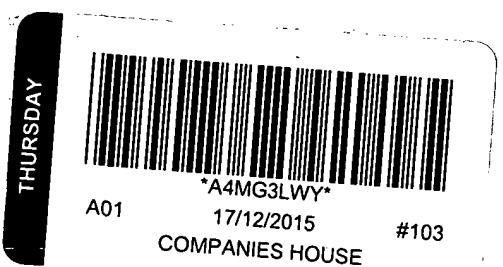

GALAXY RADIO MANCHESTER LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015



GALAXY RADIO MANCHESTER LIMITED

COMPANY INFORMATION

DIRECTORS

MD Connole
SG Miron
RFJ Park

COMPANY SECRETARY

CR Potterell

REGISTERED NUMBER

02848034

REGISTERED OFFICE

30 Leicester Square
London
WC2H 7LA

INDEPENDENT AUDITOR

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

GALAXY RADIO MANCHESTER LIMITED

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GALAXY RADIO MANCHESTER LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

The Directors present their Strategic report for the Company.

BUSINESS REVIEW

The principal activity of the Company, a subsidiary of This is Global Limited (the Group), is unchanged and is the operation in the Greater Manchester area of the independent radio licence for 102 Capital FM.

Turnover for the year ended 31 March 2015 amounted to £5,360,000 (2014: £4,965,000). The Directors expect the general level of activity to continue at current levels.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Liquidity risk

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

Market Risk

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

Interest rate risk

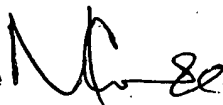
Interest rate risk arises from intercompany balances that bear interest at a fixed rate. The Directors have reviewed the Company's exposure to interest rates and have concluded that the risk is appropriate in relation to the financial results of the Company.

FINANCIAL KEY PERFORMANCE INDICATORS

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

This report was approved by the board on 30 July 2015 and signed on its behalf.

MD Connole
Director



GALAXY RADIO MANCHESTER LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

The Directors present their Annual report and the audited financial statements for the year ended 31 March 2015.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £7,552,000 (2014 - £1,529,000).

A dividend of £20,343,000 was paid during the year (2014: £nil).

DIRECTORS

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

MD Connole
SG Miron
RFJ Park

GOING CONCERN

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

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

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

MATTERS COVERED IN THE STRATEGIC REPORT

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

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

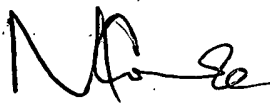
GALAXY RADIO MANCHESTER LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015**

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 on 30 July 2015 and signed on its behalf.



MD Connole
Director
30 Leicester Square
London
WC2H 7LA

GALAXY RADIO MANCHESTER LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF GALAXY RADIO MANCHESTER LIMITED

We have audited the financial statements of Galaxy Radio Manchester Limited for the year ended 31 March 2015, set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Andrew Evans

Andrew Evans (Senior Statutory Auditor)
for and on behalf of

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

30 July 2015

GALAXY RADIO MANCHESTER LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £000	2014 £000
TURNOVER	1,2	5,360	4,965
Operating charges		(4,667)	(3,846)
OPERATING PROFIT	4	693	1,119
Income from other fixed asset investments		6,572	
Interest receivable and similar income	7	566	895
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		7,831	2,014
Tax on profit on ordinary activities	8	(279)	(485)
PROFIT FOR THE FINANCIAL YEAR	15	7,552	1,529

All amounts in the current and prior year relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

The notes on pages 8 to 15 form part of these financial statements.

GALAXY RADIO MANCHESTER LIMITED
REGISTERED NUMBER: 02848034

BALANCE SHEET
AS AT 31 MARCH 2015

	Note	2015 £000	2014 £000
FIXED ASSETS			
Tangible assets	9	5	6
Investments	10	-	-
		<u>5</u>	<u>6</u>
CURRENT ASSETS			
Debtors	11	3,097	15,992
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,102</u>	<u>15,998</u>
PROVISIONS FOR LIABILITIES			
Other provisions	13	-	(105)
NET ASSETS		<u>3,102</u>	<u>15,893</u>
CAPITAL AND RESERVES			
Called up share capital	14	833	833
Share premium account	15	1,287	1,287
Profit and loss account	15	982	13,773
SHAREHOLDER'S FUNDS	16	<u>3,102</u>	<u>15,893</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 July 2015.



MD Connole
Director

The notes on pages 8 to 15 form part of these financial statements.

GALAXY RADIO MANCHESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. They have been applied consistently throughout the current and prior year.

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

1.2 Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the 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 This is Global group has prepared detailed forecasts of expected future cash flows for the three years ending 31 March 2018 ("the forecast"). The Board considers the forecast has been prepared on a prudent basis taking into account current consensus forecasts of the radio advertising market. However, the group has also prepared a worse than expected downside scenario. Even under this sensitised scenario, the forecasts indicate that the Company can continue to trade for the foreseeable future and operate within its new facility and the associated financial covenants.

1.3 Cash flow

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

1.4 Turnover

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

Radio airtime revenue is recognised on the date of broadcast and this is considered to be the only material class of business for the Company in the United Kingdom.

1.5 Tangible fixed assets and depreciation

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

Office furniture, plant and equipment	- over 2-10 years
---------------------------------------	-------------------

1.6 Investments

Investments are stated at cost less amounts written off.

GALAXY RADIO MANCHESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES (continued)

1.7 Operating leases

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

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

1.8 Taxation

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

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

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

Deferred tax assets and liabilities are not discounted.

2. TURNOVER

The whole of the turnover is attributable to the operation in the Greater Manchester area of the independent radio licence for Galaxy 102. The station was rebranded 102 Capital FM in the prior year.

All turnover arose within the United Kingdom.

3. AGENCY AGREEMENT

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 £1,375,667 (2014: £1,062,044).

GALAXY RADIO MANCHESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

4. OPERATING PROFIT

The operating profit is stated after charging:

	2015 £000	2014 £000
Depreciation of tangible fixed assets:		
- owned by the Company	1	2
Operating leases:		
- plant and machinery	5	4
- other operating leases	7	7
	<u>7</u>	<u>7</u>

Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed, as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, This is Global Limited. The audit fee in respect of the Company was £1,000 (2014: £1,000).

5. STAFF COSTS

The Company does not directly employ any staff (2014: £NIL).

6. DIRECTORS' REMUNERATION

During the year ended 31 March 2015 MD Connole, RFJ Park and SG Miron received remuneration from Global Radio Services Limited and the majority of their time was spent on services to This is Global Limited, the ultimate parent company. Details of their remuneration as directors of This is Global Limited are disclosed in that company's financial statements.

None of the Directors received remuneration in respect of qualifying services to the Company (2014: £nil).

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015 £000	2014 £000
Interest receivable from group undertakings	566	895
	<u>566</u>	<u>895</u>

GALAXY RADIO MANCHESTER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

8. TAXATION

	2015 £000	2014 £000
Analysis of tax charge in the year		
Current tax (see below)		
UK corporation tax charge on profit for the year	271	484
Deferred tax (see note 12)		
Origination and reversal of timing differences	8	1
Tax on profit on ordinary activities	<u>279</u>	<u>485</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - *higher than*) the standard rate of corporation tax in the UK of 21% (2014 - 23%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before tax	<u>7,831</u>	<u>2,014</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	1,645	463
Effects of:		
Expenses not deductible for tax purposes	6	21
Dividends received	(1,380)	-
Current tax charge for the year (see above)	<u>271</u>	<u>484</u>

Factors that may affect future tax charges

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

On 8 July 2015 the Chancellor announced the reduction in the main rate of UK corporation tax to 19 per cent with effect from 1 April 2017, and to 18 per cent from 1 April 2020. This change has not been substantively enacted, and has not therefore been included in the figures above. The impact of the future rate reductions will be accounted for to the extent that they are enacted at the balance sheet date; however it is estimated that this will not have a material effect on the Company.

GALAXY RADIO MANCHESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

9. TANGIBLE FIXED ASSETS

	Office furniture, plant and equipment £000
Cost	
At 1 April 2014	40
Disposals	(23)
At 31 March 2015	17
Depreciation	
At 1 April 2014	34
Charge for the year	1
On disposals	(23)
At 31 March 2015	12
Net book value	
At 31 March 2015	5
At 31 March 2014	6

10. FIXED ASSET INVESTMENTS

Subsidiary undertakings

The following were subsidiary undertakings of the Company. All were incorporated in England and Wales:

Name	Class of shares	Holding
Galaxy Radio Yorkshire Limited	Ordinary	100%
Faze Three (East Midlands) Limited	Ordinary	100%

Investments at cost total £12 at the beginning and end of the year.

11. DEBTORS

	2015 £000	2014 £000
Amounts owed by group undertakings	3,029	15,915
Deferred tax asset (see note 12)	68	77
	3,097	15,992

GALAXY RADIO MANCHESTER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

12. DEFERRED TAX ASSET

	2015 £000	2014 £000
At beginning of year	77	78
Credited during/(charged for) year	(9)	(1)
At end of year	<u>68</u>	<u>77</u>

The deferred tax asset is made up as follows:

	2015 £000	2014 £000
Accelerated capital allowances	68	68
Other timing differences	-	9
	<u>68</u>	<u>77</u>

13. PROVISIONS

	Property provisions £000
At 1 April 2014	105
Amounts utilised in the year	(105)
At 31 March 2015	<u>-</u>

Property provisions

Property provisions are in place in respect of vacant property commitments. Utilisation will be over the life of these leases. These are based on the potential liabilities for rent, service charge, rates and insurance for the remaining term of the lease.

14. SHARE CAPITAL

	2015 £000	2014 £000
Allotted, called up and fully paid		
643,470 Ordinary shares of £1 each	643	643
190,245 "A" Ordinary shares of £1 each	190	190
	<u>833</u>	<u>833</u>

GALAXY RADIO MANCHESTER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

15. RESERVES

	Share premium account £000	Profit and loss account £000
At 1 April 2014	1,287	13,773
Profit for the financial year	-	7,552
Dividends: Equity capital	-	(20,343)
At 31 March 2015	<u>1,287</u>	<u>982</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2015 £000	2014 £000
Opening shareholder's funds	15,893	14,364
Profit for the financial year	7,552	1,529
Dividends (Note 17)	(20,343)	-
Closing shareholder's funds	<u>3,102</u>	<u>15,893</u>

17. DIVIDENDS

	2015 £000	2014 £000
Dividends paid on equity capital	<u>20,343</u>	<u>-</u>

18. CONTINGENT LIABILITIES

Contingent liabilities 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 This is Global 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 other group companies for unpaid VAT.

GALAXY RADIO MANCHESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

19. RELATED PARTY TRANSACTIONS

As the Company is a wholly owned subsidiary of This is Global Limited (the ultimate parent company) the Company has taken advantage of the exemption contained within FRS 8 'Related party disclosures' and has therefore not disclosed transactions or balances with entities which form part of the Group (or investees of the Group qualifying as related parties). The consolidated financial statements of This is Global Limited, within which this Company is included, can be obtained from the address given below. There were no other related party transactions during the year.

20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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

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

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