

# **Charter Broadcast Limited**

## **Annual report and financial statements**

**for the year ended 30 September 2016**

Registered in England and Wales number: 02594283



**Charter Broadcast Limited**  
**Annual report and financial statements for the year ended 30**  
**September 2016**  
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**Charter Broadcast Limited**  
**Directors and advisers**

**Directors**

**JL Christmas**

**Company secretary**

**NS Conn**

**Registered office**

**Unit E2, Sussex Manor Business Park  
Gatwick Road  
Crawley  
West Sussex  
RH10 9NH**

**Independent auditors**

**Ernst & Young LLP  
Apex Plaza  
Forbury Road  
Reading  
RG1 1YE**

**Solicitors**

**Norton Rose Fulbright LLP  
3 More London Riverside  
London  
SE1 2AQ**

# **Charter Broadcast Limited**

## **Strategic report for the year ended 30 September 2016**

The directors present their annual report and the audited financial statements of the company for the year ended 30 September 2016.

### **Business review, principal activities and future developments**

The company did not trade in the year. The transactions in the year relate to interest receivable from Avesco group companies.

On 1 October 2015 the company was acquired by Avesco Finance Limited, another Avesco group company.

During the year the company transitioned from previously extant UK GAAP to Financial Reporting Standard 101: Reduced Disclosure Framework, and has taken advantage of the disclosure exemptions allowed under this standard. The company's parent undertaking, Avesco Group Limited, was notified of and did not object to the use of the EU adopted IFRS disclosure exemptions. Details of the recognition or measurement differences arising on the adoption of FRS 101 are included in note 14 to these financial statements.

Future developments of Avesco Group Limited, which includes the company, are discussed in the Strategic Report of the group's annual report which does not form part of this report.

### **Key Performance Indicators ("KPIs")**

The key performance indicators for the company were as follows:

	<b>2016 (£'000)</b>	<b>2015 (£'000)</b>	<b>Change (£'000)</b>
<b>Operating Profit</b>	5	5,064	(5,064)
<b>Net assets</b>	10,698	10,553	145

### **Principal risks and uncertainties**

The company's business may be subject to many different risk factors, which will have varying degrees of significance at any particular time. The company does not trade and for this reason the directors consider that the company is not subject to significant risks and uncertainties.

By order of the board



JL Christmas  
Director  
20 January 2017

**Charter Broadcast Limited**  
**Registered in England and Wales number 02594283**  
**Directors' report for the year ended 30 September 2016**

The Directors present their report for the year ended 30 September 2016.

**Dividends**

No dividends were payable during the year (2015: £nil).

**Directors**

The names of the directors who held office during the year and up to the date of signing the financial statements are set out below:

JL Christmas

MC Ransome (resigned 30 September 2016)

**Going concern**

The directors believe, after making appropriate enquiries that the company has adequate resources to continue in operation for the foreseeable future. Therefore, the directors continue to adopt the going concern basis in preparing the financial statements.

**Directors' Indemnities**

The company has purchased insurance to cover its Directors and officers against the costs of defending themselves in legal proceedings taken against them in that capacity and in respect of any damages resulting from those proceedings. The insurance does not provide cover where the director has acted fraudulently or dishonestly.

The company has also provided an indemnity for its directors, which is a qualifying third party indemnity provision for the purposes of section 234 of the Companies Act 2006. A copy of the indemnity is available for inspection at the company's registered office during normal working hours.

**Charter Broadcast Limited**  
**Registered in England and Wales number 02594283**  
**Directors' report for the year ended 30 September 2016**  
**(continued)**

**Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101 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.

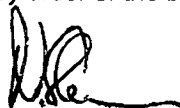
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Disclosure of information to auditors**

The directors confirm that, so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all the steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



NS Conn  
Secretary  
20 January 2017

# Independent auditors' report to the members of Charter Broadcast Limited for the year ended 30 September 2016

We have audited the financial statements of Charter Broadcast Limited for the year ended 30 September 2016 which comprise the income statement, the statement of changes in equity, the statement of financial position and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 4, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## 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 30 September 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## 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.

*ERNST & YOUNG LLP* 23/01/17

Marcus Butler (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
Reading

**Charter Broadcast Limited**  
**Income statement for the year ended 30 September 2016**

	Note	2016 £'000	2015 £'000
Administrative expenses		-	5,064
<b>Operating profit</b>	5	-	5,064
Interest receivable and similar income	6	181	176
Interest payable and similar costs	6	-	(15)
<b>Profit on ordinary activities before taxation</b>		181	5,225
Income tax expense	7	(36)	-
<b>Profit for the financial year</b>		145	5,225

All amounts relate to continuing operations.

The company has no other comprehensive income in the current or prior period and therefore no separate statement of comprehensive income has been presented.



**Charter Broadcast Limited**  
**Statement of changes in equity for the year ended**  
**30 September 2016**

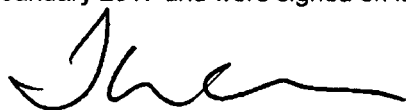
	Note	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total Equity £'000
Balance at 1 October 2015		1,600	6,090	2,863	10,553
Profit for the financial year		-	-	145	145
<b>Total comprehensive income for the year</b>		-	-	<b>145</b>	<b>145</b>
<b>Balance at 30 September 2016</b>		<b>1,600</b>	<b>6,090</b>	<b>3,008</b>	<b>10,698</b>
Balance at 1 October 2014		1,600	6,090	(2,362)	5,328
Profit for the financial year		-	-	5,225	5,225
<b>Total comprehensive income for the year</b>		-	-	<b>5,225</b>	<b>5,225</b>
<b>Balance at 30 September 2015</b>		<b>1,600</b>	<b>6,090</b>	<b>2,863</b>	<b>10,553</b>

The share capital account includes share capital and shares issued at nominal value only. Share premium account is the net proceeds less nominal value of shares. The retained earnings reserve represents accumulated retained profit and loss.

**Charter Broadcast Limited**  
**Statement of financial position as at 30 September 2016**

	Note	2016 £'000	2015 £'000
<b>Current assets:</b>			
Debtors	8	10,741	10,753
		10,741	10,753
Creditors: amounts falling due within one year	9	(36)	-
<b>Net current assets</b>		10,705	10,753
<b>Provisions for liabilities</b>	10	(7)	(200)
<b>Net assets</b>		10,698	10,553
<b>Capital and reserves</b>			
Share capital	11	1,600	1,600
Share premium		6,090	6,090
Retained earnings		3,008	2,863
<b>Total equity</b>		10,698	10,553

The financial statements on pages 6 to 15 were approved by the board of directors on 20 January 2017 and were signed on its behalf by:



JL Christmas  
Director

# **Charter Broadcast Limited**

## **Notes to the Financial Statements for the year ended 30 September 2016**

### **1 General information**

Charter Broadcast Limited ("the company") is a non trading company.

The company is a private company and is incorporated and domiciled in the UK.

### **2 Accounting policies**

#### **Basis of preparation**

These financial statements have been prepared in accordance with Financial Reporting Standard 101: Reduced Disclosure Framework ("FRS 101"). The financial statements have been prepared under the historical cost convention, in accordance with the Companies Act 2006 and on the going concern basis. A summary of the more important accounting policies is set out below. These have been applied consistently throughout the current and prior year.

The Company transitioned from previously extant UK GAAP to FRS 101 for all periods presented. Transition reconciliations showing all material adjustments are disclosed in note 14.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The company is a wholly owned subsidiary of Avesco Group Limited and is included in the consolidated financial statements of Avesco Group Limited which are publicly available (see note 13). Consequently the company has taken advantage of the following exemptions from:

- The requirements of IFRS 7: Financial instruments: disclosures.
- Presentation of a third statement of financial position when an entity makes a retrospective restatement of items in its financial statements in accordance with paragraphs 10 (f), and 40A to 40D of IAS 1: Presentation of financial statements.
- Disclosure of a statement of compliance with IFRS in accordance with paragraph 16 of IAS 1: Presentation of financial statements.
- Disclosure of capital management policies in accordance with paragraphs 134 to 136 of IAS 1: Presentation of financial statements.
- Preparation of a cash flow statement in accordance with paragraphs 10 (d), 38A, and 111 of IAS 1: Presentation of financial statements, and IAS 7: Cash flow statements.
- Disclosure of information when an entity has not applied a new IFRS which has been issued but is not yet effective in accordance with paragraphs 30 and 31 of IAS 8: Accounting policies, changes in accounting estimates and errors.
- Disclosure of key management compensation in accordance with paragraph 17 of IAS 24: Related party disclosures.
- Disclosure of transactions with other wholly owned members of the Avesco group or investees of the Avesco group qualifying as related parties in accordance with IAS 24: Related party disclosures.

# **Charter Broadcast Limited**

## **Notes to the Financial Statements for the year ended 30 September 2016 (continued)**

### **2 Accounting policies (continued)**

#### **Going concern**

The directors believe, after making appropriate enquiries, that the company has adequate resources to continue in operation for the foreseeable future. Therefore, the directors continue to adopt the going concern basis in preparing the financial statements.

#### **Financial assets**

##### **a) Trade and other debtors**

Trade and other debtors do not carry interest and are initially recognised at fair value, and subsequently carried at amortised cost, less any provision for any amount estimated to be irrecoverable.

##### **b) Cash at bank and in hand**

Cash at bank and in hand includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

#### **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

#### **Current and deferred income tax**

Current tax comprises the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are recognised on an undiscounted basis.

#### **Provisions**

The company holds provisions on the balance sheet to cover costs resulting from leasehold property dilapidations. Provisions are recognised where there is a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the time value of money would give rise to a material difference in the future cash outflows of the company, the provisions are discounted at a rate to reflect the time value of money and the risks associated with the liability. Movements in the provision due to the passage of time are recognised within 'Interest receivable' or 'Interest payable'.

**Charter Broadcast Limited**  
**Notes to the Financial Statements for the year ended 30**  
**September 2016 (continued)**

**3 Critical accounting estimates and judgments**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**4 Directors' emoluments**

One of the directors was also a director of Avesco Group Limited, the ultimate parent company (2015: one of the directors). Their remuneration was for services to the group as a whole and this was paid by another group company. Their time deemed inconsequential to the company and as such their remuneration has not been disclosed. Details of their remuneration for their services to the Avesco Group Limited as a group are disclosed in the Avesco Group Limited accounts, which are available as set out in note 12.

As at 30 September 2016 none of the non Avesco Group Limited directors were entitled to shares under the Avesco Group Limited long term incentive plan (LTIP) (2015: one of the non Avesco Group Limited directors was entitled to shares under the Avesco Group Limited LTIP, which vested during the prior year). Further details regarding the LTIP scheme are included in the Avesco Group Limited annual report and accounts, available as set out in note 12.

One of the non Avesco Group Limited directors (2015: one non Avesco Group Limited director) was also an employee of Avesco Group Limited and did not receive any remuneration in relation to their services for the company. Their time is deemed inconsequential to the company and as such their remuneration has not been disclosed.

**Charter Broadcast Limited**  
**Notes to the Financial Statements for the year ended 30**  
**September 2016 (continued)**

**5 Operating profit**

Operating profit is stated after charging/(crediting):

	2016 £'000	2015 £'000
Waiver of amounts due to group undertakings	-	(4,947)

The company had no employees in the year ended 30 September 2016 (2015: nil), and there were no employee costs incurred in the year ended September 2016 (2015: £nil). The audit fees of the company for the current and prior year were borne by the ultimate parent undertaking. No foreign exchange gains or losses chargeable to administrative expenses were incurred in the current or prior year.

**6 Interest receivable and interest payable**

	2016 £'000	2015 £'000
Interest receivable and similar income:		
Interest receivable on amounts owed by group undertakings	181	176
Total interest receivable	181	176
Interest payable and similar costs:		
Unwinding of discount on provisions	-	(15)
Total interest payable	-	(15)

**Charter Broadcast Limited**  
**Notes to the Financial Statements for the year ended 30**  
**September 2016 (continued)**

**7 Income tax expense**

**Analysis of taxation expense for the year**

	2016 £'000	2015 £'000
Current income tax:		
Current tax on profit for the year	36	-
Adjustment in respect of prior periods	-	-
Total current tax	36	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Income tax expense	36	-

**Factors affecting the tax charge**

The tax assessed for the year is different (2015: lower than) than the standard rate of corporation tax in the UK (20%).

	2016 £'000	2015 £'000
<b>Profit before taxation</b>	181	5,225
Tax calculated at standard rate of corporation tax of 20% (2015: 20.5%)	36	1,071
Expenses not deductible for tax purposes	-	(1,014)
Group relief claimed	(36)	(57)
Payment for group relief	36	-
Income tax expense	36	-

The effective tax rate in future years may be lower than the standard rate of corporation tax due to the availability of group relief.

The company has no amounts relating to recognised or unrecognised deferred tax in the current or prior year.

**Factors affecting current and future tax charges**

In his budget of 18 March 2015, the Chancellor of the Exchequer announced a number of changes to the UK Corporation Tax rate. These included a reduction in the UK corporation tax rate from 20% to 19% effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% with effect from 1 April 2020 was announced by the Chancellor of the Exchequer in his budget of 8 July 2015. These changes were substantively enacted at the balance sheet date (i.e. 30 September 2016) and, accordingly, have been applied in the measurement of the company's deferred tax assets and liabilities at 30 September 2016.

**Charter Broadcast Limited**  
**Notes to the Financial Statements for the year ended 30**  
**September 2016 (continued)**

**8 Debtors**

Amounts falling due within one year:	2016 £'000	2015 £'000
Amounts owed by group undertakings	10,741	10,752
Other debtors		1
<b>Total</b>	<b>10,741</b>	<b>10,753</b>

Amounts owed by group undertakings are unsecured, repayable on demand and bear interest based upon local base rates.

**9 Creditors: amounts falling due within one year**

	2016 £'000	2015 £'000
Amounts due to group undertakings	36	
<b>Total</b>	<b>36</b>	

Amounts due to group undertakings are unsecured, repayable on demand and non interest bearing.

**10 Provisions for liabilities**

	Property Costs £'000
At 1 October 2015	200
Used during the year	(193)
<b>At 30 September 2016</b>	<b>7</b>

Provision has been made for dilapidations in respect of a leasehold property vacated by the company. The directors continue to review the level of provision held.

All provisions are expected to be utilised in the year ending 30 September 2017.

**11 Called up share capital**

	2016 £'000	2015 £'000
Allotted, called up and fully paid 1,600,001 ordinary shares of £1 each	1,600	1,600



# **Charter Broadcast Limited**

## **Notes to the Financial Statements for the year ended 30 September 2016 (continued)**

### **12 Commitments and contingent liabilities**

The company is a member of the Avesco value added tax group and is a party to the cross guarantee arrangements Avesco Group Limited has in respect of its UK borrowings with HSBC Bank Plc. The total HSBC borrowings as at 30 September 2016 are £5,000,000 (2015: £14,854,000). Following the acquisition of the Avesco Group by NEP Group, Inc. change of control provisions in the HSBC facility required full settlement of outstanding borrowings, and these were settled by NEP Group, Inc. subsequent to the year end.

The company is also party to cross guarantee arrangements Avesco Group Limited has in respect of some of its hire purchase obligations. The total group hire purchase commitments as at 30 September 2016 is £14,666,000 (2015: £15,345,000).

### **13 Ultimate parent and controlling party**

The company's immediate parent company is Avesco Finance Limited replacing the company's immediate parent QA Shelfco Ltd (Formerly Presteigne Limited). As at 30 September 2016 the ultimate parent company and controlling party was Avesco Group Limited, a company registered in England & Wales. Since the year end the entire share capital of Avesco Group Limited has been acquired by NEP UK Film II Limited, a company registered in England and Wales. Following the acquisition, the ultimate parent company and controlling party is NEP Group, Inc., a company incorporated in Delaware, USA. Avesco Group Limited is the parent undertaking of the largest and only group of undertakings to consolidate these financial statements at 30 September 2016.

The consolidated financial statements of Avesco Group Limited may be obtained from the company secretary, Avesco Group Limited, Unit E2 Sussex Manor Business Park, Gatwick Road, Crawley, West Sussex, RH10 9NH.

### **14 Transition to FRS 101 on first time adoption**

The company's annual report and financial statements for the year ended 30 September 2016 are the first that the company has prepared in accordance with FRS 101. For all periods up to and including the year ended 30 September 2015 the company prepared its financial statements in accordance with UK GAAP.

On transition to FRS 101, the company has applied the requirements of paragraphs 6 - 33 of IFRS 1: First time adoption of International Financial Reporting Standards.

There were no recognition, measurement and classification differences between FRS 101 and UK GAAP on the company's total equity shareholders' funds, profit and cash flows for the financial year for the years previously reported under UK GAAP following the date of transition to FRS 101.