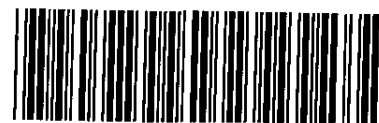


Company Registration No. FC027840 (Jersey)

NORTHERN & SHELL BROADCASTING (CI) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

THURSDAY



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COMPANIES HOUSE

NORTHERN & SHELL BROADCASTING (CI) LIMITED

COMPANY INFORMATION

Directors	Mr R Sanderson Mr M S Ellice
Secretary	Sanne Secretaries Limited
Company number	FC027840
Registered office	13 Castle Street St. Helier Jersey JE4 5UT
Auditor	KPMG LLP 15 Canada Square London United Kingdom E14 5GL

NORTHERN & SHELL BROADCASTING (CI) LIMITED

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NORTHERN & SHELL BROADCASTING (CI) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

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

Principal activities

The principal activity of the company continued to be that of holding company.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr R Sanderson

Mr M S Ellice

Results and dividends

The results for the year are set out on page 6.

The company recorded a loss before taxation of £9,000 (2016: £3,000).

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Review of the period and future developments

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 Limited, the ultimate parent of the company.

The company's net assets were £120.7 million as at 31 December 2017 (2016: £120.7 million).

Financial risk management

The company has not implemented specific measures to mitigate financial risks because the directors believe that the nature of the company's operations are such that it is not exposed to financial risks that might impact adversely on the financial performance of the company. The directors keep this position under constant review.

Political donations

The company made no political donations or incurred any political expenditure during the year (2016: £nil).

Auditor

The auditor, KPMG LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going concern

The company has net current liabilities. A letter of support has been received from the ultimate parent company, Northern & Shell Limited, stating that this company will provide financial support as necessary to enable the company to meet its obligations as and when they fall due. Accordingly, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

NORTHERN & SHELL BROADCASTING (CI) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

A handwritten signature in black ink, appearing to be 'R Sanderson', written over a horizontal line.

Mr R Sanderson

Director

Date: 18 June 2018

NORTHERN & SHELL BROADCASTING (CI) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with 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*.

Company law requires the directors to prepare financial statements for each financial year which 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 year. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

NORTHERN & SHELL BROADCASTING (CI) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NORTHERN & SHELL BROADCASTING (CI) LIMITED

Opinion

We have audited the financial statements of Northern & Shell Broadcasting (CI) Limited ("the company") for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

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

Matters on which we are required to report by exception

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- proper accounting records have not been kept by the company; or
- proper returns adequate for our audit have not been received from branches not visited by us; or
- the company's accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for the preparation of financial statements which give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

NORTHERN & SHELL BROADCASTING (CI) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NORTHERN & SHELL BROADCASTING (CI) LIMITED

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

This report is made solely to the company's members, as a body, in accordance with Article 113 A of the Companies (Jersey) Law 1991. 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.

Mark Prince (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
United Kingdom
E14 5GL

Date: 18 June 2018

NORTHERN & SHELL BROADCASTING (CI) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £000	2016 £000
Administrative expenses		(9)	(3)
		<hr/>	<hr/>
Loss before taxation		(9)	(3)
Taxation	5	-	1
		<hr/>	<hr/>
Loss for the financial year		(9)	(2)
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		(9)	(2)
		<hr/>	<hr/>

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 9 to 15 form an integral part of these financial statements.

NORTHERN & SHELL BROADCASTING (CI) LIMITED

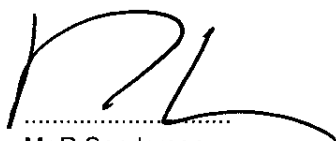
BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £000	£000	2016 £000	£000
Fixed assets					
Investments	6		120,716		120,716
			<u>120,716</u>		<u>120,716</u>
Current assets					
Debtors	8	1		1	
Creditors: amounts falling due within one year	9				
		(13)		(4)	
Net current liabilities			(12)		(3)
Net assets			<u>120,704</u>		<u>120,713</u>
Capital and reserves					
Called up share capital	10		-		-
Share premium account			61,768		61,768
Profit and loss reserves			58,936		58,945
Total equity			<u>120,704</u>		<u>120,713</u>

The notes on pages 9 to 15 form an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 18 June 2018 and are signed on its behalf by:



Mr R Sanderson
Director

Company Registration No. FC027840

NORTHERN & SHELL BROADCASTING (CI) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital £000	Share premium account £000	Profit and loss reserves £000	Total £000
Balance at 1 January 2016	-	61,768	58,947	120,715
Year ended 31 December 2016:				
Total comprehensive income for the year	-	-	(2)	(2)
Balance at 31 December 2016	-	61,768	58,945	120,713
Year ended 31 December 2017:				
Total comprehensive income for the year	-	-	(9)	(9)
Balance at 31 December 2017	-	61,768	58,936	120,704

The notes on pages 9 to 15 form an integral part of these financial statements.

NORTHERN & SHELL BROADCASTING (CI) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Northern & Shell Broadcasting (CI) Limited is a private company limited by shares incorporated in Jersey. The registered office is 13 Castle Street, St. Helier, Jersey, JE4 5UT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies (Jersey) Law 1991.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000 (unless stated otherwise).

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Northern & Shell Limited. These consolidated financial statements are available from its registered office, The Northern & Shell Building, Number 10 Lower Thames Street, London, EC3R 6EN.

The company has taken advantage of the exemption provided in section 33.1A of Financial Reporting Standard 102 from the requirement to disclose transactions with other wholly owned group members of Northern & Shell Limited.

1.2 Going concern

The company has net current liabilities. A letter of support has been received from the ultimate parent company, Northern & Shell Limited, stating that this company will provide financial support as necessary to enable the company to meet its obligations as and when they fall due. Accordingly, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

1.3 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

NORTHERN & SHELL BROADCASTING (CI) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.4 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

NORTHERN & SHELL BROADCASTING (CI) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date, and any adjustment to tax payable/receivable in respect of previous years.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the standard enacted rate of corporation tax in the UK of 17% (2016: 17%). Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

NORTHERN & SHELL BROADCASTING (CI) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors consider the judgement associated with these financial statements to be over the carrying value of investments.

3 Auditor's remuneration

Auditor's remuneration of £3,000 in respect of the audit of these financial statements for the year ended 31 December 2017 (2016: £3,000) is borne by Northern & Shell Limited, the ultimate parent undertaking. There were no non audit services (2016: nil).

4 Directors' remuneration

All directors who served during the year were employed by other Group companies and were remunerated for the qualifying services they provided to them. The value ascribed to these qualifying services in 2017 is £nil (2016: £nil).

There were no employees during the year other than the directors (2016: nil).

5 Taxation

	2017 £000	2016 £000
Current tax		
Group tax relief	-	(1)
Total current tax	-	(1)
Total tax credit	-	(1)

A reduction in the UK Corporation Tax rate from 20% to 19% was (effective from 1 April 2017) substantively enacted on 26 October 2015. An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

NORTHERN & SHELL BROADCASTING (CI) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

5 Taxation (Continued)

The actual charge/(credit) for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £000	2016 £000
Loss before taxation	(9)	(3)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	(2)	(1)
Group relief not paid for	2	-
Taxation for the year	-	(1)

The company has no deferred tax assets, either recognised or unrecognised (2016: £nil).

6 Fixed asset investments

	Notes	2017 £000	2016 £000
Investments in subsidiaries	7	120,716	120,716

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 investment's recoverable amount is greater than its carrying amount and consequently no impairment is considered necessary.

Movements in fixed asset investments

	Shares in group undertakings £000
Cost or valuation	
At 1 January 2017 & 31 December 2017	371,653
Impairment	
At 1 January 2017 & 31 December 2017	250,937
Carrying amount	
At 31 December 2017	120,716
At 31 December 2016	120,716

NORTHERN & SHELL BROADCASTING (CI) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

7 Subsidiaries

Details of the company's subsidiaries at 31 December 2017 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held Direct Indirect	
5 Direct Limited	United Kingdom	Dormant	Ordinary		100.00
Northern & Shell Engineering Services Limited	United Kingdom	Dormant	Ordinary		100.00
Northern & Shell Enterprises Limited	United Kingdom	Holding company	Ordinary	100.00	
Northern & Shell Music Limited	United Kingdom	Dormant	Ordinary		100.00
Northern & Shell Text Limited	United Kingdom	Dormant	Ordinary		100.00

The above subsidiary undertakings are 100% owned and incorporated in the United Kingdom, with a registered office at The Northern & Shell Building, 10 Lower Thames Street, London, EC3R 6EN.

There were no changes in ownership or class of shares held during the year.

8 Debtors

	2017 £000	2016 £000
Amounts falling due within one year:		
Amounts due from group undertakings with respect to group relief	1	1

Amounts due from group undertakings with respect to group relief are non-interest bearing, unsecured and repayable on demand.

9 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Amounts due to group undertakings	13	4

Amounts due to group undertakings carry interest at 2% above base rate, are unsecured and repayable on demand.

10 Share capital

	2017 £000	2016 £000
Ordinary share capital		
Issued and fully paid		
5 Ordinary of no par value	-	-

NORTHERN & SHELL BROADCASTING (CI) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

11 Controlling party

The immediate parent undertaking is Northern & Shell Properties Limited and the ultimate parent undertaking is Northern & Shell Limited.

The ultimate controlling party is Richard Desmond, the Chairman of Northern & Shell Limited.

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