

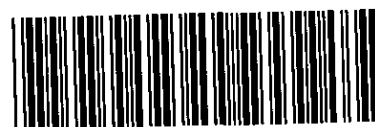
REAL RADIO XS LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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REAL RADIO XS LIMITED

COMPANY INFORMATION

DIRECTORS	CD Everitt MA Lee
COMPANY SECRETARY	CD Everitt
REGISTERED NUMBER	04128825
REGISTERED OFFICE	7th Floor, XYZ Building 2 Hardman Boulevard Spinningfields Manchester M3 3AQ

REAL RADIO XS LIMITED

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REAL RADIO XS LIMITED

STRATEGIC REPORT

The Directors present their Strategic Report for the Company for the year ended 31 December 2020.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the Company is that of a radio broadcaster in Manchester.

The loss for the year ended 31 December 2020 before taxation was £109,000 (2019: loss of £337,000). Turnover for the 12 months ended 31 December 2020 was £686,000 (2019: £789,000).

Revenues were impacted in 2020 by the Covid-19 pandemic and consequently the Company undertook a thorough cost reduction programme to mitigate the impact on profitability. Revenues in 2021 continue to be impacted by the pandemic but the Company is confident of the strength of its brand and will continue to focus on revenue and audience growth through further marketing and content investment in the Heart brand.

Due to Covid-19 restrictions audience listening surveys were suspended in April 2020 by RAJAR; the marketing research company who independently collate this data on behalf of the radio industry and advertisers. The last audience listening data collected by RAJAR was for quarter 1, January to March 2020. At the end of quarter 1, 2020 the radio station was broadcasting to 132,000 listeners per week (December 2019: 115,000).

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.

Brexit: The Company's operations and customers are UK based and as such it has limited direct exposure to overseas trade or foreign exchange risks. The Company recognises that whilst the UK reached a trade agreement with the European Union at the end of December 2020 the practical implications and impact of this agreement remain uncertain, this uncertainty may impact the Company indirectly through its customers who have direct exposure to trade with the European Union, which may in turn adversely impact on their advertising spend with the Company.

REAL RADIO XS LIMITED

STRATEGIC REPORT (Continued)

PRINCIPAL RISKS AND UNCERTAINTIES (Continued)

Covid-19: The advertising market in 2020 was severely disrupted by the Covid-19 pandemic and the Company's revenue will continue to be impacted by the pandemic in 2021. The principal risk to the Company is the duration of the pandemic, its aftermath and its impact on advertising revenues in both the short and longer term as advertisers review their business models.

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 13 September 2021 and signed on its behalf.



CD Everitt

Director

REAL RADIO XS LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the unaudited financial statements for the year ended 31 December 2020.

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 £88,000 (2019: loss £273,000).

The Directors do not recommend payment of a final dividend (2019: Nil).

Directors

The Directors who served during the year were:

CD Everitt
MA Lee

Matters covered in the strategic report

The strategic report on page 2 provides a review of the business and future developments and the Company's financial risk management objectives and policy.

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.

DIRECTORS' REPORT (Continued)

Going Concern

These financial statements have been prepared on a going concern basis because the Directors have received confirmation from its parent Company, Communicorp UK Limited, 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 2020 financial statements. Further information on the status of the Group and Communicorp UK Limited as a going concern can be found in the Group financial statements of Communicorp UK Limited.

Subsequent events

Subsequent to the Statement of Financial Position date the impact of Covid-19 continues to impact local advertisers in 2021, whilst the national advertising market has remained relatively stable. Whilst we expect advertising revenues to recover over the longer term it is unlikely to do so fully in 2021. In 2020 the Company undertook a full and thorough cost mitigation exercise to reduce costs, which will reduce the impact of the shortfalls in revenue on the profitability of the Company. We do not foresee that the continued presence of Covid-19 will impact on the ability of the Company to continue as a going concern and has had no material impact on the assets and liabilities included in the Statement of Financial Position as at 31 December 2020.

No other events have taken place since the reporting date which would warrant adjustment to, or disclosure in, the financial statements for the year ended 31 December 2020. Please refer to the review of business and future developments in the Strategic Report on page 2 for more information.

This report was approved by the board on 13 September 2021 and signed on its behalf by:



CD Everitt
Director

REAL RADIO XS LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Turnover	4	686	789
Cost of sales		(269)	(280)
Gross profit		417	509
Administrative expenses		(491)	(808)
Operating loss	5	(74)	(299)
Interest payable and similar expenses	8	(35)	(38)
Loss before tax		(109)	(337)
Tax on loss	9	21	64
Loss for the financial year		(88)	(273)

There were no recognised gains and losses for 2020 or 2019 other than those included in the income statement above.

The notes on page 2 on pages 9 to 19 form part of these financial statements.

REAL RADIO XS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	10	<u>1</u>	<u>4</u>
		1	4
Current assets			
Debtors	11	42	77
Cash at bank and in hand		<u>-</u>	<u>-</u>
		42	77
Creditors: amounts falling due within one year	12	<u>(1,554)</u>	<u>(1,504)</u>
Net current liabilities		(1,512)	(1,427)
Total assets less current liabilities		<u>(1,511)</u>	<u>(1,423)</u>
Net liabilities		<u>(1,511)</u>	<u>(1,423)</u>
Capital and reserves			
Called up share capital	14	2,400	2,400
Profit and loss account		(3,911)	(3,823)
Total equity		<u>(1,511)</u>	<u>(1,423)</u>

Company registered number 041288250.

The members have not required the Company to obtain an audit for the year ending 31 December 2020 in accordance with section 476 of the Companies Act 2006. The Company was entitled to exemption from audit under section 479A of the Companies Act 2006.

The financial statements on pages 6 to 19 were approved by the Board of Directors on 13 September 2021 and signed on its behalf by.



CD Everitt, Director

REAL RADIO XS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2019	2,400	(3,550)	(1,150)
Loss for the year	-	(273)	(273)
At 31 December 2019	<u>2,400</u>	<u>(3,823)</u>	<u>(1,423)</u>
At 1 January 2020	2,400	(3,823)	(1,423)
Loss for the year	-	(88)	(88)
At 31 December 2020	<u>2,400</u>	<u>(3,911)</u>	<u>(1,511)</u>

The notes on pages 9 to 19 form part of these financial statements.

REAL RADIO XS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General Information

Error! Reference source not found. is a private Company limited by shares, registered number 0, 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' ("FRS 101") and the Companies Act 2006.

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

These financial statements are presented in UK sterling, which is the Company's functional currency. All financial information presented in UK sterling has been rounded to the nearest thousand.

These financial statements have been prepared on a going concern basis because the Directors have received confirmation from its parent Company, Communicorp UK Limited, 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 2020 financial statements. Further information on the status of the Group and Communicorp UK Limited as a going concern can be found in the Group financial statements of Communicorp UK Limited.

2.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
 - i. Paragraph 79(a)(iv) of IAS 1;
 - ii. Paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
 - iii. Paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements)
 - 38B–D (additional comparative information);
 - 111 (statement of cash flows information); and
 - 134–136 (capital management disclosures).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

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

- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a Group.

2.3 New standards, amendments and IFRIC interpretation

There are no new or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2020 that have had a material impact on the Company's financial statements.

The following principal accounting policies have been applied:

2.4 Revenue

The Company 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 and agencies' discounts 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.

2.5 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:

Motor vehicles	20% - 25%
Office equipment	10% - 33%

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.6 Leases

The Company does not contract any assets under lease agreements. Communicorp UK Limited, the Company's parent Company, contracts all leases for the Communicorp UK Group relating to property rental and cars and charges the Company based on its usage of those assets on a straight-line basis. There are no contracts in place between the Communicorp UK Limited and Company for the usage of its assets. IFRS 16 allows a recognition exemption for assets which are cancellable and have a term of 12 months or less and the Company considers that all charges for the use of assets from Communicorp UK Limited would come under this exemption. Payments to Communicorp UK Limited associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in the profit or loss.

2.7 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.

2.8 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.

2.9 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.

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.11 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

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 2.5 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 trading conditions and the historical credit losses experienced within this period. In addition, the Company uses forward-looking indicators to adjust its historical credit loss rates as appropriate. Most trade receivables are however short-term in nature and are generally settled within 30-60 days after the service has been provided and therefore the Company places a higher weighting on 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.

REAL RADIO XS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

5. Operating Loss

Operating loss

The Operating loss is stated after charging:

	2020	2019
	£000	£000
Depreciation of tangible fixed assets	3	21
Lease expenses	3	3
Auditors' remuneration for audit services	-	4

Fees payable to the auditors for non-audit services in 2019 comprised of £2,000 for tax services.

6. Employees

Staff costs were as follows:

	2020	2019
	£000	£000
Wages and salaries	84	202
Social security costs	8	21
Other pension costs	3	9
	<u>95</u>	<u>232</u>

Staff costs have been reduced by £4,000 in the year ended 31 December 2020 by receipts the Company has received from the Coronavirus Job Retention Scheme.

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

	2020	2019
	No.	No.
Administration	2	3
Sales	1	1
	<u>3</u>	<u>4</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 2020 the amount recharged was £14,600 (2019: £21,300), including £9,600 for the highest paid Director (2019: £14,000). The actual emoluments received by the Directors are disclosed in the financial statements of Communicorp UK Limited.

REAL RADIO XS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

8. Interest payable and similar expenses

	2020	2019
	£000	£000
Loans from group companies	35	38
	<u>35</u>	<u>38</u>

9. Tax on loss

	2020	2019
	£000	£000
Corporation tax		
Current tax on losses for the year	(20)	(63)
Total current tax	<u>(20)</u>	<u>(63)</u>
Deferred tax		
Current year	-	(1)
Effect of change in tax rates	(1)	-
Total deferred tax	<u>(1)</u>	<u>(1)</u>
Tax on loss	<u>(21)</u>	<u>(64)</u>

REAL RADIO XS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

9. Tax on loss (continued)

Factors affecting tax credit for the year

The tax assessed for the year is the same as (2019 - same as) the standard rate of corporation tax in the UK of 19% (2019:19%). The differences are explained below:

	2020 £000	2019 £000
Loss before tax	<u>(109)</u>	<u>(337)</u>
Loss before tax multiplied by the standard rate of corporation tax in the UK of 19% (2019:19%)	(21)	(64)
Total tax credit for the year	<u>(21)</u>	<u>(64)</u>

Factors that may affect future tax charges

In the Spring Budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements. In March 2021, the UK Government announced that the corporation tax rate would increase to 25% in 2023, as this change in rate has not enacted it has not been reflected in the deferred tax rates as at the balance sheet date

REAL RADIO XS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

10. Tangible assets

	Motor Vehicles £000	Office equipment £000	Total £000
Cost or valuation			
At 1 January 2020	18	15	33
At 31 December 2020	<u>18</u>	<u>15</u>	<u>33</u>
Accumulated depreciation			
At 1 January 2020	18	11	29
Charge for the year	-	3	3
At 31 December 2020	<u>18</u>	<u>14</u>	<u>32</u>
Net book value			
At 31 December 2020	<u>-</u>	<u>1</u>	<u>1</u>
At 31 December 2019	<u>-</u>	<u>4</u>	<u>4</u>

REAL RADIO XS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

11. Debtors

	2020 £000	2019 £000
Trade debtors	4	3
Prepayments and accrued income	15	9
Other debtors	20	63
Deferred taxation	3	2
	<u>42</u>	<u>77</u>

12. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Amounts owed to group undertakings	1,457	1,431
Accruals and deferred income	97	73
	<u>1,554</u>	<u>1,504</u>

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

13. Deferred taxation

	Deferred tax	
	£000	
At 1st January 2020		2
Charged to the income statement		1
At 31st December 2020		<u>3</u>
The deferred tax asset is made up as follows:	2020 £000	2019 £000
Fixed assets timing differences	2	2
Other	1	-
Total deferred tax	<u>3</u>	<u>2</u>

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 profits.

REAL RADIO XS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

14. Called up share capital

	2020	2019
	£000	£000
Authorised, allotted, called up and fully paid		
2,400,001 Ordinary shares of £1 each (December 2019: 2,400,001)	<u>2,400</u>	<u>2,400</u>

15. 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 entities which form part of the Communicorp UK Group (or investees of the Group qualifying as related parties).

16. Controlling party

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.

17. Subsequent events

Subsequent to the Statement of Financial Position date the impact of Covid-19 continues to impact local advertisers in 2021, whilst the national advertising market has remained relatively stable. Whilst we expect advertising revenues to recover over the longer term it is unlikely to do so fully in 2021. In 2020 the Company undertook a full and thorough cost mitigation exercise to reduce costs, which will reduce the impact of the shortfalls in revenue on the profitability of the Company. We do not foresee that the continued presence of Covid-19 will impact on the ability of the Company to continue as a going concern and has had no material impact on the assets and liabilities included in the Statement of Financial Position as at 31 December 2020.

No other events have taken place since the reporting date which would warrant adjustment to, or disclosure in, the financial statements for the year ended 31 December 2020.