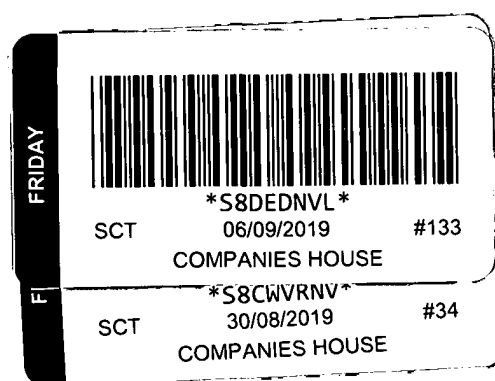

GALAXY RADIO SCOTLAND LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



GALAXY RADIO SCOTLAND LIMITED

COMPANY INFORMATION

Directors	CD Everitt MA Lee
Company secretary	CD Everitt
Registered number	SC168821
Registered office	8th Floor West Regent Street Glasgow Scotland G2 1RW
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors No 1 Spinningfields. Hardman Square Manchester M3 3EB

GALAXY RADIO SCOTLAND LIMITED

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GALAXY RADIO SCOTLAND LIMITED

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

The Directors 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 Central Scotland under the Capital FM brand.

The profit for the 12 months ended 31 December 2018 before taxation was £682,000 (2017: £192,000). Turnover for the 12 months ended 31 December 2018 was £5,572,000 (2017: £5,264,000). The station reaches 567,000 adults aged 15+ each week with a commercial market share within its broadcast area of 13.0% (Source: RAJAR December 2018). The station improved its profitability due to lower overhead costs and increased revenue in the year compared to 2017. Our continued focus going forward is to grow revenues, profit and audiences through further marketing investment in the Capital brand.

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

GALAXY RADIO SCOTLAND 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 profit for the year, after taxation, amounted to £551,000 (2017: £150,000).

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 review of business and future developments in the strategic report on page 2.

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.

GALAXY RADIO SCOTLAND LIMITED

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

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 auditor

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

- so far as that director is aware, there is no relevant audit information of which the Company's 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 were 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

GALAXY RADIO SCOTLAND LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GALAXY RADIO SCOTLAND LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Galaxy Radio Scotland 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 profit 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.

GALAXY RADIO SCOTLAND LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GALAXY RADIO SCOTLAND LIMITED

Reporting on other information (continued)

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.

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. 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:

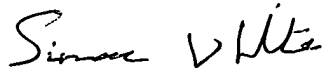
- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified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

GALAXY RADIO SCOTLAND LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GALAXY RADIO SCOTLAND 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

GALAXY RADIO SCOTLAND LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Turnover	4	5,572	5,264
Cost of sales		(2,110)	(1,956)
Gross profit		3,462	3,308
Administrative expenses		(2,869)	(3,175)
Operating profit	5	593	133
Interest receivable and similar income	8	89	59
Profit before tax		682	192
Tax on profit	9	(131)	(42)
Profit for the financial year		<u>551</u>	<u>150</u>

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.

GALAXY RADIO SCOTLAND LIMITED
REGISTERED NUMBER: SC168821

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Fixed assets			
Tangible assets	10	38	48
		<u>38</u>	<u>48</u>
Current assets			
Debtors	11	4,085	3,562
Cash at bank and in hand		-	-
		<u>4,085</u>	<u>3,562</u>
Creditors: amounts falling due within one year	12	(878)	(815)
Net current assets		<u>3,207</u>	<u>2,747</u>
Total assets less current liabilities		<u>3,245</u>	<u>2,795</u>
Creditors: amounts falling due after more than one year	13	-	(101)
Net assets		<u><u>3,245</u></u>	<u><u>2,694</u></u>
Capital and reserves			
Called up share capital	15	7,235	7,235
Share premium account		1,810	1,810
Profit and loss account		(5,800)	(6,351)
Total equity		<u><u>3,245</u></u>	<u><u>2,694</u></u>

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

GALAXY RADIO SCOTLAND LIMITED

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

	Called up share capital	Share premium	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2017	7,235	1,810	(6,501)	2,544
Profit for the year	-	-	150	150
At 31 December 2017	7,235	1,810	(6,351)	2,694
At 1 January 2018	7,235	1,810	(6,351)	2,694
Profit for the year	-	-	551	551
At 31 December 2018	7,235	1,810	(5,800)	3,245

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

GALAXY RADIO SCOTLAND LIMITED

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

1. General information

Galaxy Radio Scotland Limited ('the company') is a private company, registered number SC168821, incorporated and domiciled in the UK. The address of its registered office is 8th floor, West Regent Street, Glasgow, Scotland. G2 1RW.

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).

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.

GALAXY RADIO SCOTLAND 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:

Studio and 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.

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.

GALAXY RADIO SCOTLAND LIMITED

**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 Retirement Benefit

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.

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.

GALAXY RADIO SCOTLAND LIMITED

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

3. Judgments in applying accounting policies and key sources of estimation 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 2.4 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 profit

The operating profit is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets	13	11
Operating Leases	28	39
Auditors' remuneration for audit services	<u>4</u>	<u>4</u>

GALAXY RADIO SCOTLAND LIMITED

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

6. Employees

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	551	645
Social security costs	59	73
Other pension costs	14	10
	<u>624</u>	<u>728</u>

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

	2018 No.	2017 No.
Administration	4	4
Sales	10	9
	<u>14</u>	<u>13</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 2018 the amount recharged was £140,200 (2017: £110,900), including £90,700 for the highest paid Director (2017: £73,800). The actual emoluments received by the Directors are disclosed in the financial statements of Communicorp UK Limited.

GALAXY RADIO SCOTLAND LIMITED

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

8. Interest receivable and similar income

	2018 £000	<i>2017 £000</i>
Interest receivable from group companies	89	<i>59</i>
	<u>89</u>	<u><i>59</i></u>

9. Tax on profit

	2018 £000	<i>2017 £000</i>
Corporation tax		
Current year	133	<i>39</i>
Adjustment in respect of prior years	-	<i>3</i>
Total current tax	<u>133</u>	<u><i>42</i></u>
 Deferred tax		
Current year	(2)	<i>-</i>
Total deferred tax	<u>(2)</u>	<u><i>-</i></u>
 Taxation on profit on ordinary activities	<u>131</u>	<u><i>42</i></u>

GALAXY RADIO SCOTLAND LIMITED

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

9. Tax on profit (continued)

Factors affecting tax charge for the year

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

	2018 £000	2017 £000
Profit before tax	<u>682</u>	<u>192</u>
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	130	37
Effects of:		
Expenses not deductible for tax purposes	1	2
Adjustments in respect of prior years	-	3
Total tax charge for the year	<u><u>131</u></u>	<u><u>42</u></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.

GALAXY RADIO SCOTLAND LIMITED

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

10. Tangible assets

	Studio and Office equipment
	£000
Cost or valuation	
At 1 January 2018	67
Additions	3
At 31 December 2018	70
Accumulated depreciation	
At 1 January 2018	19
Charge for the year	13
At 31 December 2018	32
Net book value	
At 31 December 2018	<u><u>38</u></u>
At 31 December 2017	<u><u>48</u></u>

GALAXY RADIO SCOTLAND LIMITED

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

11. Debtors

	2018 £000	2017 £000
Due within one year		
Trade debtors	584	722
Amounts owed by group undertakings	3,461	2,771
Other debtors	-	4
Prepayments and accrued income	40	65
	<u>4,085</u>	<u>3,562</u>

Amounts owed by group undertakings, excluding group relief payable, are unsecured, bear interest at the +2% and are repayable on demand.

12. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	20	8
Other creditors	2	2
Corporation tax	137	45
Accruals and deferred income	719	760
	<u>878</u>	<u>815</u>

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

	2018 £000	2017 £000
Trade creditors	-	101
	<u>-</u>	<u>101</u>

GALAXY RADIO SCOTLAND LIMITED

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

14. Deferred taxation

	Deferred tax
	£000
At 1 January 2018	(5)
Credited to the profit or loss	2
At 31 December 2018	<u>(3)</u>

The deferred tax liability (2017: liability) is made up as follows:

	2018 £000	2017 £000
Fixed assets timing differences	(3)	(5)
	<u>(3)</u>	<u>(5)</u>

15. Share capital

	2018 £000	2017 £000
Allotted, called up and fully paid		
7,235,200 Ordinary shares of £1 each (2017: 7,235,200)	<u>7,235</u>	<u>7,235</u>

16. Commitments under operating leases

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

	2018 £000	2017 £000
Not later than 1 year	13	39
Later than 1 year and not later than 5 years	6	21
Total	<u>19</u>	<u>60</u>

GALAXY RADIO SCOTLAND LIMITED

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

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 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.

19. Subsequent events

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