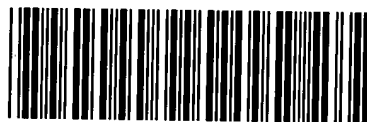


**NORTHERN & SHELL ENTERPRISES LIMITED  
(FORMERLY NORTHERN & SHELL TELEVISION GROUP LIMITED)**

**ANNUAL REPORT & FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**NORTHERN & SHELL ENTERPRISES LIMITED**

**ANNUAL REPORT**

**For the year ended 31 December 2015**

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**NORTHERN & SHELL ENTERPRISES LIMITED**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Mr. R. Sanderson  
Mr. M.S. Ellice

**SECRETARY**

Mr. R. Sanderson

**COMPANY NUMBER**

3012148 (England)

**AUDITOR**

KPMG LLP  
15 Canada Square  
London, E14 5GL  
United Kingdom

**BANKERS**

Barclays Bank  
27 Soho Square  
London, W1D 3QR  
United Kingdom

**REGISTERED OFFICE**

The Northern & Shell Building  
Number 10 Lower Thames Street  
London, EC3R 6EN  
United Kingdom

# **NORTHERN & SHELL ENTERPRISES LIMITED**

## **DIRECTORS' REPORT**

### **For the year ended 31 December 2015**

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2015. On 15 December 2015, the Company changed its name from Northern & Shell Television Group Limited to Northern & Shell Enterprises Limited.

In preparing this financial report, the directors have taken advantage of the small companies exemption provided by section 414B of the Companies Act 2006 Regulations 2013, SI 2013 No.1970.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the Company is the holding of shares in group companies.

#### **RESULTS AND DIVIDENDS**

The Company recorded a profit for the financial year before taxation of £825,000 (2014: £316.9 million). In 2014, the Company recorded a profit on sale of subsidiary undertakings of £246.5 million (note 4) and received dividends of £69.1 million (note 5).

During the year, the Company paid interim dividends of £nil (2014: £400.2 million) (note 15). The directors do not recommend the payment of a final dividend for the year.

#### **REVIEW OF THE YEAR AND FUTURE PROSPECTS**

The profit and loss account is set out on page 8.

The directors consider the result for the year to be satisfactory.

The risks, uncertainties and key performance indicators pertaining to the Company are consistent with those experienced by the Company's fellow subsidiaries. These are discussed in the Strategic Report of Northern & Shell Media Group Limited, the ultimate parent of the Company.

The Company net assets were £122.0 million as at 31 December 2015 (2014: £121.1 million).

#### **DIRECTORS**

The membership of the board during the year is set out on page 2.

#### **FINANCIAL RISK MANAGEMENT**

The Company's operations expose it to a variety of financial risks that include interest rate risk. The Company has mechanisms in place that seek to limit the impact of the adverse effects of these risks on the financial performance of the Company.

##### **Interest rate cash flow risk**

The Company has interest bearing assets. The interest bearing assets are cash balances and current asset investments, subject to fixed and floating interest rates. The directors keep these measures under constant review.

#### **POLITICAL AND CHARITABLE DONATIONS**

There were no charitable donations made during the year (2014: £nil).

The Company made no political donations or incurred any political expenditure during the year (2014: £nil).

**NORTHERN & SHELL ENTERPRISES LIMITED**

**DIRECTORS' REPORT**

**For the year ended 31 December 2015**

**DISCLOSURE OF INFORMATION TO AUDITOR**

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**AUDITOR**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board:

A handwritten signature in black ink, appearing to be 'RS' or similar, written in a cursive style.

Mr. R. Sanderson  
Secretary

Date: 21 April 2016

The Northern & Shell Building  
Number 10 Lower Thames Street  
London, EC3R 6EN  
United Kingdom

**NORTHERN & SHELL ENTERPRISES LIMITED**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2015**

The directors are responsible for preparing the Directors' 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 Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 their profit or loss for that period. In preparing each of the Company financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They 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.



15 Canada Square  
London  
E14 5GL  
United Kingdom

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

### **NORTHERN & SHELL ENTERPRISES LIMITED**

**For the year ended 31 December 2015**

We have audited the financial statements of Northern & Shell Enterprises Limited (formerly Northern & Shell Television Group Limited) for the year ended 31 December 2015 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This 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.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

**NORTHERN & SHELL ENTERPRISES LIMITED**

**For the year ended 31 December 2015**

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Adrian Wilcox (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*  
KPMG LLP  
15 Canada Square  
London, E14 5GL  
United Kingdom

Date: *22* April 2016



**NORTHERN & SHELL ENTERPRISES LIMITED**

**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME**

**For the year ended 31 December 2015**

	<b>Notes</b>	<b>2015 £000</b>	<b>2014 £000</b>
Administrative expenses		-	(2)
<b>OPERATING RESULT/(LOSS)</b>	<b>2</b>	<b>-</b>	<b>(2)</b>
Profit on sale of subsidiary undertakings	4	-	246,490
Income from shares in group undertakings	5	-	69,113
<b>RESULT/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION</b>		<b>-</b>	<b>315,601</b>
Interest receivable and similar income	6	825	1,333
Interest payable and similar charges	7	-	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>825</b>	<b>316,934</b>
Tax on profit on ordinary activities	8	86	(75)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>911</b>	<b>316,859</b>

There are no recognised gains and losses other than those stated above and therefore no separate statement of other comprehensive income has been prepared.

There are no material differences between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents.

The notes on pages 11 to 19 form an integral part of these financial statements.

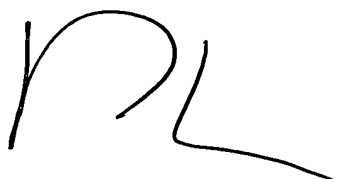
**NORTHERN & SHELL ENTERPRISES LIMITED**

**BALANCE SHEET as at 31 December 2015**

	Notes	2015 £000	Restated 2014 £000
<b>FIXED ASSETS</b>			
Fixed asset investments	9	<u>80</u>	<u>80</u>
<b>CURRENT ASSETS</b>			
Current asset investments	10	70,000	120,000
Debtors	11	712	415
Cash at bank		<u>51,676</u>	<u>1,065</u>
		122,388	121,480
<b>CREDITORS:</b> amounts falling due within one year	13	<u>(433)</u>	<u>(436)</u>
<b>NET CURRENT ASSETS</b>		<u>121,955</u>	<u>121,044</u>
<b>NET ASSETS</b>		<u>122,035</u>	<u>121,124</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	109,950	109,950
Share premium		-	-
Profit and loss account		<u>12,085</u>	<u>11,174</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>122,035</u>	<u>121,124</u>

The notes on pages 11 to 19 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors and signed on its behalf by:



Mr. R. Sanderson  
Director

Date: 21 April 2016  
Company registered number: 3012148

**NORTHERN & SHELL ENTERPRISES LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**For the year ended 31 December 2015**

	<b>Called up Share capital £000</b>	<b>Share Premium account £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
Balance at 1 January 2014	109,950	392,289	(297,793)	204,446
Effect of change in accounting policy (note 19)	-	-	-	-
Balance at 1 January 2014	109,950	392,289	(297,793)	204,446
Total comprehensive income for the year:				
Profit for the year	-	-	316,859	316,859
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	316,859	316,859
Transfer to profit and loss account	-	(392,289)	392,289	-
Dividends paid (note 15)	-	-	(400,181)	(400,181)
Total transactions recognised directly in equity	-	(392,289)	(7,892)	(400,181)
<b>Balance at 31 December 2014</b>	<b>109,950</b>	<b>-</b>	<b>11,174</b>	<b>121,124</b>

	<b>Called up Share Capital £000</b>	<b>Share Premium account £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
Balance at 1 January 2015	109,950	-	11,174	121,124
Total comprehensive income for the year:				
Profit for the year	-	-	911	911
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	911	911
<b>Balance at 31 December 2015</b>	<b>109,950</b>	<b>-</b>	<b>12,085</b>	<b>122,035</b>

In 2014, the Company undertook a capital reduction to cancel and extinguish the Company's entire share premium account in the amount of £392.3 million, crediting the total amount arising on the capital reduction to the profit and loss account.

The notes on pages 11 to 19 form an integral part of these financial statements.

# **NORTHERN & SHELL ENTERPRISES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2015**

### **1. PRINCIPAL ACCOUNTING POLICIES**

These financial statements are prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014.

In the transition to FRS 102 from old UK GAAP, the Company has made measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected financial position and financial performance of the Company is provided in note 19.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the Company has not retrospectively changed its accounting under old UK GAAP for derecognition of financial assets and liabilities before the date of transition, accounting estimates or discontinued operations.

#### **( a ) Basis of accounting**

The financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards.

The principal accounting policies are set out below.

#### **( b ) Going Concern**

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### **( c ) Consolidated financial statements and cash flow statement**

The Company is a wholly owned subsidiary of Northern & Shell Media Group Limited and is included in the consolidated financial statements of Northern & Shell Media Group Limited, and is therefore exempt from the obligation to prepare and deliver group accounts in accordance with Section 400 of the Companies Act 2006.

Northern & Shell Media Group Limited prepares and files consolidated financial statements which include the cash flows of the Company. The Company has therefore relied on the exemption available under FRS 102 from preparing its own cash flow statement.

#### **( d ) Fixed Asset Investments**

Fixed asset investments are recorded at cost, adjusted for any permanent diminution in value. Any diminution in value is reflected in the profit and loss account when the diminution is identified.

#### **( e ) Current Asset Investments**

Current asset investments are liquid resources which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying value or traded in an active market. Liquid resources comprise solely of cash deposits. Current asset investments are stated at the lower of cost and net realisable value.

#### **( f ) Debtors**

Debtors are initially stated at fair value. The carrying value of debtors is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

# **NORTHERN & SHELL ENTERPRISES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2015**

### **1. PRINCIPAL ACCOUNTING POLICIES (Continued)**

#### **( g ) Borrowings**

All borrowings are initially stated at the fair value of the consideration received after deduction of issue costs. Issue costs together with finance costs are charged to the profit and loss account over the term of the borrowings. Accrued finance costs attributable to borrowings where the maturity at the date of issue is less than one year are included within current liabilities. For all other borrowings, accrued finance charges and issue costs are included within Creditors due after more than one year.

#### **( h ) Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the timing differences can be deducted. The recoverability of tax losses is assessed by reference to forecasts, which have been prepared and approved by the board.

Deferred tax assets and liabilities are not discounted and are calculated at the standard enacted rate of corporation tax in the UK of 18% (2014: 20%).

### **2. NOTES TO THE PROFIT AND LOSS ACCOUNT**

#### **Audit services**

	<b>2015</b> <b>£000</b>	<b>2014</b> <b>£000</b>
Fees payable to the Company's auditor for the audit of the Company	<u>3</u>	<u>5</u>

Auditor's remuneration of £3,000 (2014: £5,000) in respect of these financial statements was borne by Northern & Shell Plc, a fellow group undertaking.

Fees paid to the Company's auditor, and its associates for services other than the statutory audit of the Company are not disclosed in Northern & Shell Enterprises Limited accounts since the consolidated accounts of Northern & Shell Enterprises' ultimate parent, Northern & Shell Media Group Limited, are required to disclose other services on a consolidation basis.

### **3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

Directors' emoluments are borne by Northern & Shell Plc, a fellow group undertaking. The directors do not receive any fees or emoluments from the Company as their duties are incidental to their main duties to other subsidiaries of Northern & Shell Media Group Limited.

The Company had no employees in the year (2014: nil).

**NORTHERN & SHELL ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2015**

**4. PROFIT ON SALE OF SUBSIDIARY UNDERTAKINGS**

	<b>2015 £000</b>	<b>2014 £000</b>
Profit on sale of subsidiary undertakings	-	246,490

In 2014, the Company sold its entire shareholding in Channel 5 Broadcasting Limited to a subsidiary of Viacom Inc., for a total consideration of £463.3 million and a profit on sale of £246.5 million. The consideration included the repayment of an amount of £13.3 million owed by Channel 5 Broadcasting Limited to a fellow group undertaking of the Company.

**5. INCOME FROM SHARES IN GROUP UNDERTAKINGS**

	<b>2015 £000</b>	<b>2014 £000</b>
Dividend income	-	69,113

The Company did not receive any dividends in the year. In 2014, the Company received dividends from Channel 5 Broadcasting Limited, comprising amounts owed by fellow group undertakings for an amount of £69.1 million.

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2015 £000</b>	<b>2014 £000</b>
Bank and term deposit interest receivable	821	248
Group interest receivable	4	1,085
	<u>825</u>	<u>1,333</u>

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2015 £000</b>	<b>2014 £000</b>
Group interest payable	-	-

**NORTHERN & SHELL ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2015**

**8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2015 £000</b>	<b>2014 £000</b>
<b>Current taxation</b>		
Adjustments in respect of previous periods	-	127
Total current tax expense	-	127
<b>Deferred tax</b>		
Origination and reversal of timing differences	180	267
Adjustments in respect of previous periods	(266)	(319)
<b>Total deferred tax income (note 12)</b>	<b>(86)</b>	<b>(52)</b>
<b>Total tax (income)/expense on profit on ordinary activities</b>	<b>(86)</b>	<b>75</b>

Analysis of total tax:

	<b>Current Tax £000</b>	<b>2015 Deferred Tax £000</b>	<b>Total Tax £000</b>	<b>Current Tax £000</b>	<b>2014 Deferred Tax £000</b>	<b>Total Tax £000</b>
Recognised in profit and loss account	-	(86)	(86)	127	(52)	75
<b>Total tax (income)/expense</b>	<b>-</b>	<b>(86)</b>	<b>(86)</b>	<b>127</b>	<b>(52)</b>	<b>75</b>

The tax assessed for the year differs from the rate of 20.25% (2014: 21.5%) and the differences are explained below:

	<b>2015 £000</b>	<b>2014 £000</b>
Profit on ordinary activities before tax	<b>825</b>	316,934
Profit on ordinary activities multiplied by the rate of 20.25% (2014: 21.5%)	<b>167</b>	68,141
Profit on sale of subsidiary undertaking not subject to tax	-	(52,995)
Dividends not subject to UK tax	-	(14,859)
Impact of changes in tax rates	13	(20)
Adjustments to tax charge in respect of previous periods	(266)	(192)
<b>Total tax (income)/expense for the year</b>	<b>(86)</b>	<b>75</b>

**NORTHERN & SHELL ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2015**

**8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES (Continued)**

The Company has tax losses of £768,000 (2014: £260,000) available to carry forward against future profits and expects to be able to benefit from tax losses carried forward in future years.

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the Company's future current tax charge accordingly. The deferred tax balance at 31 December 2015 has been calculated based on these rates. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the Company's future current tax charge accordingly and reduce the deferred tax asset at 31 December 2015 by £8,000.

**9. FIXED ASSET INVESTMENTS**

	<b>2015 £000</b>	<b>2014 £000</b>
<b>Shares in group undertakings</b>		
Cost:		
At 1 January 2015	80	731,515
Disposals	-	(731,435)
At 31 December 2015	80	80
Impairment provision:		
At 1 January 2015	-	527,925
Disposals	-	(527,925)
At 31 December 2015	-	-
Net book value	80	80

Investments in group undertakings are stated at cost less any provision for permanent diminution in value.

Impairment testing:

The Company's policy is to carry out annual reviews of its investments. Based on operating results for the subsidiary undertakings, future forecasts and their net assets, the directors consider that the investments' recoverable amount is greater than its carrying amount and consequently no impairment is considered necessary.

At 31 December 2015, the Company held interests in the following subsidiary undertakings:

<b>Company Name</b>	<b>Class of shares</b>	<b>Holding (%)</b>	<b>Country of incorporation</b>	<b>Principal Activity</b>
Northern & Shell Engineering Services Limited	Ordinary	100	United Kingdom	Dormant
Northern & Shell Music Limited	Ordinary	100	United Kingdom	Dormant
Northern & Shell Text Limited	Ordinary	100	United Kingdom	Dormant
5 Direct Limited	Ordinary	100	United Kingdom	Dormant

In 2014, the Company sold its entire shareholding in Channel 5 Broadcasting Limited to a subsidiary of Viacom Inc., for a total consideration of £463.3 million (note 4).



**NORTHERN & SHELL ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2015**

**10. CURRENT ASSET INVESTMENTS**

The market value of current asset investments as at 31 December 2015 is:

	<b>2015 £000</b>	<b>2014 £000</b>
At 1 January 2015	120,000	-
Additions	145,000	120,000
Disposals	(195,000)	-
At 31 December 2015	<u>70,000</u>	<u>120,000</u>

The Company holds current asset investments consisting of short term cash deposits with maturities of less than one year. Short term cash deposits of three months or less are recognised within cash at bank and in hand.

The Company intends to hold the deposits until maturity, at which time the proceeds will either be converted into cash or used for new investments.

In the transition to FRS 102 from old UK GAAP, the Company has recognised the amounts in the table above as current asset investments. Under the old basis of accounting (UK GAAP), the Company recognised the amounts as cash at bank and in hand (note 19).

**11. DEBTORS**

	<b>2015 £000</b>	<b>2014 £000</b>
Amounts owed by group undertakings	574	187
Prepayments and accrued income	-	176
Deferred tax asset (note 12)	<u>138</u>	<u>52</u>
	<u>712</u>	<u>415</u>

Amounts owed by group undertakings carry interest of 2% above base rate, are unsecured and repayable on demand. Amounts owed by dormant group undertakings, included in amounts owed by group undertakings are non-interest bearing.

**12. DEFERRED TAX ASSET**

	<b>£000</b>
At 1 January 2015	52
Credited to profit and loss account (note 8)	<u>86</u>
At 31 December 2015	<u>138</u>

Analysed as :

	<b>2015 £000</b>	<b>2014 £000</b>
Losses	<u>138</u>	<u>52</u>
Asset	<u>138</u>	<u>52</u>

**NORTHERN & SHELL ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2015**

**13. CREDITORS: amounts falling due within one year**

	<b>2015 £000</b>	<b>2014 £000</b>
Amount owed to group undertakings	306	309
Amount owed to group undertakings with respect to group relief	<u>127</u>	<u>127</u>
	<u>433</u>	<u>436</u>

Amounts owed by group undertakings carry interest of 2% above base rate or LIBOR, are unsecured and repayable on demand. Amounts owed by dormant group undertakings, included in amounts owed by group undertakings and amounts owed to group undertakings with respect to group relief are non interest bearing.

**14. SHARE CAPITAL**

	<b>2015 £000</b>	<b>2014 £000</b>
Allotted, called up and fully paid: 10,994,962,811 ordinary shares of £0.01 each	<u>109,950</u>	<u>109,950</u>

All ordinary shares carry the same voting rights, preferences and restrictions. All shares are fully paid.

**15. DIVIDENDS**

	<b>2015 £000</b>	<b>2014 £000</b>
Dividends paid	<u>-</u>	<u>400,181</u>

During the year, the Company paid an interim dividend of £nil (2014: 400.2 million) to Northern & Shell Broadcasting (CI) Limited, its immediate parent undertaking.

**16. GUARANTEES AND CONTINGENT LIABILITIES**

The Company is part of the Northern & Shell Media Group Limited group. At 31 December 2015, certain claims in the normal course of business were pending against the Group and certain tax computations were still subject to agreement with the relevant taxation authorities. Although there is uncertainty regarding the final outcome of these matters, the directors believe, based on professional advice received, that adequate provision has been made in the financial statements for anticipated liabilities and the probable ultimate resolution of such matters will not have a material effect on the financial statements of the Company.

**17. RELATED PARTY TRANSACTIONS**

The Company is exempt from disclosing related party transactions with entities that are part of the Northern & Shell Media Group Limited group.

**NORTHERN & SHELL ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2015**

**18. ULTIMATE PARENT UNDERTAKING**

The immediate parent undertaking is Northern & Shell Broadcasting (CI) Limited and the ultimate parent undertaking is Northern & Shell Media Group Limited. The ultimate controlling party is Richard Desmond, the Chairman of Northern & Shell Media Group Limited.

The largest and smallest group into which these accounts are consolidated is Northern & Shell Media Group Limited. Northern & Shell Media Group Limited is registered in England. The consolidated financial statements of Northern & Shell Media Group Limited can be obtained from: The Northern & Shell Building, Number 10 Lower Thames Street, London, EC3R 6EN, United Kingdom.

**19. EXPLANATION OF TRANSITION TO FRS 102 FROM OLD UK GAAP**

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015 and the comparative information presented in these financial statements for the year ended 31 December 2014.

In preparing its FRS 102 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 102 has affected the Company's financial position is set out in the following table and the notes that accompany the table.

**NORTHERN & SHELL ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2015**

**19. EXPLANATION OF TRANSITION TO FRS 102 FROM OLD UK GAAP (Continued)**

**Reconciliation of shareholders' funds:**

		<b>1 January 2014</b>			<b>31 December 2014</b>		
		<b>Effect of</b>			<b>Effect of</b>		
		<b>transition</b>			<b>transition</b>		
		<b>to FRS</b>			<b>to FRS</b>		
		<b>UK</b>	<b>102</b>	<b>FRS 102</b>	<b>UK GAAP</b>	<b>102</b>	<b>FRS 102</b>
	<b>Notes</b>	<b>GAAP</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>FIXED ASSETS</b>							
Fixed asset investments	9	203,590	-	203,590	80	-	80
<b>CURRENT ASSETS</b>							
Current asset investments	10	-	-	-	-	120,000	120,000
Debtors	11	1,273	-	1,273	415	-	415
Cash at bank and in hand		-	-	-	121,065	(120,000)	1,065
		1,273	-	1,273	121,480	-	121,480
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	13	(417)	-	(417)	(436)	-	(436)
<b>NET CURRENT ASSETS</b>		856	-	856	121,044	-	121,044
<b>NET ASSETS</b>		<b>204,446</b>	<b>-</b>	<b>204,446</b>	<b>121,124</b>	<b>-</b>	<b>121,124</b>
<b>CAPITAL AND RESERVES</b>							
Called up share capital	14	109,950	-	109,950	109,950	-	109,950
Share premium		392,289	-	392,289	-	-	-
Profit and loss account		(297,793)	-	(297,793)	11,174	-	11,174
<b>SHAREHOLDERS' FUNDS</b>		<b>204,446</b>	<b>-</b>	<b>204,446</b>	<b>121,124</b>	<b>-</b>	<b>121,124</b>

In preparing their FRS 102 balance sheet, the Company has recognised amounts held on fixed term cash deposits within current asset investments (note 10). Under its old basis of accounting (UK GAAP), the Company previously recognised these amounts within cash at bank and in hand. There is no impact on shareholders' funds or the profit and loss and other comprehensive income.