

NORTHERN & SHELL PROPERTIES LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015



NORTHERN & SHELL PROPERTIES LIMITED

ANNUAL REPORT

31 December 2015

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NORTHERN & SHELL PROPERTIES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr. R.C. Desmond
Mr. R. Sanderson
Mr. M.S. Ellice

SECRETARY

Mr. R. Sanderson

COMPANY NUMBER

4104529 (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 PROPERTIES 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.

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 Company's principal activity is that of a holding company for a group of companies engaged in property related businesses.

RESULTS AND DIVIDENDS

The Company recorded a loss before taxation of £870,000 (2014: profit before taxation of £400.5 million), after incurring a charge for losses on revaluation of current asset investments of £2.3 million (2014: £nil) (notes 3 and 9) and after receiving dividends of £nil from Northern & Shell Broadcasting (CI) Limited (2014: £400.2 million).

The directors do not recommend the payment of a dividend (2014: £205.5 million).

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. It is the intention of the Company to continue in its principal activity for the foreseeable future.

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

The Company's net assets were £332.2 million as at 31 December 2015 (2014: £332.9 million).

DIRECTORS

The membership of the board during the year is set out on page 2. These directors, and no others, held office throughout the entire year.

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).

FINANCIAL RISK MANAGEMENT

The Company's operations expose it to a variety of financial risks that include interest rate risk and liquidity 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 and liabilities. The interest bearing assets and liabilities are amounts owed by and to group undertakings, current asset investments and cash balances, subject to fixed and floating interest rates. The directors keep these measures under constant review.

Liquidity risk

The Company actively manages its finances to ensure that the Company has sufficient funds available for its operations.

NORTHERN & SHELL PROPERTIES 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:



Mr. R. Sanderson
Secretary

Date: 21 April 2016

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

NORTHERN & SHELL PROPERTIES 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 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 the profit or loss of the Company for that period. In preparing these 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; 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 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. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

NORTHERN & SHELL PROPERTIES LIMITED

For the year ended 31 December 2015

We have audited the financial statements of Northern & Shell Properties 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.

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 loss 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 PROPERTIES 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
15 Canada Square
London, E14 5GL
United Kingdom

Date: 22 April 2016

NORTHERN & SHELL PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Notes	2015 £000	2014 £000
Income from shares in group undertakings	4	-	400,181
Administrative expenses		<u>(2,312)</u>	<u>-</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		(2,312)	400,181
Interest receivable and similar income	5	1,445	497
Interest payable and similar charges	6	<u>(3)</u>	<u>(179)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(870)	400,499
Tax on (loss)/profit on ordinary activities	7	<u>125</u>	<u>(20)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(745)</u>	<u>400,479</u>

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

Activities are wholly attributable to continuing operations.

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

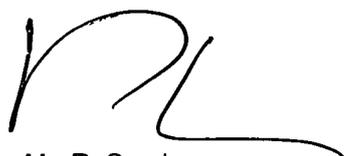
NORTHERN & SHELL PROPERTIES LIMITED

BALANCE SHEET as at 31 December 2015

	Notes	2015 £000	Restated 2014 £000
FIXED ASSETS			
Investments	8	<u>147,321</u>	<u>147,321</u>
CURRENT ASSETS			
Current asset investments	9	162,690	165,000
Debtors	10	17,884	14,744
Cash at bank and in hand		<u>5,041</u>	<u>5,978</u>
		185,615	185,722
CREDITORS: amounts falling due within one year	12	<u>(746)</u>	<u>(108)</u>
NET CURRENT ASSETS		<u>184,869</u>	<u>185,614</u>
NET ASSETS		<u>332,190</u>	<u>332,935</u>
CAPITAL AND RESERVES			
Called up share capital	13	109,958	109,958
Share premium		35,000	35,000
Profit and loss account		<u>187,232</u>	<u>187,977</u>
TOTAL SHAREHOLDERS' FUNDS		<u>332,190</u>	<u>332,935</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: 4104529

NORTHERN & SHELL PROPERTIES LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Notes	Called up Share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2014		109,958	-	(7,002)	102,956
Effect of change in accounting policy (note 18)		-	-	-	-
Balance at 1 January 2014		109,958	-	(7,002)	102,956
Total comprehensive income for the year:					
Profit for the year		-	-	400,479	400,479
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	400,479	400,479
Share issue	13	-	35,000	-	35,000
Dividends paid	14	-	-	(205,500)	(205,500)
Total transactions recognised directly in equity		-	35,000	(205,500)	(170,500)
Balance at 31 December 2014		109,958	35,000	187,977	332,935

		Called up Share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2015		109,958	35,000	187,977	332,935
Total comprehensive income for the year:					
Loss for the year		-	-	(745)	(745)
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	(745)	(745)
Balance at 31 December 2015		109,958	35,000	187,232	332,190

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

NORTHERN & SHELL PROPERTIES 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 18.

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 financial statements.

(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

Investments in subsidiary undertakings are stated at cost less any provision for 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. 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 PROPERTIES 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. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors' emoluments are borne by Northern & Shell Plc, a fellow subsidiary undertaking.

The directors do not receive any fees or emoluments from the Company as their duties are incidental to their main duties to other subsidiary undertakings of Northern & Shell Media Group Limited.

There are no other employee costs.

NORTHERN & SHELL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

3. NOTES TO THE PROFIT AND LOSS ACCOUNT

	2015 £000	2014 £000
Loss/(profit) on ordinary activities before taxation is stated after charging:		
Losses on revaluation - current asset investments (note 9)	<u>2,310</u>	<u>-</u>

Audit Services

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

Auditors' remuneration of £3,000 in respect of the audit of these financial statements for the year ended 31 December 2015 (2014: £3,000) is borne by Northern & Shell Plc, a fellow subsidiary undertaking.

4. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2015 £000	2014 £000
Dividend income	<u>-</u>	<u>400,181</u>

During the year, the Company received dividends of £nil from Northern & Shell Broadcasting (CI) Limited (2014: £400.2 million).

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015 £000	2014 £000
Bank and term deposit interest receivable	1,043	497
Group interest receivable	<u>402</u>	<u>-</u>
	<u>1,445</u>	<u>497</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £000	2014 £000
Group interest payable	<u>3</u>	<u>179</u>

NORTHERN & SHELL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

7. TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2015	2014
	£000	£000
Current tax		
UK corporation tax payable to group companies in respect of group relief at 20.25% (2014: 21.5%)	249	-
Adjustments in respect of previous periods	-	62
Total current tax expense	249	62
Deferred tax		
Origination and reversal of timing differences	(374)	64
Adjustments in respect of previous periods	-	(106)
Total deferred tax income (note 11)	(374)	(42)
Total tax (income)/expense on (loss)/profit on ordinary activities	(125)	20

Analysis of total tax:

	2015			2014		
	Current Tax	Deferred Tax	Total Tax	Current Tax	Deferred Tax	Total Tax
	£000	£000	£000	£000	£000	£000
Recognised in profit and loss account	249	(374)	(125)	62	(42)	20
Total tax (income)/expense	249	(374)	(125)	62	(42)	20

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

	2015	2014
	£000	£000
(Loss)/profit on ordinary activities before tax	(870)	400,499
(Loss)/profit on ordinary activities multiplied by the standard rate of 20.25% (2014: 21.5%)	(176)	86,107
Effects of:		
Excess of depreciation over capital allowances and other timing differences	-	(4)
Impact of changes in tax rates	51	-
Dividends not subject to UK tax	-	(86,039)
Adjustments in respect of previous periods	-	(44)
Total tax (income)/expense for the year	(125)	20

NORTHERN & SHELL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

7, TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES (Continued)

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 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 £23,000.

8. FIXED ASSET INVESTMENTS

	Shares in Group Undertakings £000
Cost:	
At 1 January and 31 December 2015	147,321
Net book amounts:	
At 31 December 2015	147,321
At 31 December 2014	147,321

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

Company Name	Class of shares	Holding (%)	Country of incorporation	Principal Activity
Northern & Shell Enterprises Limited (formerly Northern & Shell Television Group Limited)	Ordinary	100	United Kingdom	Holding company
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

9. CURRENT ASSET INVESTMENTS

	2015 £000	2014 £000
Bonds	5,009	-
Quoted investments	37,428	-
Unquoted investments	5,093	-
Cash on deposit	115,160	165,000
	162,690	165,000

NORTHERN & SHELL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

9. CURRENT ASSET INVESTMENTS (Continued)

The Company holds a mixed portfolio of investments with maturities of one year or less. Short term cash deposits of three months or less are recognised within cash at bank and in hand.

The Company intends to hold the investments until maturity, at which time the proceeds will either be converted to cash or used for new investments. Subsequent to the year end, £15.0 million of cash on deposit matured with the proceeds held by the Company as cash at bank and in hand.

In the transition to FRS 102 from old UK GAAP, the Company has recognised the cash on deposit amounts in the table above as current asset investments. Under the old basis of accounting (UK GAAP), the Company recognised the cash on deposit amounts as cash at bank and in hand (note 18).

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

	2015	2014
	£000	£000
At 1 January 2015	165,000	-
Additions	190,000	165,000
Disposals	(190,000)	-
Impairment losses (note 3)	(2,310)	-
	<hr/> 162,690	<hr/> 165,000
At 31 December 2015	<hr/> 162,690	<hr/> 165,000

10. DEBTORS

	2015	2014
	£000	£000
Amounts owed by group undertakings	17,468	14,251
Deferred tax asset (note 11)	416	42
Prepayments and accrued income	-	451
	<hr/> 17,884	<hr/> 14,744

Amounts owed by group undertakings carry interest between 2.0% and 2.5% above base rate, are unsecured and repayable on demand.

NORTHERN & SHELL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

11. DEFERRED TAX ASSET

	£000	
At 1 January 2015	42	
Credited to profit and loss account (note 7)	<u>374</u>	
At 31 December 2015	<u>416</u>	
Analysed as:		
	2015	2014
	£000	£000
Losses	-	42
Other timing differences	<u>416</u>	<u>-</u>
Deferred tax – asset	<u>416</u>	<u>42</u>

12. CREDITORS: amounts falling due within one year

	2015	2014
	£000	£000
Amounts owed to group undertakings	435	46
Amounts owed to group undertakings in respect of group relief	<u>311</u>	<u>62</u>
	<u>746</u>	<u>108</u>

Amounts owed to group undertakings and loans from group undertakings carry interest between 2.0% and 2.5% above base rate, are unsecured and repayable on demand. Amounts owed to group undertakings with respect to group relief are non interest bearing.

13. CALLED UP SHARE CAPITAL

	2015	2014
	£000	£000
Authorise, allotted and fully paid: 109,957,584 (2014: 109,957,584) ordinary shares of £1 each	<u>109,958</u>	<u>109,958</u>

In 2014, as part of a group simplification, the Company issued 2 ordinary shares of £1 each in the capital of the Company to Northern & Shell Media Group Limited, its immediate parent undertaking, for a total consideration of £35.0 million.

NORTHERN & SHELL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

14. DIVIDENDS

	2015	2014
	£000	£000
Dividends paid	<u>-</u>	<u>205,500</u>

During the year, the Company paid an interim dividend of £nil to Northern & Shell Media Group Limited, its immediate parent undertaking (2014: £205.5 million).

15. 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.

16. 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.

17. ULTIMATE PARENT UNDERTAKING

The immediate and 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 groups into which these accounts are consolidated are Northern & Shell Media Group Limited. Northern & Shell Media Group Limited is registered in England. Copies of the 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.

18. EXPLANATION OF TRANSITION TO FRS 102 FORM 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 and financial performance is set out in the following table and the notes that accompany the table.

NORTHERN & SHELL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

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

Reconciliation of shareholders' funds:

		1 January 2014			31 December 2014		
		UK GAAP	Effect of transition to FRS 102	FRS 102	UK GAAP	Effect of transition to FRS 102	FRS 102
	Notes	£000	£000	£000	£000	£000	£000
FIXED ASSETS							
Investments	8	112,321	-	112,321	147,321	-	147,321
CURRENT ASSETS							
Current asset investments	9	-	-	-	-	165,000	165,000
Debtors	10	206	-	206	14,744	-	14,744
Cash at bank and in hand		-	-	-	170,978	(165,000)	5,978
		206	-	206	185,722	-	185,722
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR							
	12	(9,571)	-	(9,571)	(108)	-	(108)
NET CURRENT ASSETS/(LIABILITIES)		(9,365)	-	(9,365)	185,614	-	185,614
NET ASSETS		102,956	-	102,956	332,935	-	332,935
CAPITAL AND RESERVES							
Called up share capital	13	109,958	-	109,958	109,958	-	109,958
Share premium account		-	-	-	35,000	-	35,000
Profit and loss account		(7,002)	-	(7,002)	187,977	-	187,977
SHAREHOLDERS' FUNDS		102,956	-	102,956	332,935	-	332,935

In preparing their FRS 102 balance sheet, the Company has recognised amounts held on fixed term cash deposits within current asset investments (note 9). 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.