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**LANTERN RADIO LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**



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**LANTERN RADIO LIMITED**

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**COMPANY INFORMATION**

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**Directors** Stephen Gabriel Miron  
Richard Francis Jackson Park  
Darren David Singer

**Company secretary** Ruth Patricia Daniels

**Registered number** 02702198

**Registered office** 30 Leicester Square  
London  
WC2H 7LA

**Independent auditor** Deloitte LLP  
Statutory auditor  
Abbotts House  
Abbey Street  
Reading  
United Kingdom  
RG1 3BD

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**LANTERN RADIO LIMITED**

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## LANTERN RADIO LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2018

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#### Introduction

The Directors present their Strategic report for the Company for the year ended 31 March 2018.

#### Business review

The principal activity of the Company, a subsidiary of Global Media & Entertainment Limited (the Group), is unchanged from last year and is the production and transmission of radio programmes and the sale of radio advertising and sponsorship.

Turnover for the year ended 31 March 2018 amounted to £829,000 (2017: £861,000) and the Company made a profit for the year before tax of £461,000 (2017: £463,000). Turnover has fallen in a weak advertising market. The Directors expect the general level of activity to continue at current levels.

#### Principal risks and uncertainties

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

#### *Liquidity risk*

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

#### *Market risk*

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

#### *Interest rate risk*

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

#### Financial key performance indicators

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

This report was approved by the board on 1 October 2018 and signed on its behalf.

  
**DD Singer**  
Director

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## LANTERN RADIO LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

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The Directors present their report and the audited financial statements for the year ended 31 March 2018.

#### Principal activity

The principal activity of the Company is the production and transmission of radio programmes and the sale of radio advertising and sponsorship.

#### Results and dividends

The profit for the year, after taxation, amounted to £373,000 (2017 - £370,000).

There were no dividends paid or proposed during the year (2017: £nil).

#### Directors

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

Stephen Gabriel Miron  
Richard Francis Jackson Park  
Darren David Singer

#### Political contributions

The Company made no political contributions during the year (2017: £nil).

#### Qualifying third party indemnity provisions

The Directors benefit from qualifying third party indemnity provisions in place for the Company and the Global Media & Entertainment Limited group.

#### Matters covered in the strategic report

An indication of financial risk management objectives and policies of the Company are included in the strategic report.

#### Disclosure of information to auditor

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

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

#### Post balance sheet events

There have been no significant events affecting the Company since the year end.

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**LANTERN RADIO LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2018**

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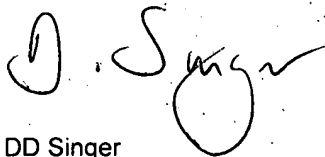
**Auditor**

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 1 October 2018 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'D. Singer', with a large, stylized flourish at the end.

DD Singer  
Director

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**LANTERN RADIO LIMITED**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2018**

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The Directors are responsible for preparing the Strategic report, the Directors' report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare audited financial statements for each financial year. Under that law the Directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the audited financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these audited financial statements, the Directors are required to:

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

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

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## LANTERN RADIO LIMITED

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

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#### OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006;

We have audited the financial statements of Lantern Radio Limited (the 'Company') which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

#### BASIS FOR OPINION

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

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

#### CONCLUSIONS RELATION 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 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.



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## **LANTERN RADIO LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANTERN RADIO LIMITED (CONTINUED)**

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#### **OTHER INFORMATION**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

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

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

#### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### **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.

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**LANTERN RADIO LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANTERN RADIO LIMITED (CONTINUED)**

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**OPINION 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 are consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report.

We have nothing to report in respect of these matters.



Andrew Evans (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Statutory auditor  
Reading  
United Kingdom  
RG1 3BD  
1 October 2018

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LANTERN RADIO LIMITED

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2018

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	Note	2018 £000	2017 £000
Turnover		829	861
Operating charges		(544)	(553)
<b>Operating profit</b>		<b>285</b>	<b>308</b>
Interest receivable and similar income		176	155
<b>Profit before tax</b>		<b>461</b>	<b>463</b>
Tax on profit	7	(88)	(93)
<b>Profit for the financial year</b>		<b>373</b>	<b>370</b>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017: £nil).

The notes on pages 12 to 22 form part of these financial statements.

**LANTERN RADIO LIMITED**  
**REGISTERED NUMBER: 02702198**

**BALANCE SHEET**  
**AS AT 31 MARCH 2018**

	Note	2018 £000	2017 £000
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	3,160	2,787
		<u>3,160</u>	<u>2,787</u>
<b>Total assets</b>		<b>3,160</b>	<b>2,787</b>
<b>Net assets</b>		<u><b>3,160</b></u>	<u><b>2,787</b></u>
<b>Capital and reserves</b>			
Called up share capital	10	379	379
Profit and loss account	11	2,781	2,408
		<u><b>3,160</b></u>	<u><b>2,787</b></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 October 2018.

  
**DD Singer**  
 Director

The notes on pages 12 to 22 form part of these financial statements.

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**LANTERN RADIO LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 April 2017	379	2,408	2,787
<b>Comprehensive income for the year</b>			
Profit for the year	-	373	373
<b>Total comprehensive income for the year</b>	-	373	373
<b>At 31 March 2018</b>	<b>379</b>	<b>2,781</b>	<b>3,160</b>

The notes on pages 12 to 22 form part of these financial statements.

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**LANTERN RADIO LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2017**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 April 2016	<b>379</b>	<b>2,038</b>	<b>2,417</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	<b>370</b>	<b>370</b>
<b>Total comprehensive income for the year</b>	-	<b>370</b>	<b>370</b>
<b>At 31 March 2017</b>	<b>379</b>	<b>2,408</b>	<b>2,787</b>

The notes on pages 12 to 22 form part of these financial statements.

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## LANTERN RADIO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 1. General information

Lantern Radio Limited (the "Company") is incorporated and domiciled in the United Kingdom. The Company is a private company registered in England and Wales and is limited by shares.

The principal activity of the Company is the production and transmission of radio programmes and the sale of radio advertising and sponsorship.

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.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

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## LANTERN RADIO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 2. Accounting policies (continued)

##### 2.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
  - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
  - paragraph 50 of IAS 41 Agriculture
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

##### *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 2017. 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



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## LANTERN RADIO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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## 2. Accounting policies (continued)

### 2.2 Financial reporting standard 101 - reduced disclosure exemptions (continued)

#### *Standards effective in future periods*

Certain new standards, amendments and interpretations to existing standards have been published that are relevant to the Company's activities and are mandatory for the Company's accounting periods beginning after 1 January 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 Company 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 Company's financial instruments and focussed on the classification of financial assets and liabilities and the implications for trade receivables impairment. The impact on the Company's financial instrument accounting and disclosure is not deemed to be material.

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 Company'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 Company's revenues and results is not deemed to be material.

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.

### 2.3 Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Strategic report on page 1. The Company participates in the group centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The Global Media & Entertainment Limited group has prepared detailed forecasts of expected future cash flows for the three years ending 31 March 2021 ('the forecast'). The Board considers the forecast has been prepared on a prudent basis taking into account current consensus forecasts of the radio advertising market. However, the group has also prepared a worse than expected downside scenario. Even under this sensitised scenario, the forecasts indicate that the Company can continue to trade for the foreseeable future and operate within its new facility and the associated financial covenants.

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## LANTERN RADIO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 2. Accounting policies (continued)

##### 2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

##### Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

##### 2.5 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

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## LANTERN RADIO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 2. Accounting policies (continued)

##### 2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### 2.7 Share capital and reserves

###### *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.

###### *Profit and loss account*

Retained earnings includes the cumulative net gains and losses recognised in the profit and loss account.

##### 2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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## LANTERN RADIO LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 2. Accounting policies (continued)

##### 2.9 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amount of assets, liabilities, income, expenses and other disclosures. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. There are no critical judgements.

Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimate was based, or as a result of new information or further information. Such changes are recognised in the period in which the estimate is revised.

Key assumptions about the future and key sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying value of assets and liabilities over the next year are set out below.

##### *Income taxes*

Estimates may be required in determining the level of current and deferred income tax assets and liabilities, which the directors believe are reasonable and adequately recognise any income tax related uncertainties. Various factors may have favourable or adverse effects on the income tax assets or liabilities. These include changes in tax legislation, tax rates and allowances, future levels of spending, the Company's level of future earnings and estimated future taxable profits.

#### 4. Agency agreement

During the year Global Radio Services Limited provided personnel and other services to the Company. The amounts included in 'operating charges' contain a charge for these services of £280,883 (2017: £267,469).

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**LANTERN RADIO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**5. Operating profit**

The audit fee in the prior year in respect of services to the Company and its associates, other than the audit of the Company's financial statements, was not disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, Global Media & Entertainment Limited. The audit fee for the audit of the Company's financial statements for the year was £1,000 (2017: £1,000).

During the year ended 31 March 2018, DD Singer, SG Miron and RFJ Park received remuneration from Global Radio Services Limited and the majority of their time was spent on services to Global Media & Entertainment Limited, the ultimate parent company. Their remuneration as directors of Global Media & Entertainment Limited is disclosed in that company's financial statements. None of the Directors received remuneration in respect of qualifying services to the Company.

**6. Employees**

The Company did not directly employ any staff in the year (2017: nil).

**7. Taxation**

	2018 £000	2017 £000
<b>Corporation tax</b>		
Current tax on profits for the year	88	93
	<hr/> 88	<hr/> 93
<b>Total current tax</b>	<hr/> <hr/> 88	<hr/> <hr/> 93

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LANTERN RADIO LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2017 - the same as) the standard rate of corporation tax in the UK of 19% (2017 - 20%) as set out below:

	2018 £000	2017 £000
Profit on ordinary activities before tax	461	463
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	88	93
Effects of:		
Total tax charge for the year	88	93

Factors that may affect future tax charges

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.

8. Debtors

	2018 £000	2017 £000
Amounts owed by group undertakings	3,159	2,786
Deferred taxation	1	1
	3,160	2,787

Loans due from group undertakings are repayable on demand and incur a 6% annual interest charge.

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**LANTERN RADIO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. Deferred taxation**

	<b>2018 £000</b>	<b>2017 £000</b>
At beginning of year	<b>1</b>	<b>1</b>
<b>At end of year</b>	<b>1</b>	<b>1</b>

The deferred tax asset is made up as follows:

	<b>2018 £000</b>	<b>2017 £000</b>
Fixed asset temporary differences	<b>1</b>	<b>1</b>
	<b>1</b>	<b>1</b>

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**LANTERN RADIO LIMITED**

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**10. Share capital**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
<b>Allotted, called up and fully paid</b>		
279,250 Ordinary shares of £1 each	<b>279</b>	<b>279</b>
200,000 'A' Ordinary shares of £0.50 each	<b>100</b>	<b>100</b>
	<hr/> <b>379</b> <hr/>	<hr/> <b>379</b> <hr/>

Both types of share rank pari passu in all respects.

**11. Reserves**

**Profit & loss account**

Retained earnings includes the cumulative net gains and losses recognised in the profit and loss account.

**12. Guarantees**

Guarantees as at the balance sheet date were as follows:

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

**13. Related party transactions**

During the year the Company acquired £544,000 (2017: £553,000) of goods and services from its intermediate parent company, Global Radio Services Limited. At 31 March 2018 £3,159,000 (2017: £2,786,000) was owed by Global Radio Services Limited. There were no other related party transactions during the year.



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**LANTERN RADIO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**14. Controlling party**

The Directors regard Global Radio Holdings Limited, a company incorporated in Great Britain and registered in England and Wales, as the immediate parent company. The Company is limited by shares.

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

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

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