-	606	233	839
Disposals	(698)	(2,464)	-	-	(3,162)
At 31 March 2017	18,621	8,784	608	245	28,258
Depreciation					
At 1 April 2016	973	965	-	-	1,938
Charge for the year	1,686	2,568	15	-	4,269
Disposals	(738)	(2,328)	-	-	(3,066)
At 31 March 2017	1,921	1,205	15	-	3,141
Net book value					
At 31 March 2017	16,700	7,579	593	245	25,117

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

12. Equity accounted investments

	Investments in joint ventures	Investments in associates	Total
	£'000	£'000	£'000
Cost			
At 1 April 2017	1,220	577	1,797
Acquired in the year	-	-	-
Share of profit of equity accounted investments	736	524	1,260
Investments in joint ventures	-	-	-
Dividends received from equity accounted investments	(1,350)	(555)	(1,905)
Disposal of equity accounted investments	-	-	-
At 31 March 2018	606	546	1,152

	Investments in joint ventures	Investments in associates	Total
	£'000	£'000	£'000
Cost			
At 1 April 2016	312	444	756
Acquired in the year	-	(897)	(897)
Share of profit of equity accounted investments	702	(97)	605
Investments in joint ventures	679	-	679
Dividends received from equity accounted investments	-	(186)	(186)
Disposal of equity accounted investments	(473)	1,313	840
At 31 March 2017	1,220	577	1,797

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
Now Digital (East Midlands) Limited	UK	27.5
Lost Ventures Limited	UK	30.0

The Group's investments in joint ventures are:

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

The principal activity of CE Digital is that of managing multiplexes and is considered strategic to the Group's activities. Composed Limited ceased to trade in the prior year and is dormant.

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
Now Digital (East Midlands) Limited	Crawley Court, Winchester, Hampshire, SO21 2QA
Lost Ventures Limited	15 Newland, Lincoln, LN1 1XG
CE Digital Limited	30 Leicester Square, London, WC2H 7LA
Composed Limited	364-366 Kensington High Street, London, W14 8NS

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

13. Investments

	Investments £'000	Total £'000
Cost		
At 1 April 2017	6,088	6,088
At 31 March 2018	6,088	6,088
Provision for impairment		
At 1 April 2017	308	308
At 31 March 2018	308	308
Net book value		
At 31 March 2018	5,780	5,780
	Investments £'000	Total £'000
Cost		
At 1 April 2016	6,088	6,088
At 31 March 2017	6,088	6,088
Provision for impairment		
At 1 April 2016	308	308
At 31 March 2017	308	308
Net book value		
At 31 March 2017	5,780	5,780

14. Trade and other receivables

	31 March 2018 £'000	31 March 2017 £'000
Gross trade receivables	55,247	37,683
Less provision for impairment	(418)	(117)
	54,829	37,566
Other debtors	3,281	5,334
Prepayments and accrued income	25,994	21,218
	84,104	64,118

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

	31 March 2018 £'000	31 March 2017 £'000
Balance at the beginning of the year	117	131
Movement in provision	301	(14)
Balance at the end of the year	418	117

The carrying value of trade and other receivables is a reasonable approximation of the fair value of trade and other receivables. All of the Group's trade and other receivables are classified as loans and receivables in accordance with IAS 39.

There are no material overdue trade receivables that have not been provided against.

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

15. Trade and other payables

Current	31 March 2018 £'000	31 March 2017 £'000
Trade payables	15,150	8,826
Other taxes and social security costs	13,481	8,877
Other creditors	8,756	7,374
Accruals	44,285	48,773
Deferred income	23,651	21,460
	105,323	95,309
Non-current	31 March 2018 £'000	31 March 2017 £'000
Accruals	16,332	16,679
	16,332	16,679

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 in accordance with IAS 39.

16. Borrowings

Current	31 March 2018 £'000	31 March 2017 £'000
Bank loans and overdrafts	23,303	29,583
Accrued interest	14,991	17,395
	38,294	46,978
Non-current	31 March 2018 £'000	31 March 2017 £'000
Bank loans	111,857	130,337
Other loans	649,619	611,710
	761,476	742,047
Total borrowings	799,770	789,025

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

	31 March 2018 £'000	31 March 2017 £'000
Accrued interest	14,991	17,395
Senior term loans	135,550	160,865
Shareholder loan notes	340,984	297,452
Connected party loan	87,551	93,352
Loan from parent entity	204,166	204,166
	783,242	773,230

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

16. Borrowings (continued)

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

	31 March 2018 £'000	31 March 2017 £'000
Accrued interest	14,991	17,396
Senior term loans	135,160	159,920
Shareholder loan notes	379,415	344,804
Connected party loan	91,965	99,143
Loan from parent entity	178,239	167,762
	799,770	789,025

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

Interest rates on variable interest borrowings	31 March 2018 % above LIBOR	31 March 2017 % above LIBOR
Senior term loans	1.60%	2.15%
Connected party loan	10.50%	10.50%

Interest rates on fixed interest borrowings	31 March 2018 Fixed rate	31 March 2017 Fixed rate
Shareholder loan notes	15.00%	15.00%
Loan from parent entity	0.00%	0.00%
Weighted average interest rate on borrowings	7.80%	7.80%

The Group's borrowings have the following maturity profile:

	31 March 2018 £'000	31 March 2017 £'000
Less than one year	101,600	105,518
Two to five years	808,078	840,828
Over five years	-	-
	909,678	946,346
Less interest cash flows:		
Senior term loans	(4,846)	(8,821)
Fixed rate loan notes	-	-
Shareholder loan notes	(102,295)	(133,853)
Connected party loan	(19,295)	(30,442)
Loan from parent entity	-	-
Total principal cash flows	783,242	773,230

The shareholder loan and connected party loans are listed on the International Stock Exchange ("TISE"). On the 31 December 2017 the Shareholder Loan notes had interest of £44,532,277 capitalised to the loan principal, and the Connected party loan had interest of £9,334,942 capitalised to the loan principal. These resulted in substantial modifications of the loans. The senior term notes are secured by fixed and floating charges over the assets of the Group.

The Group has undrawn committed borrowing facilities of £10m at 31 March 2018 (31 March 2017: £10m).

All of the Group's borrowings are held at amortised cost as at 31 March 2018 in accordance with IAS 39.

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

17. Provisions

	Onerous lease provision £'000	Total £'000
At 1 April 2017	2,721	2,721
Additions	-	-
Utilised during the year	(924)	(924)
Released during the year	(423)	(423)
At 31 March 2018	1,374	1,374

	Onerous lease provision £'000	Total £'000
At 1 April 2016	2,557	2,557
Additions	950	950
Utilised during the year	(561)	(561)
Released during the year	(225)	(225)
At 31 March 2017	2,721	2,721

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

	31 March 2018 £'000	31 March 2017 £'000
Current	807	1,519
Non-current	567	1,202
Total	1,374	2,721

The onerous lease provision is a provision for vacant office and studio space that the Group has leased but is not currently using. The provision is calculated as the difference between the total future lease payments less any amounts expected to be recovered by sub-leasing the space. There are inherent uncertainties in measuring the provisions of the future outflows.

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

18. Deferred tax

	Property, plant and equipment and intangible assets £'000	Tax losses £'000	Financial instruments £'000	Pension surplus £'000	Other £'000	Total £'000
Deferred tax assets	6,171	896	8,997	-	11	16,075
Deferred tax liabilities	(11,424)	-	(6,917)	(251)	-	(18,592)
At 31 March 2017	(5,253)	896	2,080	(251)	11	(2,517)
Credit to the income statement	1,870	1,012	1,179	23	23	4,107
Recognised in other comprehensive income	-	-	-	32	-	32
Acquired in the year	-	-	-	-	-	-
At 31 March 2018	(3,383)	1,908	3,259	(196)	34	1,622
Deferred tax assets	5,844	1,908	8,185	-	34	15,972
Deferred tax liabilities	(9,227)	-	(4,926)	(196)	-	(14,350)
At 31 March 2018	(3,383)	1,908	3,259	(196)	34	1,622
Deferred tax assets	2,215	908	14,095	-	30	17,248
Deferred tax liabilities	(1,898)	-	(9,432)	(633)	-	(11,963)
At 1 April 2016	317	908	4,663	(633)	30	5,285
Credit/(charge) to the income statement	4,973	(12)	(2,583)	(65)	(19)	2,294
Recognised in other comprehensive income	-	-	-	447	-	447
Acquired in the year	(10,543)	-	-	-	-	(10,543)
At 31 March 2017	(5,253)	896	2,080	(251)	11	(2,517)
Deferred tax assets	6,171	896	8,997	-	11	16,075
Deferred tax liabilities	(11,424)	-	(6,917)	(251)	-	(18,592)
At 31 March 2017	(5,253)	896	2,080	(251)	11	(2,517)

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 2018 £'000	31 March 2017 £'000
Property, plant and equipment	20	-
Tax losses	14,093	17,289
Financial instruments	-	1,019
Interest restricted under CIR carried forward	4,624	-
	18,737	18,308

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

19. Share capital

	31 March 2018 £	31 March 2017 £
Authorised, issued, called up and fully paid		
Ordinary shares of £1	171,889,147	165,309,550
	171,889,147	165,309,550

On 6 June 2017, 2,725,000 ordinary £1 shares were issued, called up and fully paid.

On 19 December 2017, 3,854,597 £1 ordinary shares were issued, called up and fully paid.

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

20. Funding and financial risk management

Financial risk management

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

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

The Group is primarily funded by debt. Bank debt has been reduced during the year. The Group's operations are cash generative, and a 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's is not too exposed to variability in interest rates.

Foreign exchange risk

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

Credit risk

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

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

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

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

Liquidity risk

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

Capital management

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

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

Fair value

Financial assets comprise trade and other receivables and cash and cash equivalents.

Financial liabilities comprise trade and other payables and borrowings.

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

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

20. Funding and financial risk management (continued)

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

	Fair value hierarchy	31 March 2018 £'000	31 March 2017 £'000
Senior term loans	Level 3	135,160	159,920
Shareholder loan notes	Level 3	379,416	344,804
Connected party loan	Level 3	91,965	99,143
Loan from parent entity	Level 3	178,239	167,762
		784,780	771,629

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

Call and put options

During the prior year, the Group entered into call and put options to purchase subsidiary company non-controlling interest shareholdings for Broadwick Holdings Limited, Waxarch Limited and Victorious Festivals Limited. The fair value of these options at 31 March 2018 was £nil (2017: £nil).

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

During the prior year, the Group entered into call and put options to purchase the entire share capital of Eleven Limited. The fair value of this option at 31 March 2018 was £nil (2017: £nil).

During the current year, the Group entered into a call and put option to purchase the remaining member interests of Audio HQ LLC. The fair value of this option at 31 March 2018 was £nil (2017: £nil).

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

21. Non-controlling interests

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

	Non-controlling interests £'000	Total £'000
At 1 April 2016	1,214	1,214
Acquisitions during the year	11,533	11,533
Share of loss after taxation for the year	776	776
Dividends paid to non-controlling interests	(1,395)	(1,395)
At 31 March 2017	12,128	12,128

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

22. Commitments and contingencies

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

	31 March 2018 £'000	31 March 2017 £'000
Land and buildings		
Within one year	6,816	6,088
Between two and five years	23,470	19,724
After five years	43,334	5,936
	73,620	31,748

	31 March 2018 £'000	31 March 2017 £'000
Motor vehicles and equipment		
Within one year	1,079	771
Between two and five years	854	467
After five years	-	-
	1,933	1,238

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

	31 March 2018 £'000	31 March 2017 £'000
Lease rental income		
Within one year	96	96
Between two and five years	239	335
After five years	-	-
	335	431

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

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

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

23. Related party transactions

During the year the Group traded with its associates, joint ventures and with entities with common control to the Group. All transactions were in the normal course of business and priced under normal trade terms. All outstanding balances are repayable on demand.

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 £1,260,000 (2017: £1,219,000) in respect of digital radio services by CE Digital Limited, an associated undertaking of the Group, of which £nil was outstanding at 31 March 2018 (2017: £nil). The Company received £271,000 (2017: £261,000) in respect of legal expertise and engineering time from CE Digital Limited.

Digital Radio Group (London) Limited, an associated undertaking of the Group, operates a digital radio multiplex and during the year the Company paid £118,000 (2017: £106,000) to this company for transmission services. The Company had an outstanding balance owing of £nil at 31 March 2018 (2017: £nil).

Now Digital East Midlands Limited, an associate of the Group, operates digital radio multiplexes and during the year the Company paid £765,000 (2017: £664,000) to this company for transmission services. The Company had an outstanding creditor of £nil at 31 March 2018 (2017: £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 £1,672,000 (2017: £1,655,000) in levies to Radio Centre Limited and had an outstanding balance of £nil at 31 March 2018 (2017: £nil).

Global Radio Services Limited also provides contract accounting services for which it charged £39,000 for the year ended 31 March 2018 (2017: £38,000) to the Group's non-wholly owned subsidiary Independent Radio News Limited (IRN), a provider of news services to commercial radio. In addition, the Company's share of the IRN rebate to client stations for the year ended to 31 March 2018 amounted to £3,515,000 (2017: £3,584,000). At the financial year end the net balance due to Independent Radio News Limited at 31 March 2018 was £1,348,000 (2017: £1,421,000).

During the year the Group had a number of recharge accounts with various members of the Global Entertainment and Talent Group, with whom the Group shares a director. As at 31 March 2018 the outstanding debtor was £nil (2017: £188,000).

During the year the Company charged the Global Entertainment and Talent Group £30,000 (2017: £40,000) in respect of occupancy, and Global Entertainment and Talent Group charged the Company £nil (2017: £60,000) in respect of consultancy. In the opinion of the Directors, there were no other related party transactions in the year.

During the year, the Group recognised rebate income of £364,000 (2017: £nil) from a related party, Kaboodle, with whom the Group shares a director. At 31 March 2018 there was an outstanding balance due to the Group of £271,000 (2017: £nil).

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.

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

24. Business combinations

During the year the Group acquired the following:

Name	Date of acquisition	Country	% Ownership	Purchaser	Business Unit
Ground Control Limited	14/06/2017	UK	100.0%	Broadwick Holdings Limited	Music Festivals
Audio HQ LLC	26/09/2017	US	65.0%	DAX US Inc	Radio
Bay Radio Limited and Lakeland Radio Limited	16/11/2017	UK	Trade and assets	Global Radio Northwest Limited	Radio
Printworks Entertainment Limited*	15/12/2017	UK	50.0%	Broadwick Holdings Limited	Music Festivals
Brighton & Hove Radio Limited	15/01/2018	UK	Trade and assets	Global Radio Media Management Limited	Radio

*Formerly known as Cultural Entertainment Limited, renamed on 18 January 2018

The acquisition of Audio HQ LLC will allow the Group to further expand existing digital advertising operations in new markets, while the radio licence acquisitions will extend the reach of the Group's radio brands within the UK.

The goodwill on acquisition of Audio HQ LLC has been allocated to the Radio cash generating unit, and the goodwill on acquisition of Ground Control Limited and Printworks Entertainment Limited has been allocated to the Festivals unit.

The details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill for each acquisition are not considered individually material to the Group and have been aggregated according to the relevant business unit:

	Radio £'000	Festivals £'000	Fair value £'000
Intangible assets	5,828	2,000	7,828
Property, plant and equipment	36	15	51
Equity accounted investments	-	-	-
Trade and other receivables	4,553	284	4,837
Cash	1,960	1	1,961
Trade and other payables	(5,380)	(130)	(5,510)
Deferred tax liability	-	(380)	(380)
Net assets acquired	6,997	1,790	8,787
Goodwill	5,094	420	5,514
Non-controlling interests	(408)	(810)	(1,218)
Total consideration	11,683	1,400	13,083
Satisfied by:			
Cash	5,866	1,200	7,066
Contingent or deferred consideration	5,817	200	6,017
	11,683	1,400	13,083

There were no material fair value adjustments to the acquired assets and liabilities. All acquired cash and receivables are expected to be collected in full.

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. The main factor leading to the recognition of goodwill on the festival acquisitions was the expected additional ticketing sales and advertising revenue and the expected operational efficiencies through economies of scale. The recognition of goodwill on the radio station acquisitions was driven by the expected increased reach and advertising revenue, along with operational synergies.

The contingent consideration for the acquisitions is linked to the entities' EBITDA performance in future years, while the deferred consideration for Bay Radio and Lakeland Radio Limited is payable upon successful licence renewal.

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

24. Business combinations (continued)

Deal-related costs of £1.8m have been charged to administration expenses in the Income Statement for the year ended 31 March 2018.

Since the acquisition date, the acquired entities have contributed £2.6m to the Group's revenue and a loss of £0.1m. If the acquisitions had occurred on 1 April 2017, the acquired entities would have contributed £9.4m to the Group's revenue and £0.4m to retained profit.

25. Share-based payments

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

The Growth Shares Scheme ("the Scheme")

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

Further on 1st August 2017 a number of Directors acquired G shares in GRHL, for which the Directors paid unrestricted market value. The G shares are subject to a put and call option structure whereby the Directors may sell the shares to GRHL, or GRHL may acquire the shares from the Directors for cash, within a 60-day window between 1 August 2020 and 30 September 2020. The value at which the shares can be bought or sold shall be determined by a formula based on the growth in value of the shares over a certain minimum threshold value. The shares provide the holder with an interest in the growth of the business beyond that threshold, which has been set at 17.5% above the original value.

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

The number of C,D, E and F shares issued in 2015 and G shares issued in 2017 and outstanding at 31 March 2018 was 421,150 (31 March 2017: 375,085).

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

Share-based payment expense

The charge recognised in the Income Statement in respect of the Scheme was £4,836,000 (2017: £5,616,000).

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 £9,475,000 (2017: £14,781,000).

26. Defined benefit pension schemes

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

All current employees are eligible to join the GRGPPP, which new employees are enrolled in automatically when they begin employment with the Group. At 31 March 2018, 1,330 (2017: 1,263) employees were active members of this scheme. The Group makes age-related employer contributions to the scheme.

The Capital Radio plc Pension and Assurance Scheme ("CRPPAS") and the Midlands Radio Group Pension Scheme ("MRGPS") are contributory defined benefit schemes. Both defined benefit schemes were closed to new employees from 31 March 1995. At 31 March 2018, the MRGPS had 5 (2017: 5) active members and the CRPPAS had 4 (2017: 4) active members. The trustees of each scheme are responsible for the governance of the pension plans.

The pension cost charge for the year represents contributions payable by the Group to the schemes and amounted to £2,034,000 (2017: £1,748,000).

Contributions amounting to £87,000 (2017: £124,000) were payable to the schemes at the end of the financial year and are included in other creditors.

The actual return on the two defined benefit pension schemes assets over the period from 1 April 2017 to 31 March 2018 was a gain of £333,000 for MRGPS and £231,000 for CRPPAS (gain for the period from 1 April 2016 to 31 March 2017 was £3,231,000 and £1,802,000 respectively).

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Notes to the Group Financial Statements (continued)

26. Defined benefit pension schemes (continued)

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

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

	31 March 2018 £'000	31 March 2017 £'000
Present value of funded obligations	(40,752)	(41,698)
Fair value of scheme assets	41,841	43,090
Surplus in scheme	<u>1,089</u>	<u>1,392</u>
Midlands	396	538
Capital	693	854
Total surplus	<u>1,089</u>	<u>1,392</u>

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

	31 March 2018 £'000	31 March 2017 £'000
Current service cost	(203)	(164)
Interest on obligation	(1,148)	(1,314)
Expected return on scheme assets	865	3,897
Total	<u>(486)</u>	<u>2,419</u>
Actual return on scheme assets	<u>574</u>	<u>4,465</u>

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

	31 March 2018 £'000	31 March 2017 £'000
Opening defined benefit obligation	41,698	35,867
Current service cost	203	164
Interest cost	1,148	1,314
Contributions by scheme participants	14	14
Actuarial (gains) / losses	(407)	5,306
Benefits paid	(1,904)	(967)
	<u>40,752</u>	<u>41,698</u>

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

	31 March 2018 £'000	31 March 2017 £'000
Opening fair value of scheme assets	43,090	39,391
Expected return on assets	865	3,897
Actuarial (losses) / gains	(291)	568
Contributions by employer	142	249
Contributions by scheme participants	20	21
Benefits paid	(1,904)	(967)
Expenses paid by scheme	(81)	(69)
	<u>41,841</u>	<u>43,090</u>

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Notes to the Group Financial Statements (continued)

26. Defined benefit pension schemes (continued)

The total amount recognised in the Group Statement of Comprehensive Income in respect of actuarial losses on assets is £291,000 (2017: gain of £568,000) and the amount recognised for actuarial gains on liabilities is £245,000 (2017: loss of £6,364,000).

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 £144,000 to its defined benefit pension schemes in 2018 (2017: £333,000).

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

	31 March 2018	31 March 2017
Equities	22.00%	21.20%
Bonds	29.54%	27.98%
Diversified growth funds	44.65%	47.56%
Gilts	3.00%	3.00%
Cash	0.80%	0.26%

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

	31 March 2018	31 March 2017
Discount rate	2.65%	2.80%
Future salary increases	3.30%	3.40%
Future pension increases	3.48%	3.40%
Inflation assumption	2.80%	3.20%

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

The assumed life expectations on retirement age 65 are:

	31 March 2018 Number	31 March 2017 Number
Retiring today		
Males	21.9	22.1
Females	23.9	23.9
Retiring in 20 years		
Males	23.3	23.5
Females	25.4	25.5

Amounts for the current and previous year are as follows:

	31 March 2018 £'000	31 March 2017 £'000	31 March 2016 £'000	31 March 2015 £'000	31 March 2014 £'000
Defined benefit obligation	(40,752)	(41,698)	(35,867)	(40,808)	(33,508)
Scheme assets	41,841	43,090	39,391	44,942	39,905
	1,089	1,392	3,524	4,134	6,397
Experience adjustments on scheme liabilities	407	(5,306)	1,604	(6,161)	(516)
Experience adjustments on scheme assets	(614)	3,021	(2,739)	3,363	(336)

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:

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

26. Defined benefit pension schemes (continued)

Asset volatility

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

Change in bond yields

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

Inflation risk

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

Life expectancy

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

Actuarial assumption sensitivity

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

Actuarial assumption sensitivity

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 £739,000 (2017: increase of £777,000).

An increase in inflation and salary growth assumptions by 0.1% will increase the scheme's liabilities by £277,000 (2017: increase of £301,000).

27. Note supporting Statement of Cash Flows

Significant non cash transactions in the year in respect of financing activities comprised unpaid interest which was capitalised into borrowings of £51,463,000 (2017: £64,462,000) and £3,854,597 (2017: £114,383,383) of loans were converted to share capital.

28. Subsequent events

On 29 May 2018, Pandora Media, Inc. announced its acquisition of AdsWizz Inc., and in response to the business combination, the Group sold its entire investment in AdsWizz Inc on 11 June 2018 for a combination of cash and equity share consideration. The Group subsequently sold the acquired shares for cash in two tranches during June and July 2018.

There are no other post balance sheet events to report.

29. Immediate and ultimate parent company

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

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

Global Media & Entertainment Limited

Notes to the Group Financial Statements (continued)

30. Guarantees, financial commitments and contingent liabilities

Guarantees

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

Security

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

VAT Group

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

Financial commitments

The Group has entered into agreements with transmission supply companies and digital multiplex operators for the transmission of its radio stations for periods up to 2026 at competitive prices and to ensure supply. At the year end the commitments to purchase space on transmitters was £123,248,400 (2017: £127,031,000).

Global Media & Entertainment Limited

Company Balance Sheet

At 31 March 2018

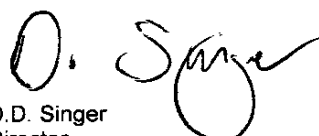
Company number 06251684

	<i>Note</i>	31 March 2018 £'000	31 March 2017 £'000
Fixed assets			
Investments	33	<u>92,440</u>	<u>92,440</u>
		92,440	92,440
Current assets			
Debtors	34	431,773	418,537
Cash		<u>15</u>	<u>68</u>
		431,788	418,605
Creditors: amounts falling due within one year	35	(42,188)	(50,872)
Net current assets		389,600	367,733
Total assets less current liabilities		482,040	460,173
Creditors: amounts falling due after more than one year	36	(761,476)	(742,047)
Net liabilities		(279,436)	(281,874)
Equity			
Share capital	37	171,889	165,310
Retained deficit		(451,325)	(447,184)
		(279,436)	(281,874)

The Company's loss for the year was £4.1m (2017: £1.0m).

The notes on pages 57 to 64 form part of these financial statements.

The financial statements were approved and authorised for issue by the board of Directors on 27 July 2018 and were signed on its behalf by:


 D.D. Singer
 Director
 27 July 2018

Global Media & Entertainment Limited

Company statement of changes in equity For the year ended 31 March 2018

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

	Share capital £'000	Retained deficit £'000	Total equity £'000
At 1 April 2016	49,167	(446,147)	(396,980)
Loss for the year	-	(1,037)	(1,037)
Issued in the year	116,143	-	116,143
At 31 March 2017	165,310	(447,184)	(281,874)

The notes on pages 57 to 64 form part of these financial statements.

Global Media & Entertainment Limited

Notes to the Company Financial Statements

31. Accounting policies for the Company financial statements

a) Reporting entity

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

The Company's principal activity was the operation of commercial radio stations in the United Kingdom.

The Company financial statements were approved by the board of Directors on 27 July 2018.

b) Statement of compliance

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

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

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

c) Functional and presentational currency

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

d) Basis of preparation

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

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

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

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

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

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

e) Investments

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

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.

Global Media & Entertainment Limited

Notes to the Company Financial Statements (continued)

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

g) Accounting policies for the Company financial statements

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

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

32. Directors

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

33. Investments

	Investments in subsidiary companies £'000	Total £'000
At 1 April 2017	92,440	92,440
At 31 March 2018	92,440	92,440

Global Media & Entertainment Limited

Notes to the Company Financial Statements (continued)

33. Investments (continued)

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

Name	Country	% ordinary share capital ownership
Amber Radio Limited	United Kingdom	100
Angels in Radio Limited	United Kingdom	100
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
Boardmasters Limited*	United Kingdom	87.6
Broadwick Holdings Limited*	United Kingdom	58.6
Broadwick Live Limited*	United Kingdom	58.6
Brownstock UK Limited*	United Kingdom	87.6
Buzz FM Limited	United Kingdom	100
Cambridge and Newmarket FM Radio Limited	United Kingdom	100
Capital (CDWM) Limited	United Kingdom	100
Capital Gold Hampshire Limited	United Kingdom	100
Capital Gold Kent Limited	United Kingdom	100
Capital Gold Manchester Limited*	United Kingdom	100
Capital Gold Sussex Limited	United Kingdom	100
Capital Interactive Limited	United Kingdom	100
Capital Online Limited	United Kingdom	100
Capital Radio (London) Limited	United Kingdom	100
Capital Radio Investments Limited*	United Kingdom	100
Capital Radio Limited	United Kingdom	100
Capital Radio Restaurants Group Limited	United Kingdom	100
Capital Radio Restaurants Limited	United Kingdom	100
Capital Radio Trustee Limited	United Kingdom	100
Capital Television Limited	United Kingdom	100
Capital Xtra Limited*	United Kingdom	100
Castleform Limited	United Kingdom	100
Central European Broadcasting Limited	United Kingdom	100
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
Core Digital Radio Limited	United Kingdom	100
Cotswold Broadcasting Company Limited	United Kingdom	100
Count of Ten Limited*	United Kingdom	87.6
DAX US Inc.	United States of America	100
Deansgate 1001 Limited	United Kingdom	100
Devonair Radio 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.

Global Media & Entertainment Limited

Notes to the Company Financial Statements (continued)

33. Investments (continued)

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

Name	Country	% ordinary share capital ownership
Digital News Network Limited	United Kingdom	100
Digital Two Limited	United Kingdom	100
DQ Radio Services Limited*	United Kingdom	100
East Anglian Radio Limited	United Kingdom	100
Ecast Ventures Limited	United Kingdom	100
Electric Elephant Limited*	United Kingdom	58.6
Essex Radio Limited*	United Kingdom	100
Expressway Limited	United Kingdom	100
First Oxfordshire Radio Company Limited*	United Kingdom	100
FN6 Limited*	United Kingdom	55.7
Galaxy Radio Birmingham Limited*	United Kingdom	100
Galaxy Radio Limited	United Kingdom	100
Galaxy Radio Manchester Limited	United Kingdom	100
Galaxy Radio North East Limited*	United Kingdom	100
Galaxy Radio Yorkshire Limited*	United Kingdom	100
GCap Media (CRUD) Limited	United Kingdom	100
GCap Media (FPRL) Limited	United Kingdom	100
GCap Media (The Jazz) Limited	United Kingdom	100
GCap Media Limited	United Kingdom	100
Gemini Radio Limited*	United Kingdom	100
Global 05699567 Limited*	United Kingdom	87.6
Global Kit Limited*	United Kingdom	52.6
Global Live Limited*	United Kingdom	100
Global Festivals Limited*	United Kingdom	87.6
Global Media Ventures Limited	United Kingdom	100
Global Music Television Limited*	United Kingdom	100
Global Music TV 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 Publishing Limited*	United Kingdom	100
Global Radio Services Limited	United Kingdom	100
Global Radio UK Limited	United Kingdom	100
GM Radio News (UK) Limited	United Kingdom	55
GM&E GmbH	Germany	100
GM&E Sarl	France	100

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

Global Media & Entertainment Limited

Notes to the Company Financial Statements (continued)

33. Investments (continued)

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

Name	Country	% ordinary share capital ownership
GMG Radio Limited	United Kingdom	100
Ground Control Productions Limited *	United Kingdom	59
GWR (Local Area) Limited	United Kingdom	100
GWR (Trustee Company) Limited	United Kingdom	100
GWR (West) Limited*	United Kingdom	100
GWR East Holdings Limited*	United Kingdom	100
GWR Group Limited	United Kingdom	100
GWR Hungary (Investments) Limited	United Kingdom	100
GWR International Investments Limited	United Kingdom	100
GWR International Limited	United Kingdom	100
GWR New Zealand Licences Limited	New Zealand	100
GWR New Zealand Limited	New Zealand	100
GWR Radio (South East) Limited*	United Kingdom	100
GWR Radio Limited	United Kingdom	100
Harlow FM Limited	United Kingdom	100
Healthbuild Limited	United Kingdom	100
Heart 106 FM Limited	United Kingdom	100
Heart Radio Limited	United Kingdom	100
Heart TV Limited	United Kingdom	100
Hereward Radio Limited	United Kingdom	100
Hit 40 UK Limited	United Kingdom	100
Hopstar Limited*	United Kingdom	100
Independent Radio News Limited	United Kingdom	55
Industrial Curation Limited*	United Kingdom	32
Investors in Radio Limited	United Kingdom	100
Invicta Concerts and Promotions Limited	United Kingdom	100
Jams of London Limited	United Kingdom	100
Juice Holdco Limited*	United Kingdom	100
Lakeside Creatives Limited	United Kingdom	57.8
Lantern Radio Limited	United Kingdom	99
LBC 1152 Limited	United Kingdom	100
LBC Radio Limited*	United Kingdom	100
Leicester Sound Limited*	United Kingdom	100
Lock 'n' Load Events Limited	United Kingdom	65.7
Marcher Radio Group Limited*	United Kingdom	100
Mid Anglia Radio Limited*	United Kingdom	100
Moving Music Limited *	United Kingdom	65.7
Mwah Mwah Limited	United Kingdom	100
MXR Holdings Limited	United Kingdom	88
MXR Limited	United Kingdom	88
My Kinda Bath Limited	United Kingdom	100
My Kinda Shacks Limited	United Kingdom	100

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

Global Media & Entertainment Limited

Notes to the Company Financial Statements (continued)

33. Investments (continued)

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

Name	Country	% ordinary share capital ownership
My Kinda Square Limited	United Kingdom	100
Neal Street Blues Limited	United Kingdom	100
Ocean FM Limited	United Kingdom	100
Orchard FM Limited*	United Kingdom	100
Orchard Media Limited	United Kingdom	100
Oval (709) Limited	United Kingdom	100
Plymouth Sound Limited*	United Kingdom	100
Power FM Limited	United Kingdom	100
Prock Licence (NTRLRL) Limited	United Kingdom	100
Printworks Entertainment Limited*	United Kingdom	29
Pure Butter Limited*	United Kingdom	51
Radio Broadland Limited*	United Kingdom	100
Radio Invicta Limited*	United Kingdom	100
Radio Mercury Limited*	United Kingdom	100
Radio Orwell Limited	United Kingdom	100
Radio South Limited	United Kingdom	100
Radio Trent Limited*	United Kingdom	100
Real and Smooth Limited*	United Kingdom	100
Real Radio (North East) Limited*	United Kingdom	100
Real Radio (North West) Limited*	United Kingdom	100
Real Radio (Scotland) Limited*	United Kingdom	100
Real Radio Limited*	United Kingdom	100
Rewind Festival Limited*	United Kingdom	87.6
Riviera Radio Limited	United Kingdom	100
Rock Radio Limited	United Kingdom	100
Saxon Radio Limited	United Kingdom	100
SBH Events Limited*	United Kingdom	58.6
Scott Place 1002 Limited	United Kingdom	100
Scott Place 1003 Limited	United Kingdom	100
Scott Place 1004 Limited	United Kingdom	100
Smooth Digital Radio Limited	United Kingdom	100
Smooth Radio Investments Limited*	United Kingdom	100
Smooth Radio London Limited*	United Kingdom	100
Smooth Radio Scotland Limited*	United Kingdom	100
Smooth Radio West Midlands Limited*	United Kingdom	100
South Hams Radio Limited	United Kingdom	63.5
Southern Radio Group Limited*	United Kingdom	100
Southern Radio Limited*	United Kingdom	100
Storm (GWR) Limited	United Kingdom	100
Storm Broadcasting Limited	United Kingdom	100
Suffolk Group Radio Limited*	United Kingdom	100
Tainside Limited*	United Kingdom	100
Thames Valley Broadcasting Group Limited	United Kingdom	100

* 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.

Global Media & Entertainment Limited

Notes to the Company Financial Statements (continued)

33. Investments (continued)

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

Name	Country	% ordinary share capital ownership
Thames Valley Broadcasting Limited*	United Kingdom	100
Thamesquote Limited*	United Kingdom	100
The Arrow (Liverpool) Limited	United Kingdom	100
Global Radio Northwest Limited*	United Kingdom	100
The Digital Radio Group (Investments) Limited*	United Kingdom	100
The Digital Radio Group Limited*	United Kingdom	100
The Hideout Festival LLP*	United Kingdom	70
The Milton Keynes Broadcasting Company Limited	United Kingdom	100
The Northamptonshire Broadcasting Company Limited	United Kingdom	100
The Storm (Digital Radio) Limited	United Kingdom	100
Truck Festivals UK Limited*	United Kingdom	87.6
TS Holdings Limited	United Kingdom	100
Two Counties Radio Limited*	United Kingdom	100
Victorious Festivals Limited*	United Kingdom	57.4
Vibe FM Limited	United Kingdom	100
Waxarch Limited	United Kingdom	70.6
We the Unicorns Limited*	United Kingdom	100
Welovelocal.com Limited*	United Kingdom	100
West Country Broadcasting Limited	United Kingdom	100
Westward Radio Limited	United Kingdom	100
Westward Television Limited	United Kingdom	100
Wiltshire Radio Limited*	United Kingdom	100
Xfm Limited*	United Kingdom	100
Xfm Manchester Limited*	United Kingdom	100
Y Not Festivals UK Limited*	United Kingdom	87.6
Digital Audio Exchange Limited*	United Kingdom	100

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

The Company's subsidiaries all have a year end of 31 March 2018, with the exception of Lock N Load Limited and Waxarch Limited, which have a year end of 30 September 2017 and Audio HQ LLC which has a year end of 31 December 2017.

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
Classic FM BV	Naarderpoort 2, 1411MA, Naarden, The Netherlands
DAX US Inc.	874 Walker Road, Suite C, City of Dover, County of Kent, Delaware 1990430
GM Radio News (UK) Limited	Academic House, 24-28 Oval Road, London, NW1 7DJ
GM&E GmbH	c/o Taylor Wessing, 1 Sartorplatz, 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
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

Global Media & Entertainment Limited

Notes to the Company Financial Statements (continued)

34. Debtors

	31 March 2018 £'000	31 March 2017 £'000
Loans to subsidiaries	367,313	367,313
Amounts owed by group undertakings	62,380	49,144
Deferred tax asset	2,080	2,080
	431,773	418,537

The loans to subsidiaries are repayable on demand and incur a 6% annual interest charge.

35. Creditors: amounts falling due within one year

	31 March 2018 £'000	31 March 2017 £'000
Bank loans and overdrafts	23,303	29,583
Accrued interest	14,991	17,395
Amounts owed to group undertakings	3,894	3,894
	42,188	50,872

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

	31 March 2018 £'000	31 March 2017 £'000
Bank loans	112,247	131,282
Other loans	649,229	610,765
	761,476	742,047

37. Share capital

	31 March 2018 £	31 March 2017 £
Authorised, issued, called up and fully paid		
Ordinary shares of £1	171,889,147	165,309,550
	171,889,147	165,309,550

On 6 June 2017, 2,725,000 ordinary £1 shares were issued, called up and fully paid.

On 19 December 2017, 3,854,597 £1 ordinary shares were issued, called up and fully paid.

38. Related party transactions

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

39. 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.