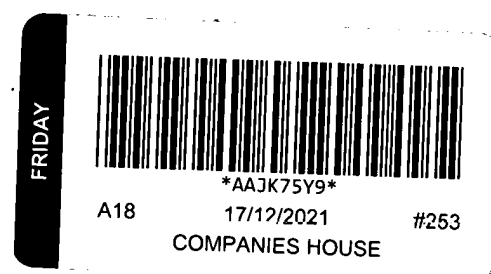

HARLOW F.M. LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



HARLOW F.M. LIMITED

COMPANY INFORMATION

Directors Stephen Gabriel Miron
Darren David Singer

Registered number 02757939

Registered office 30 Leicester Square
London, WC2H 7LA
United Kingdom

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

HARLOW F.M. LIMITED

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HARLOW F.M. LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Introduction

The Directors, in preparing this strategic report, have complied with s414c of the Companies Act 2006. It has been prepared solely to provide the shareholders with information to assess how directors have performed their duty to promote the success of the Company.

Business review

The principal activity of the Company, a subsidiary of the Global Media & Entertainment Limited group ('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 2021 amounted to £458,000 (2020: £643,000) and the Company made a profit for the year before tax of £172,000 (2020: £265,000).

Principal risks and uncertainties

The Company is a subsidiary within the Global Media & Entertainment Group (the "Group"). From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. The review of the business of 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.

HARLOW F.M. LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

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 Global Media & Entertainment Limited 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 29 July 2021 and signed on its behalf.


DD Singer
Director

HARLOW F.M. LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Directors, in preparing this strategic report, have complied with s414c of the Companies Act 2006. It has been prepared solely to provide shareholders with information to assess how directors have performed their duty to promote the success of the Company.

The Directors present their report and the financial statements for the year ended 31 March 2021.

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 £139,000 (2020 - £215,000).

There were no dividends paid or proposed during the year (2020: £nil).

Directors

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

Stephen Gabriel Miron
Darren David Singer

Political contributions

The Company made no political contributions during the year (2020: £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 likely future developments in the business of the Company, and financial risk management objectives and policies are included in the strategic report.

Disclosure of information to auditor

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

- so far as 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.

The confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Post balance sheet events

There have been no significant events post balance sheet date.

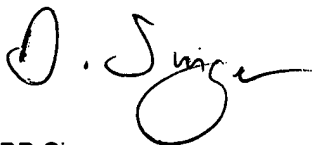
HARLOW F.M. LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Auditor

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

This report was approved by the board on 29 July 2021 and signed on its behalf.

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

DD Singer
Director

HARLOW F.M. LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with 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 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 financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

HARLOW F.M. LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARLOW F.M. LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Harlow F.M. Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18.

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 Financial Reporting Council's (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 relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

HARLOW F.M. LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARLOW F.M. LIMITED

misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 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.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, UK GAAP and UK tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These include the UK Bribery Act

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below.

Global Media & Entertainment group ("Group") prepare all their financial data for radio business on a consolidation level and then allocate costs and revenues to the subsidiary entities within the Group by deconsolidating the accounts. We have pinpointed the fraud risk to the allocation of such financial data to the company. We performed the following procedures to address the risk:

- we assessed the design and implementation of relevant control surrounding the deconsolidation process;

HARLOW F.M. LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARLOW F.M. LIMITED

- as part of the revenue and costs substantive testing, we considered whether the statutory entity where the transaction was made represents the correct location;
- we tested the figures at the Radio division level and tested those allocations and rules;
- for central costs allocations, we inquired with the management as to whether the allocation was in line with the same basis as the prior year; and
- we inspected as to whether there are any unexplained transactions made in the year or movements from the prior year.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

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 company and its 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

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.

HARLOW F.M. LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARLOW F.M. LIMITED

Andrew Evans

Andrew Evans (Senior statutory auditor)

for and on behalf of

Deloitte LLP

Statutory Auditor

Abbotts House
Abbey Street
Reading
United Kingdom
RG1 3BD
29 July 2021

HARLOW F.M. LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £000	2020 £000
Turnover	4	458	643
Operating charges		(367)	(449)
Operating profit	5	91	194
Interest receivable and similar income	9	81	71
Profit before tax		172	265
Tax on profit	10	(33)	(50)
Profit for the financial year		139	215

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2021 (2020: £nil).

The notes on pages 13 to 23 form part of these financial statements.

HARLOW F.M. LIMITED
REGISTERED NUMBER: 02757939

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £000	2020 £000
Current assets			
Debtors due within 1 year	11	1,473	1,302
		<u>1,473</u>	<u>1,302</u>
Creditors: Amounts Falling Due Within One Year		(32)	-
Net current assets		<u>1,441</u>	<u>1,302</u>
Total assets less current liabilities		<u>1,441</u>	<u>1,302</u>
Net assets		<u>1,441</u>	<u>1,302</u>
Capital and reserves			
Called up share capital	13	101	101
Profit and loss account	14	1,340	1,201
		<u>1,441</u>	<u>1,302</u>

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



DD Singer
Director

The notes on pages 13 to 23 form part of these financial statements.

HARLOW F.M. LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 April 2019	101	986	1,087
Profit and total comprehensive income for the year	-	215	215
At 1 April 2020	101	1,201	1,302
Profit and total comprehensive income for the year	-	139	139
At 31 March 2021	101	1,340	1,441

The notes on pages 13 to 23 form part of these financial statements.

HARLOW F.M. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. General information

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

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.

HARLOW F.M. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 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 IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- 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;
- 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 130(f)(ii), 130(f)(iii), 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 2021. The accounting policies adopted in the presentation of these financial statements reflect the adoption of the following new standards, amendments to standards and interpretations as of 1 April 2020. The adoption of these standards has not impacted the Group's earnings, however has required certain reclassifications in the Group Statement of Financial Position and introduced additional disclosure requirements:

- Amendments to IFRS 3 Business Combinations: Definition of a Business
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform
- Amendments to IAS 1 and IAS 8: Definition of Material
- Amendments to References to the Conceptual Framework in IFRS Standards

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 2021 or later and which the Company has decided not to adopt early.

HARLOW F.M. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

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

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1: Classification of Liabilities as Current or Non current
- Amendments to IFRS 3: Reference to the Conceptual Framework
- Amendments to IAS 16: Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to IFRS 1 First time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases and IAS 41 Agriculture

The Directors considered the impact on the Group's financial information and do not consider the above to have a material effect on the financial statements of the Company.

2.3 Going concern

The financial statements have been prepared using the going concern basis of accounting. 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 group has prepared detailed forecasts of expected future cash flows for the three years ending 31 March 2024 ("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.

The forecasts and going concern review performed at the Group level has not raised concerns over the ability of the Group, or Company, to continue as a going concern and more details on the Group's response to operational and financial risks, including the impact of Covid-19 can be seen within the financial statements of Global Media & Entertainment Limited.

HARLOW F.M. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.4 Revenue

Revenue recognition is based on the satisfaction of performance obligations, and an assessment of when control is transferred to the customer. The transaction price is allocated to these identified performance obligations, including an estimate of any variable consideration, and stated net of any sales taxes, agency commissions and trade discounts.

Under IFRS 15, the Company must evaluate whether the goods or services are transferred over time or at a point in time for each performance obligation.

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

Radio advertising	Point in time, at date of broadcast
Sponsorship	Over the term of the contract
Internet revenue	Over the term of the contract
Transmission fees	Over the term of the contract
Production of adverts	Point in time, on date of release to clients
Enterprise revenue	Point in time, on agreed settlement with all parties

Contract assets

A contract asset is the right to consideration in exchange for goods and services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

HARLOW F.M. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 profit or loss 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

HARLOW F.M. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.8 Financial Assets

In accordance with IFRS 9, the Company's financial assets are initially recognised at fair value plus transaction costs. Subsequent to initial recognition, all financial assets are measured at amortised cost. The Company's financial assets are primarily loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for assets with maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables financial assets comprise all trade and other receivables (excluding prepayments) and cash and cash equivalents included in the balance sheet.

Short term trade receivables are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, including transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment. In accordance with IFRS 9, the Company's financial assets are initially recognised at fair value plus transaction costs. Subsequent to initial recognition, all financial assets are measured at amortised cost.

2.9 Financial Liabilities

Financial liabilities are recognised when, and only when, the Company becomes a party to the contracts which give rise to them and are classified as financial liabilities at fair value through profit or loss or loans and payables as appropriate.

Loans and payables

The Company's loans and payables comprise all trade and other payables. Short term payables are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs and are measured subsequently at amortised cost using the effective interest method, other than those categorised as fair value through profit or loss. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

3. Critical accounting judgements and key sources of estimation uncertainty

In preparing these financial statements, management have not made any significant 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.

HARLOW F.M. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

4. Revenue

An analysis of revenue by class of business is as follows:

	2021 £000	2020 £000
Radio advertising	458	643
	<u>458</u>	<u>643</u>

All turnover arose within the United Kingdom.

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 in respect of the auditing of the financial statements of the Company in the year was £6,000 (2020: £6,000).

Operating profit also includes intragroup agency costs as set out in note 6.

6. Agency agreement

Global Radio Services Limited, a fellow subsidiary of the ultimate parent undertaking, provided personnel and other services to the Company. The amounts included in 'operating charges' contain a charge for these services of £187,951 (2020: £248,163).

7. Employees

The Company did not directly employ any staff in the year (2020: nil).

8. Directors' remuneration

During the year ended 31 March 2021 SG Miron and DD Singer 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. Details of their remuneration as directors of Global Media & Entertainment Limited are disclosed in that company's financial statements.

None of the Directors received remuneration in respect of qualifying services to the Company (2020: £nil).

HARLOW F.M. LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Interest receivable and similar income

	2021 £000	2020 £000
Interest receivable from group companies	81	71
	<u>81</u>	<u>71</u>

10. Taxation

	2021 £000	2020 £000
Corporation tax		
Current tax on profits for the year	33	50
	<u>33</u>	<u>50</u>
Total current tax	<u>33</u>	<u>50</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%) as set out below:

	2021 £000	2020 £000
Profit before tax	172	265
	<u>172</u>	<u>265</u>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	33	50
	<u>33</u>	<u>50</u>
Total tax charge for the year	<u>33</u>	<u>50</u>

HARLOW F.M. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

10. Taxation (continued)

Factors that may affect future tax charges

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

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

In the March 2021 Budget the UK Government announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. As the changes had not been substantively enacted at the balance sheet date, the deferred tax balances as at 31 March 2021 continue to be measured at a rate of 19%. The impact of this change will not have a material impact on the company.

11. Debtors

	2021 £000	2020 £000
Amounts owed by group undertakings	1,473	1,301
Deferred taxation	-	1
	<u>1,473</u>	<u>1,302</u>

Amounts owed by group undertakings are unsecured, repayable on demand and attract a 6% interest charge.

HARLOW F.M. LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. Deferred taxation

	2021 £000
At beginning of year	-
At end of year	-

The deferred tax asset is made up as follows:

	2021 £000	2020 £000
Fixed asset temporary differences	-	1
	-	1

13. Share capital

	2021 £000	2020 £000
Authorised, called up and fully paid		
100,000 (2020 - 100,000) 'A' Ordinary shares of £1.00 each	100	100
1,050 (2020 - 1,050) 'B' Ordinary shares of £0.50 each	1	1
	101	101

The A ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

The B ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption. The holders of 'B' shares may at any time convert 2 'B' shares to 1 'A' share.

14. Reserves

Profit & loss account

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

HARLOW F.M. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

15. 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.

16. Related party transactions

During the year the Company acquired £367,000 (2020: £449,000) of goods and services from its intermediate parent company, Global Radio Services Limited, representing the Company's share of operating costs incurred by the Group. At 31 March 2021 £1,473,000 (2020: £1,301,000) was owed by Global Radio Services Limited.

17. Controlling party

The Directors regard Essex Radio Limited, a company incorporated in Great Britain and registered in England and Wales, as the immediate parent company as this has a 99.8% shareholding. The remaining 0.198% is owned by Graham Swain. The Company is limited by shares.

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

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

18. Post balance sheet events

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