

Registered number:  
04128825

---

## REAL RADIO XS LIMITED

---

### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018



---

|                              |
|------------------------------|
| <b>REAL RADIO XS LIMITED</b> |
|------------------------------|

---

---

**COMPANY INFORMATION**

---

|                             |                                                                                                                                              |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>DIRECTORS</b>            | CD Everitt<br>MA Lee                                                                                                                         |
| <b>COMPANY SECRETARY</b>    | CD Everitt                                                                                                                                   |
| <b>REGISTERED NUMBER</b>    | 04128825                                                                                                                                     |
| <b>REGISTERED OFFICE</b>    | 7 <sup>th</sup> Floor, XYZ Building<br>2 Hardman Boulevard<br>Spinningfields<br>Manchester<br>M3 3AQ                                         |
| <b>INDEPENDENT AUDITORS</b> | PricewaterhouseCoopers LLP<br>Chartered Accountants and Statutory Auditors<br>No 1 Spinningfields.<br>Hardman Square<br>Manchester<br>M3 3EB |

---

|                              |
|------------------------------|
| <b>REAL RADIO XS LIMITED</b> |
|------------------------------|

---

---

**CONTENTS**

---

|                                                                             | Page(s) |
|-----------------------------------------------------------------------------|---------|
| <b>Strategic Report</b>                                                     | 2       |
| <b>Directors' Report</b>                                                    | 3 - 4   |
| <b>Independent Auditors' Report to the members of Real Radio XS Limited</b> | 5 - 7   |
| <b>Income Statement</b>                                                     | 8       |
| <b>Statement of Financial Position</b>                                      | 9       |
| <b>Statement of Changes in Equity</b>                                       | 10      |
| <b>Notes to the Financial Statements</b>                                    | 11 - 21 |

---

**REAL RADIO XS LIMITED**

---

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

---

The Director present their Strategic Report for the Company for the year ended 31 December 2018.

**BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

The principal activity of the Company is that of a radio broadcaster in Greater Manchester under the XS Manchester brand.

The loss for the 12 months ended 31 December 2018 before taxation was £238,000 (2017: loss £312,000). Turnover for the 12 months ended 31 December 2018 was £799,000 (2017: £760,000). The station reaches 90,000 adults aged 15+ each week (Source: RAJAR December 2018).

The Company's turnover has increased by 5% and losses have reduced in 2018 as we continue to investment in the content of XS Manchester to grow the company's revenue and audience to make the Company profitable.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Company is a subsidiary of Communicorp UK 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 principal risks in the view of the Directors are outlined below.

**Liquidity risk:** In order to maintain liquidity and to ensure that sufficient funds are available for ongoing operations and future developments, the Company has access to intercompany funds from other Group companies.

**Operational risks:** Audience levels of the station, if they were to decline, could erode the Company's position, both in local markets and in the national marketplace. To address this, the Company markets its brand regularly, runs on-air competitions and continually strives to improve programming standards

**Commercial risks:** There is a risk that weakness in the advertising market and a shift to online advertising could put pressure on traditional revenue streams. To address this, the Company has been developing its relationship with advertisers and agencies to ensure that the value of its brand is fully realised. This includes offering tailored solutions to advertisers and highlighting the breadth of our products.

**Interest rate risk:** Interest rate risk arises from intercompany balances that bear interest at the Bank of England base rate +2% 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**

The business uses key performance indicators which are monitored on a regular basis and include audience trends such as weekly reach, listening hours, share of the market and demographic mix, as well as financial indicators such as turnover, EBITDA and operating margins. Variance analysis is performed monthly and variances are monitored and discussed within a formal meeting structure. Key performance indicators are included in the business review and future developments section of this report.

This report was approved by the board on 12 June 2019 and signed on its behalf.



**CD Everitt**  
Director

---

**REAL RADIO XS LIMITED**

---

---

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

---

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

**Statement of directors' responsibilities in respect of the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for 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.

**Results and dividends**

The loss for the year, after taxation, amounted to £193,000 (2017: loss £253,000).

The directors do not recommend payment of a dividend (2017: £Nil).

**Directors**

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

CD Everitt  
MA Lee

**Future developments**

Please refer to the business review and future developments statement in the strategic report on page 2.

---

|                              |
|------------------------------|
| <b>REAL RADIO XS LIMITED</b> |
|------------------------------|

---

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**Qualifying third party indemnity provisions**

The Company has granted indemnity in favour of its Directors and officers against the financial exposure that they may incur in the context of their professional duties as Directors and officers of the company.

**Going Concern**

These financial statements have been prepared on a going concern basis because the Directors have received confirmation from a fellow subsidiary that it will provide sufficient financial support to the Company to enable it to meet its financial liabilities when they fall due for at least twelve months from the date of signing the 31 December 2018 financial statements.

**Subsequent events**

Subsequent to the Statement of Financial Position date there have been no material events that have impacted the Company.

**Political Donations**

The Company made no political donations in the year ended 31 December 2018 (2017: Nil)

**Disclosure of information to auditors**

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 auditors are 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 auditors are aware of that information.

**Independent Auditors**

PricewaterhouseCoopers LLP was appointed in the period. In accordance with section 487 of the Companies Act 2006, a resolution for the reappointment of PricewaterhouseCoopers LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

This report was approved by the board on 12 June 2019 and signed on its behalf.



CD Everitt  
Director

---

**REAL RADIO XS LIMITED**

---

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REAL RADIO XS LIMITED**

---

## **Report on the audit of the financial statements**

---

### **Opinion**

In our opinion, Real Radio XS Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2018; the income statement, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

---

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

---

### **Conclusions relating to going concern**

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the 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 the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

---

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

---

## REAL RADIO XS LIMITED

---

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REAL RADIO XS LIMITED

---

#### **Reporting on other information (continued)**

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

##### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

#### **Responsibilities for the financial statements and the audit**

##### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

##### *Auditors' 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 auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

##### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

---

## **Other required reporting**

---

#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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



---

|                              |
|------------------------------|
| <b>REAL RADIO XS LIMITED</b> |
|------------------------------|

---

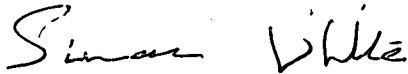
---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REAL RADIO XS LIMITED**

---

**Companies Act 2006 exception reporting (continued)**

We have no exceptions to report arising from this responsibility.



Simon White (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
12 June 2019

**REAL RADIO XS LIMITED**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

|                                       | Note | 2018<br>£000 | 2017<br>£000 |
|---------------------------------------|------|--------------|--------------|
| Turnover                              | 4    | 799          | 760          |
| Cost of sales                         |      | (310)        | (266)        |
| <b>Gross profit</b>                   |      | <b>489</b>   | <b>494</b>   |
| Administrative expenses               |      | (698)        | (786)        |
| <b>Operating loss</b>                 | 5    | <b>(209)</b> | <b>(292)</b> |
| Interest payable and similar expenses | 8    | (29)         | (20)         |
| <b>Loss before tax</b>                |      | <b>(238)</b> | <b>(312)</b> |
| Tax on loss                           | 9    | 45           | 59           |
| <b>Loss for the financial year</b>    |      | <b>(193)</b> | <b>(253)</b> |

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

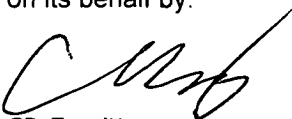
The notes on pages 11 to 21 form part of these financial statements.

**REAL RADIO XS LIMITED**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018  
REGISTERED NUMBER: 04128825**

|                                                         | Note | 2018<br>£000          | 2017<br>£000        |
|---------------------------------------------------------|------|-----------------------|---------------------|
| <b>Fixed Assets</b>                                     |      |                       |                     |
| Tangible assets                                         | 10   | <u>12</u>             | <u>19</u>           |
|                                                         |      | 12                    | 19                  |
| <b>Current assets</b>                                   |      |                       |                     |
| Debtors                                                 | 11   | 77                    | 155                 |
| Cash at bank and in hand                                |      | <u>-</u>              | <u>-</u>            |
|                                                         |      | 77                    | 155                 |
| Creditors: amounts falling due within one year          | 12   | <u>(1,239)</u>        | <u>(1,118)</u>      |
| <b>Net current liabilities</b>                          |      | <b>(1,162)</b>        | <b>(963)</b>        |
| <b>Total assets less current liabilities</b>            |      | <b>(1,150)</b>        | <b>(944)</b>        |
| Creditors: amounts falling due after more than one year | 13   | -                     | <b>(13)</b>         |
| <b>Net liabilities</b>                                  |      | <b><u>(1,150)</u></b> | <b><u>(957)</u></b> |
| <b>Capital and reserves</b>                             |      |                       |                     |
| Called up share capital                                 | 15   | 2,400                 | 2,400               |
| Profit and loss account                                 |      | <u>(3,550)</u>        | <u>(3,357)</u>      |
| <b>Total shareholders' deficit</b>                      |      | <b><u>(1,150)</u></b> | <b><u>(957)</u></b> |

The financial statements on pages 8 to 21 were approved by the Board of Directors on 12 June 2019 and signed on its behalf by.



CD Everitt  
Director

---

**REAL RADIO XS LIMITED**

---

---

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

---

|                            | <b>Called up<br/>share capital</b> | <b>Profit and<br/>loss account</b> | <b>Total equity</b>   |
|----------------------------|------------------------------------|------------------------------------|-----------------------|
|                            | <b>£000</b>                        | <b>£000</b>                        | <b>£000</b>           |
| <b>At 1 January 2017</b>   | <b>2,400</b>                       | <b>(3,104)</b>                     | <b>(704)</b>          |
| Loss for the year          | -                                  | (253)                              | (253)                 |
| <b>At 31 December 2017</b> | <b><u>2,400</u></b>                | <b><u>(3,357)</u></b>              | <b><u>(957)</u></b>   |
| <b>At 1 January 2018</b>   | <b>2,400</b>                       | <b>(3,357)</b>                     | <b>(957)</b>          |
| Loss for the year          | -                                  | (193)                              | (193)                 |
| <b>At 31 December 2018</b> | <b><u>2,400</u></b>                | <b><u>(3,550)</u></b>              | <b><u>(1,150)</u></b> |

The notes on pages 11 to 21 form part of these financial statements.

---

|                              |
|------------------------------|
| <b>REAL RADIO XS LIMITED</b> |
|------------------------------|

---

---

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

---

**1. General information**

Real Radio XS Limited ('the company') is a private company, registered number 04128825, incorporated and domiciled in the UK. The address of its registered office is 7th Floor, XYZ Building, 2 Hardman Boulevard, Spinningfields, Manchester, England, M3 3AQ.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. The financial statements have been prepared on a going concern basis, please refer to the Directors Report for further information on why this is appropriate.

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's accounting policies (see note 3).

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

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

- a cash flow statement and related notes;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- disclosure of related party transactions;
- disclosures in respect of the compensation of key management personnel; and
- disclosures of transactions with a management entity that provides key management personnel services to the company.
- disclosures under IFRS7 – 'Financial instruments'.
- disclosures under IFRS13 – 'Fair value measurement'.

The following principal accounting policies have been applied:

**2.3 Revenue**

The Group derives its revenue from sales of advertising services to UK based customers including radio airtime, sponsorship, promotions, digital inventory and production of commercials. Revenue excludes Value Added Tax, intercompany sales and agencies' commissions and is recognised only when the service(s) has been provided. Airtime, sponsorship and promotions revenue is recognised at the point of broadcast; digital inventory on impressions and commercial production when approved by the customer. If it is probable that volume related discounts will be granted to customers, then the discount is recognised as a reduction of revenue as and when the sales are recognised.

---

**REAL RADIO XS LIMITED**

---

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

---

**2.4 Tangible assets**

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

|                   |           |
|-------------------|-----------|
| Office equipment: | 10% - 33% |
| Motor Vehicles    | 20% - 25% |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Income Statement.

**2.5 Operating leases: Lessee**

Rentals paid under operating leases are charged to the profit or loss on a straight-line basis over the period of the lease.

**2.6 Interest receivable and interest payable**

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit or loss. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the Income Statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

---

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

---

**2.7 Trade receivables and other debtors**

Trade receivables and other debtors are recognised initially at fair value. Subsequent to initial recognition the Company applies the IFRS 9 simplified approach to measuring credit losses which uses a lifetime expected loss allowance for all trade receivables and other debtors.

**2.8 Trade and other creditors**

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

**2.9 Employee benefits**

**Defined contribution pension plan**

The Company operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**2.10 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change 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 Statement of Financial Position 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 Statement of Financial Position 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 Statement of Financial Position date.

---

**REAL RADIO XS LIMITED**

---

---

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

---

**3. Judgements in applying accounting policies and key sources of estimation**

**Critical accounting estimates and judgments**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company has no critical judgements to disclose, apart from those involving estimation (which are dealt with separately), that the directors have made in the process of applying the company's accounting policies.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

**(a) Useful economic lives of property, plant and equipment**

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the property plant and equipment and note 2.4 for the useful economic lives for each class of assets.

**(b) Impairment of trade receivables**

The Company applies the IFRS 9 simplified approach to measuring credit losses which uses a lifetime expected loss allowance for all trade receivables (debtors). To measure the expected credit losses trade receivables have been grouped in accordance with the days past due. Expected loss rates are based on the payment profile of sales over the preceding 12 months conditions and the historical credit losses experienced within this period. The Company uses the preceding 12-month period of historical credit losses as the best estimate of current market conditions. See note 11 for the net carrying amount of the receivables.

**4. Turnover**

All turnover arose within the United Kingdom and the Directors consider there to be only one operating segment in the business.

**5. Operating loss**

The operating loss is stated after charging:

|                                           | <b>2018</b> | <b>2017</b> |
|-------------------------------------------|-------------|-------------|
|                                           | <b>£000</b> | <b>£000</b> |
| Depreciation of tangible fixed assets     | <b>8</b>    | <b>8</b>    |
| Operating Leases                          | <b>-</b>    | <b>1</b>    |
| Auditors' remuneration for audit services | <b>4</b>    | <b>3</b>    |



|                              |
|------------------------------|
| <b>REAL RADIO XS LIMITED</b> |
|------------------------------|

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

**6. Employees**

Staff costs were as follows:

|                       | <b>2018</b>       | <i>2017</i>       |
|-----------------------|-------------------|-------------------|
|                       | <b>£000</b>       | <i>£000</i>       |
| Wages and salaries    | <b>148</b>        | <i>108</i>        |
| Social security costs | <b>15</b>         | <i>10</i>         |
| Other pension costs   | <b>4</b>          | <i>2</i>          |
|                       | <b><u>167</u></b> | <i><u>120</u></i> |

The average monthly number of employees, during the year was as follows:

|                | <b>2018</b>     | <i>2017</i>     |
|----------------|-----------------|-----------------|
|                | <b>No.</b>      | <i>No.</i>      |
| Administration | <b>3</b>        | <i>3</i>        |
| Sales          | <b>1</b>        | <i>1</i>        |
|                | <b><u>4</u></b> | <i><u>4</u></i> |

**7. Directors' Remuneration**

The emoluments of the Directors are paid by the immediate parent company Communicorp UK Limited and recharged to the Company. In the year ended 31 December 2018 the amount recharged was £16,300 (2017: £18,000), including £10,600 for the highest paid Director (2017: £12,000). The actual emoluments received by the Directors are disclosed in the financial statements of Communicorp UK Limited.

|                              |
|------------------------------|
| <b>REAL RADIO XS LIMITED</b> |
|------------------------------|

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

**8. Interest payable and similar expenses**

|                               | <b>2018<br/>£000</b> | <b>2017<br/>£000</b> |
|-------------------------------|----------------------|----------------------|
| Loans from group undertakings | <u>29</u>            | <u>20</u>            |
|                               | <u><b>29</b></u>     | <u><b>20</b></u>     |

**9. Tax on loss**

|                                         | <b>2018<br/>£000</b> | <b>2017<br/>£000</b> |
|-----------------------------------------|----------------------|----------------------|
| <b>Corporation tax</b>                  |                      |                      |
| Current tax on losses for the year      | <b>(44)</b>          | (60)                 |
| Adjustments in respect of prior periods | -                    | 1                    |
| <b>Total current tax credit</b>         | <u><b>(44)</b></u>   | <u><b>(59)</b></u>   |
| <b>Deferred tax</b>                     |                      |                      |
| Current year                            | <b>(1)</b>           | -                    |
| <b>Total deferred tax</b>               | <u><b>(1)</b></u>    | <u><b>-</b></u>      |
| <b>Tax on loss</b>                      | <u><b>(45)</b></u>   | <u><b>(59)</b></u>   |

---

**REAL RADIO XS LIMITED**

---

---

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

---

**9. Tax on loss (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:

|                                                                                                 | <b>2018</b>         | <b>2017</b>         |
|-------------------------------------------------------------------------------------------------|---------------------|---------------------|
|                                                                                                 | <b>£000</b>         | <b>£000</b>         |
| Loss before tax                                                                                 | <u><b>(238)</b></u> | <u><b>(312)</b></u> |
| Loss before tax multiplied by the standard rate of corporation tax in the UK of 19% (2017: 19%) | <b>(45)</b>         | <b>(60)</b>         |
| <b>Effects of:</b>                                                                              |                     |                     |
| Adjustments in respect of prior periods                                                         | <u>-</u>            | <u>1</u>            |
| <b>Total tax credit for the year</b>                                                            | <u><b>(45)</b></u>  | <u><b>(59)</b></u>  |

**Factors that may affect future tax charges**

A reduction of the main rate of Corporation tax was enacted in the 2017 Finance Bill reducing the Corporation tax rate from 1 April 2020 to 17%. These future changes to Corporation tax have been reflected in these financial statements and in the calculation of any deferred tax assets or liabilities.

**REAL RADIO XS LIMITED**

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

**10. Tangible assets**

|                                 | Motor<br>vehicles<br>£000 | Office<br>equipment<br>£000 | Total<br>£000 |
|---------------------------------|---------------------------|-----------------------------|---------------|
| <b>Cost or valuation</b>        |                           |                             |               |
| At 1 January 2018               | 18                        | 14                          | 32            |
| Additions                       | -                         | 1                           | 1             |
| At 31 December 2018             | 18                        | 15                          | 33            |
| <b>Accumulated depreciation</b> |                           |                             |               |
| At 1 January 2018               | 9                         | 4                           | 13            |
| Charge for the year             | 4                         | 4                           | 8             |
| At 31 December 2018             | 13                        | 8                           | 21            |
| <b>Net book value</b>           |                           |                             |               |
| At 31 December 2018             | 5                         | 7                           | 12            |
| At 31 December 2017             | 9                         | 10                          | 19            |

|                       |
|-----------------------|
| REAL RADIO XS LIMITED |
|-----------------------|

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

**11. Debtors**

|                                | <b>2018<br/>£000</b> | <b>2017<br/>£000</b> |
|--------------------------------|----------------------|----------------------|
| Trade debtors                  | <b>2</b>             | 69                   |
| Other debtors                  | <b>45</b>            | 60                   |
| Prepayments and accrued income | <b>28</b>            | 25                   |
| Deferred taxation              | <b>2</b>             | 1                    |
|                                | <u><b>77</b></u>     | <u>155</u>           |

**12. Creditors: Amounts falling due within one year**

|                                    | <b>2018<br/>£000</b> | <b>2017<br/>£000</b> |
|------------------------------------|----------------------|----------------------|
| Amounts owed to group undertakings | <b>1,095</b>         | 951                  |
| Accruals and deferred income       | <b>144</b>           | 167                  |
|                                    | <u><b>1,239</b></u>  | <u>1,118</u>         |

Amounts owed to group undertakings, excluding group relief payable, are unsecured, bear interest at the Bank of England base rate +2% and are repayable on demand.

**13. Creditors: Amounts falling due after more than one year**

|                 | <b>2018<br/>£000</b> | <b>2017<br/>£000</b> |
|-----------------|----------------------|----------------------|
| Trade creditors | -                    | 13                   |
|                 | <u>-</u>             | <u>13</u>            |

|                              |
|------------------------------|
| <b>REAL RADIO XS LIMITED</b> |
|------------------------------|

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

**14. Deferred taxation**

|                               | <b>Deferred tax</b> |
|-------------------------------|---------------------|
|                               | <b>£000</b>         |
| At 1 January 2018             | 1                   |
| Charged to the profit or loss | 1                   |
| <b>At 31 December 2018</b>    | <b><u>2</u></b>     |

|                                        | <b>Deferred tax</b> |
|----------------------------------------|---------------------|
|                                        | <b>£000</b>         |
| At 1 January 2017                      | 1                   |
| Charged to the profit or loss          | -                   |
| Adjustment in respect of prior periods | -                   |
| <b>At 31 December 2017</b>             | <b><u>1</u></b>     |

The deferred tax asset is made up as follows:

|              | <b>2018</b>     | <b>2017</b>     |
|--------------|-----------------|-----------------|
|              | <b>£000</b>     | <b>£000</b>     |
| Fixed Assets | 1               | -               |
| Losses       | 1               | 1               |
|              | <b><u>2</u></b> | <b><u>1</u></b> |

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.

**15. Share capital**

|                                                        | <b>2018</b>         | <b>2017</b>         |
|--------------------------------------------------------|---------------------|---------------------|
|                                                        | <b>£000</b>         | <b>£000</b>         |
| <b>Authorised, allotted, called up and fully paid</b>  |                     |                     |
| 2,400,001 Ordinary shares of £1 each (2017: 2,400,001) | <b><u>2,400</u></b> | <b><u>2,400</u></b> |

---

|                              |
|------------------------------|
| <b>REAL RADIO XS LIMITED</b> |
|------------------------------|

---

---

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

---

**16. Commitments under operating leases**

At 31 December 2018; the Company had future minimum lease payments under non-cancellable operating leases as follows:

|                       | <b>2018</b><br><b>£000</b> | <b>2017</b><br><b>£000</b> |
|-----------------------|----------------------------|----------------------------|
| Not later than 1 year | <b>1</b>                   | -                          |
| <b>Total</b>          | <b><u>1</u></b>            | <b><u>-</u></b>            |

**17. Related party transactions**

The company has taken advantage of the exemption contained in FRS 101 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the Communicorp UK Group (or investees of the Group qualifying as related parties).

**18. Controlling parties**

Communicorp UK Limited, a company incorporated in Great Britain and registered in Northern Ireland, is the Company's immediate and intermediate parent undertaking. The directors consider that Denis O'Brien 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 Communicorp UK Limited and the consolidated financial statements are available from the offices of that Company at Marlborough House, 30 Victoria Street, Belfast, Northern Ireland. BT1 3GG.

**19. Subsequent events**

Subsequent to the date of the Statement of Financial Position there have been no material events that have impacted the Company.