

Registered number:  
04128825

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**REAL RADIO XS LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**



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<b>REAL RADIO XS LIMITED</b>
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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	CD Everitt MA Lee
<b>COMPANY SECRETARY</b>	CD Everitt
<b>REGISTERED NUMBER</b>	04128825
<b>REGISTERED OFFICE</b>	7 <sup>th</sup> Floor, XYZ Building 2 Hardman Boulevard Spinningfields Manchester M3 3AQ
<b>INDEPENDENT AUDITOR</b>	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2 Ireland

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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The Director present their Strategic Report for the Company

**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 2017 before taxation was £312,000 (2016: loss £527,000). Turnover for the 12 months ended 31 December 2017 was £760,000 (2016: £622,000). The station reaches 96,000 adults aged 16+ each week and has a commercial market share within its broadcast area of 2.3% (Source: RAJAR December 2017).

The Company's turnover has increased by 22% and losses have reduced in 2017 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 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 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 24 September 2018 and signed on its behalf.



**CD Everitt**  
Director

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<b>REAL RADIO XS LIMITED</b>
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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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The Directors present their report and the financial statements for the year ended 31 December 2017.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the directors' report, the strategic 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 they have elected to prepare the financial statements in accordance with FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2006.

**Results and dividends**

The loss for the year, after taxation, amounted to £253,000 (2016: £412,000).

The Directors do not recommend payment of a dividend (December 2016: £Nil).

**Directors**

The directors who served during the year were:

CD Everitt  
MA Lee

**Future developments**

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

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<b>REAL RADIO XS LIMITED</b>
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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**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 2017 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 2017 (2016: 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.

**Auditors**

In accordance with section 487 of the Companies Act 2006, a resolution for the reappointment of KPMG as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

This report was approved by the board on 24 September 2018 and signed on its behalf.



CD Everitt  
Director



**KPMG**  
**Audit**  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
D02 DE03  
Ireland

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

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

#### ***Opinion***

We have audited the financial statements of Real Radio XS Limited ('the Company') for the year ended 31 December 2017 set out on pages 8 to 22, which comprise the Statement of Profit and Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is UK Law and FRS 101 *Reduced Disclosure Framework*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with FRS 101 *Reduced Disclosure Framework*; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

#### ***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 ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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.

#### ***We have nothing to report on going concern***

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

#### ***Other information***

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic and directors' report, other than the financial statements and our auditor's report thereon our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REAL RADIO XS LIMITED (continued)**

Based solely on our work on the other information;

- we have not identified material misstatements in the directors' report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.

### ***Matters on which we are required to report by exception***

Under the Companies Act 2006 we are required 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.

We have nothing to report in regard to these matters.

## **2 Respective responsibilities and restrictions on use**

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

As explained more fully in the directors' responsibilities statement set out on page 3, 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 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.

### ***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 fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)





## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REAL RADIO XS LIMITED (*continued*)

### *The purpose of our audit work and to whom we owe our responsibilities*

Our 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.

**Ryan McCarthy (Senior Statutory Auditor)**  
**for and on behalf of KPMG, Statutory Auditor**

1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

24 September 2018

**REAL RADIO XS LIMITED**

**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	31 December 2017 £000	31 December 2016 £000
Turnover	4	760	622
Cost of sales		(266)	(230)
<b>Gross profit</b>		<b>494</b>	<b>392</b>
Administrative expenses		(786)	(901)
<b>Operating loss</b>	5	<b>(292)</b>	<b>(509)</b>
Interest payable and expenses	8	(20)	(18)
<b>Loss before tax</b>		<b>(312)</b>	<b>(527)</b>
Tax credit on loss	9	59	115
<b>Loss for the year</b>		<b>(253)</b>	<b>(412)</b>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016: £NIL).

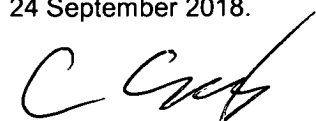
The notes on pages 11 to 22 form part of these financial statements.

**REAL RADIO XS LIMITED**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2017  
REGISTERED NUMBER: 04128825**

	Note	2017 £000	2016 £000
Tangible assets	10	<u>19</u>	<u>25</u>
		19	25
<b>Current assets</b>			
Debtors	11	155	139
Cash at bank and in hand		<u>-</u>	<u>-</u>
		155	139
Creditors: amounts falling due within one year	12	<u>(1,118)</u>	<u>(868)</u>
<b>Net current liabilities</b>		(963)	(729)
<b>Total assets less current liabilities</b>		<u>(944)</u>	<u>(704)</u>
Creditors: amounts falling due within one year	13	(13)	-
<b>Net liabilities</b>		<u>(957)</u>	<u>(704)</u>
<b>Capital and reserves</b>			
Called up share capital	15	2,400	2,400
Profit and loss account		<u>(3,357)</u>	<u>(3,104)</u>
<b>Shareholders' deficit</b>		<u>(957)</u>	<u>(704)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 September 2018.



CD Everitt  
Director

The notes on pages 11 to 22 form part of these financial statements.

<p><b>REAL RADIO XS LIMITED</b></p>
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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Retained losses	Total equity
	£000	£000	£000
<b>At 1 January 2017</b>	<b>2,400</b>	<b>(3,104)</b>	<b>(704)</b>
<b>Comprehensive income for the year</b>			
Loss for the year	-	(253)	(253)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(253)</b>	<b>(253)</b>
<b>At 31 December 2017</b>	<b>2,400</b>	<b>(3,357)</b>	<b>(957)</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Retained losses	Total equity
	£000	£000	£000
<b>At 1 January 2016</b>	<b>2,400</b>	<b>(2,692)</b>	<b>(292)</b>
<b>Comprehensive income for the year</b>			
Loss for the year	-	(412)	(412)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(412)</b>	<b>(412)</b>
<b>At 31 December 2017</b>	<b>2,400</b>	<b>(3,104)</b>	<b>(704)</b>

The notes on pages 11 to 22 form part of these financial statements.

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<b>REAL RADIO XS LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**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).

The following principal accounting policies have been applied:

**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.

**2.3 Revenue**

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

**Sale of goods**

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

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;

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<b>REAL RADIO XS LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. Accounting policies (continued)**

**2.3 Revenue (continued)**

- it is probable that the Company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

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

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

**2.4 Tangible fixed assets**

Tangible fixed 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:

Studio and 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 Statement of Profit and Loss and Other Comprehensive Income.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. Accounting policies (continued)**

**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 Statement of Profit and Loss and Other Comprehensive Income on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

**2.7 Trade and other debtors**

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

**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 Statement of Profit and Loss and Other Comprehensive Income 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 Statement of Profit and Loss and Other Comprehensive Income, 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. Accounting policies (continued)**

**2.10 Current and deferred taxation (continued)**

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.



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**REAL RADIO XS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**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 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 makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. See note 11 for the net carrying amount of the receivables.

**4. Analysis of 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>31 December 2017 £000</b>	<i>31 December 2016 £000</i>
Depreciation of tangible fixed assets	<b>8</b>	5
Operating Leases	<b>38</b>	45
Auditors remuneration	<b>3</b>	3

# REAL RADIO XS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 6. Employees

Staff costs were as follows:

	<b>31 December 2017 £000</b>	<i>31 December 2016 £000</i>
Wages and salaries	<b>108</b>	251
Social security costs	<b>10</b>	26
Cost of defined contribution scheme	<b>2</b>	5
	<u><b>120</b></u>	<u>282</u>

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

	<b>31 December 2017 No.</b>	<i>31 December 2016 No.</i>
Administration	<b>3</b>	2
Sales	<b>1</b>	4
	<u><b>4</b></u>	<u>6</u>

### 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 2017 the amount recharged was £18,000 (2016: £18,600), including £12,000 for the highest paid Director (2016: £12,600). The actual emoluments received by the Directors are disclosed in the financial statements of Communicorp UK Limited.

REAL RADIO XS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

8. Interest payable and similar charges

	31 December 2017 £000	31 December 2016 £000
Loans from group undertakings	20	18
	<u>20</u>	<u>18</u>

9. Taxation

	31 December 2017 £000	31 December 2016 £000
<b>Corporation tax</b>		
Current tax on losses for the year	(60)	(111)
Adjustments in respect of prior year	1	(79)
<b>Total current tax credit</b>	<u>(59)</u>	<u>(190)</u>
<b>Deferred tax</b>		
Current year	-	6
Adjustments in respect of prior year	-	70
Effect of changes in tax rates	-	(1)
<b>Total deferred tax</b>	<u>-</u>	<u>75</u>
<b>Taxation on loss on ordinary activities</b>	<u>(59)</u>	<u>(115)</u>

# REAL RADIO XS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 9. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are explained below:

	31 December 2017 £000	31 December 2016 £000
Loss on ordinary activities before tax	<u>(312)</u>	<u>(527)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016: 20%)	(60)	(105)
<b>Effects of:</b>		
Effects of tax rate changes	-	(1)
Adjustments in respect of prior periods	1	(9)
<b>Total tax credit for the year</b>	<u>(59)</u>	<u>(115)</u>

#### Factors that may affect future tax charges

A reduction of the main rate of Corporation tax was enacted in the 2016 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.

<b>REAL RADIO XS LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**10. Tangible fixed assets**

	Motor vehicles	Office equipment	Total
	£000	£000	£000
<b>Cost or valuation</b>			
At 1 January 2017	18	17	35
Additions	-	2	2
Disposals	-	(5)	(5)
At 31 December 2017	18	14	32
<b>Depreciation</b>			
At 1 January 2017	4	6	10
Charge for the period	5	3	8
Disposals	-	(5)	(5)
At 31 December 2017	9	4	13
<b>Net book value</b>			
At 31 December 2017	9	10	19
At 31 December 2016	14	11	25

REAL RADIO XS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**11. Debtors**

	<b>2017 £000</b>	<b>2016 £000</b>
Trade debtors	69	19
Other debtors	60	111
Prepayments and accrued income	25	8
Deferred taxation	1	1
	<u>155</u>	<u>139</u>

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

	<b>2017 £000</b>	<b>2016 £000</b>
Trade creditors	-	6
Amounts owed to group undertakings	951	800
Accruals and deferred income	167	62
	<u>1,118</u>	<u>868</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 one year**

	<b>2017 £000</b>	<b>2016 £000</b>
Trade creditors	13	-
	<u>13</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**14. Deferred taxation**

	<b>Deferred tax</b>
	<b>£000</b>
At 1 January 2017	1
Charged to the profit or loss	-
<b>At 31 December 2017</b>	<b><u>1</u></b>

	<b>Deferred tax</b>
	<b>£000</b>
At 1 January 2016	76
Charged to the profit or loss	(5)
Adjustment in respect of prior periods	(70)
<b>At 31 December 2016</b>	<b><u>1</u></b>

The deferred tax asset is made up as follows:

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Losses	<u>1</u>	<u>1</u>
	<b><u>1</u></b>	<b><u>1</u></b>

**15. Share capital**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
<b>Authorised, allotted, called up and fully paid</b>		
2,400,001 Ordinary shares of £1 each (December 16: 2,400,001)	<u><b>2,400</b></u>	<u><b>2,400</b></u>

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**REAL RADIO XS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. Commitments under operating leases**

At 31 December 2017, the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2017 £000</b>	<b>2016 £000</b>
Not later than 1 year	<b>30</b>	<b>47</b>
Later than 1 year and not later than 5 years	<b>118</b>	<b>155</b>
Later than 5 years	<b>-</b>	<b>35</b>
<b>Total</b>	<b><u>148</u></b>	<b><u>237</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 Stangar Investment Holdings Limited, a company incorporated in the Isle of Man, 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.