

Charter Broadcast Limited

Annual report and financial statements

For the fifteen months ended 31 December 2017

Registered in England and Wales number: 02594283

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Charter Broadcast Limited
Annual report and financial statements for the fifteen months
ended 31 December 2017

Contents

	Pages
Directors and advisers	1
Strategic report	2
Directors' report	3 - 4
Income statement	5
Statement of changes in equity	6
Statement of financial position	7
Notes to the financial statements	8 - 13

Charter Broadcast Limited
Directors and advisers

Directors

**MA Wilson
DA Crump
G Delon**

Company secretary

DM Leadbetter

Registered office

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

Charter Broadcast Limited

Strategic report for the fifteen months ended 31 December 2017

The directors, in preparing the strategic report, have complied with S414C of the Companies Act 2006.

The directors present their annual report and the audited financial statements of the company for the fifteen months ended 31 December 2017. The company's year end was changed to align the company with its ultimate parent undertaking, the comparative figures were 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 NEP UK Film I group companies.

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

On 31 December 2017 the company distributed its trade and net assets to its immediate parent company, Avesco Finance Ltd. The company is now expected to become dormant.

Key Performance Indicators ("KPIs")

The key performance indicators for the company were as follows:

	2017 (£'000)	2016 (£'000)	Change (£'000)
Operating Profit	(290)	-	(290)
Net assets	-	10,698	(10,698)

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.

Principal risks and mitigating factors of NEP UK Film I 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.

By order of the board and signed on its behalf by



MA Wilson
Director
21 September 2018

Charter Broadcast Limited
Unit E2
Sussex Manor Business Park
Gatwick Road
Crawley, RH10 9NH

Charter Broadcast Limited
Registered in England and Wales number 02594283
Directors' report for the fifteen months ended 31 December
2017

The Directors present their report for the fifteen months ended 31 December 2017.

Dividends

Dividends of £10,792,000 were paid during the period (2016: £nil). The directors do not recommend payment of a final dividend.

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:

DA Crump (appointed 21 July 2017)
G Delon (appointed 17 February 2017)
MA Wilson (appointed 17 February 2017)
JL Christmas (resigned 17 February 2017)

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 fifteen months ended 31 December
2017 (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 and signed on its behalf by



DM Leadbetter
Company secretary
21 September 2018

Charter Broadcast Limited
Income statement for the fifteen months ended 31 December
2017

	Note	Fifteen months ended 31 December 2017 £'000	Year ended 30 September 2016 £'000
Administrative expenses		(290)	-
Operating profit	5	(290)	-
Interest receivable and similar income	6	384	181
Interest payable and similar costs	6	-	-
Profit on ordinary activities before taxation		94	181
Income tax expense	7	-	(36)
Profit for the financial period		94	145

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 fifteen months ended
31 December 2017

	Note	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total Equity £'000
Balance at 1 October 2016		1,600	6,090	3,008	10,698
Profit for the financial period		-	-	94	94
Total comprehensive income for the period		-	-	94	94
Transactions with owners in their capacity as owners:					
Capital reduction		(1,600)	(6,090)	7,690	-
Dividends paid				(10,792)	(10,792)
Balance at 31 December 2017		-	-	-	-
Balance at 1 October 2015		1,600	6,090	2,863	10,553
Profit for the financial year		-	-	145	145
Total comprehensive income for the year		-	-	145	145
Balance at 30 September 2016		1,600	6,090	3,008	10,698

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 31 December 2017

	Note	31 December 2017 £'000	30 September 2016 £'000
Current assets:			
Debtors	9	-	10,741
		-	10,741
Creditors: amounts falling due within one year	10	-	(36)
Net current assets		-	10,705
Provisions for liabilities	11	-	(7)
Net assets		-	10,698
Capital and reserves			
Share capital	12	-	1,600
Share premium		-	6,090
Retained earnings		-	3,008
Total equity		-	10,698

The notes on pages 8 to 13 are an integral part of these financial statements.

For the fifteen months ended 31 December 2017 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006;
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts

The financial statements on pages 5 to 13 were approved by the board of directors on 21 September 2018 and were signed on its behalf by:



MA Wilson
Director

Charter Broadcast Limited

Notes to the Financial Statements for the fifteen months ended 31 December 2017

1 General information

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

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

These financial statements cover the fifteen months ended 31 December 2017. The company's year end was changed to align the company with its ultimate parent undertaking. Information presented for the year ended 30 September 2016 is not entirely comparable.

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 presentational currency of the company is pounds sterling. The company's functional currency is pounds sterling.

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 NEP UK Film I Limited and is included in the consolidated financial statements of NEP UK Film I Limited which are publicly available (see note 14). Consequently the company has taken advantage of the following exemptions from:

- The requirements of IFRS 7: Financial instruments: disclosures.
- 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 NEP UK Film I group or investees of the NEP UK Film I group qualifying as related parties in accordance with IAS 24: Related party disclosures.

Standards, amendments and interpretations effective in the current year

There were no new standards, amendments to the standards and interpretations which were mandatory for the financial period ended 31 December 2017

Charter Broadcast Limited

Notes to the Financial Statements for the fifteen months ended 31 December 2017 (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 fifteen months
ended 31 December 2017 (continued)

3 Critical accounting estimates and judgements

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

The company makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and judgements 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

Three of the directors were also directors of NEP UK Film I Limited (2016: Avesco Group Limited), the parent company of the largest and only group to consolidate these financial statements in the United Kingdom (2016: one of the directors). Their remuneration was for services to the group as a whole and this was paid by another group company. It is not possible to determine the amount of time relating to the company. Details of their remuneration for their services to the NEP UK Film I group are disclosed in the NEP UK Film I Limited accounts, which are available as set out in note 14.

5 Operating profit

Operating profit is stated after charging/(crediting):

	Fifteen months ended 31 December 2017 £'000	Year ended 30 September 2016 £'000
Waiver of amounts owed by group undertakings	381	-

The company had no employees in the period ended December 2017 (2016: nil), and there were no employee costs incurred in the period ended December 2017 (2016: £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

	Fifteen months ended 31 December 2017 £'000	Year ended 30 September 2016 £'000
Interest receivable and similar income:		
Interest receivable on amounts owed by group undertakings	384	181
Total interest receivable	384	181
Interest payable and similar costs:		
Unwinding of discount on provisions	-	-
Total interest payable	-	-

Charter Broadcast Limited
Notes to the Financial Statements for the fifteen months
ended 31 December 2017 (continued)

7 Income tax expense

Analysis of taxation expense for the year

	Fifteen months ended 31 December 2017 £'000	Year ended 30 September 2016 £'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 (2016: different) than the standard rate of corporation tax in the UK (19.4%).

	Fifteen months ended 31 December 2017 £'000	Year ended 30 September 2016 £'000
Profit before taxation	94	181
Tax calculated at standard rate of corporation tax of 19.4% (2016: 20%)	18	36
Expenses not deductible for tax purposes	74	-
Group relief claimed	(92)	(36)
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 8 July 2015, the Chancellor of the Exchequer announced a reduction in the UK corporation tax rate to 17% with effect from 1 April 2020. This change was substantively enacted at the balance sheet date (i.e. 31 December 2017) and, accordingly, have been applied in the measurement of the company's deferred tax assets and liabilities at 31 December 2017.

Charter Broadcast Limited
Notes to the Financial Statements for the fifteen months
ended 31 December 2017 (continued)

8 Dividends

On 31 December 2017 the company distributed its trade and net assets to its immediate parent, Avesco Finance Limited. The net book value of the net assets was £10,792,000.

9 Debtors

Amounts falling due within one year:	31 December 2017 £'000	30 September 2016 £'000
Amounts owed by group undertakings	-	10,741
Other debtors	-	-
Total	-	10,741

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

10 Creditors: amounts falling due within one year

	31 December 2017 £'000	30 September 2016 £'000
Amounts due to group undertakings	-	36
Total	-	36

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

11 Provisions for liabilities

	Property Costs £'000
At 1 October 2016	7
Used during the year	(7)
At 31 December 2017	-

12 Called up share capital

	31 December 2017 Number	30 September 2016 Number	31 December 2017 £'000	30 September 2016 £'000
Allotted, called up and fully paid Ordinary shares of £1 each	1	1,600,001	-	1,600
At beginning of period	1,600,001	1,600,001	1,600	1,600
Capital reduction	(1,600,000)	-	(1,600)	-
At end of period	1	1,600,001	-	1,600

Charter Broadcast Limited
Notes to the Financial Statements for the fifteen months
ended 31 December 2017 (continued)

12 Called up share capital (continued)

The Company reduced its share capital supported by a solvency statement, pursuant to section 642 of the Companies Act 2006. The reduction of capital took effect on 14 December 2017. The number of ordinary shares in issue was reduced from 1,600,001 to 1.

13 Commitments and contingent liabilities

The company is a member of the NEP UK Film I group value added tax group and is a party to the cross guarantee arrangements NEP UK Film I Limited has in respect of its UK borrowings with HSBC Bank Plc. The total HSBC borrowings as at 31 December 2017 is £0 (2016: £5,000,000).

The company is also party to cross guarantee arrangements NEP UK Film I has in respect of some of its hire purchase obligations. The total group hire purchase commitments as at 31 December 2017 is £810,000 (2016: £14,666,000).

14 Ultimate parent and controlling party

The company's immediate parent company is Avesco Finance Limited. As at 31 December 2017 the ultimate parent company and controlling party is NEP Group, Inc., a company incorporated in Delaware, USA. NEP Group Inc, is the parent undertaking of the largest group of the undertakings to consolidate these financial statements at 31 December 2017. The registered office of NEP Group, Inc. is 2 Beta Drive, Pittsburgh, PA 15238, USA.

The consolidated financial statements of NEP UK Film I Limited, the parent company of the smallest and only group to consolidate these financial statements in the United Kingdom may be obtained from the company secretary, NEP UK Film I Limited, Unit E2 Sussex Manor Business Park, Gatwick Road, Crawley, West Sussex, RH10 9NH.