



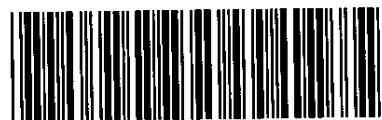
## **ABHL Digital Radio Limited**

**Registered number 03573732**

### **Annual Report and Financial Statements**

**For the year ended 30 June 2017**

TUESDAY



\*R70P38JM\*

RM

27/02/2018

#9

COMPANIES HOUSE

# **ABHL Digital Radio Limited (03573732)**

Annual Report and Financial Statements – Year ended 30 June 2017

## **Table of Contents**

<b>Directors' report and statement of Directors' responsibilities .....</b>	<b>1</b>
<b>Statement of Directors' responsibilities .....</b>	<b>2</b>
<b>Income Statement .....</b>	<b>4</b>
<b>Statement of Financial Position .....</b>	<b>5</b>
<b>Statement of changes in equity .....</b>	<b>6</b>
<b>Notes to the financial statements .....</b>	<b>7</b>
1 General Information .....	7
2 Basis of preparation and statement of compliance .....	7
3 Principal accounting policies .....	8
4 Critical accounting estimates and judgements .....	9
5 Operating result .....	9
6 Employees and directors .....	9
7 Finance income .....	9
8 Tax .....	10
9 Investments .....	10
10 Receivables .....	11
11 Payables .....	11
12 Share capital .....	11
13 Related party transactions .....	11
14 Financial commitments and contingent liabilities .....	11
15 Controlling parties .....	12

## **Directors' report and statement of Directors' responsibilities**

The Directors of ABHL Digital Radio Limited, registered company number 03573732, ('the Company') submit the following annual report and financial statements ('the financial statements') in respect of the year ended 30 June 2017. The Company's registered office is Crawley Court, Winchester, Hampshire, SO21 2QA.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The Company is entitled to take the small companies exemption (as defined by the Companies Act 2006) and therefore has elected to take the exemption from preparing a strategic report in accordance with section 414B of the Companies Act 2006.

### **Business review and strategy**

The Company acts as an intermediate holding company within the Arqiva Group Limited ('AGL') group of companies ('the Group').

It is the intention of the Company to continue to act as an intermediate holding company, of operational companies investing in digital radio, for the foreseeable future.

The Company has a loss for the financial year of £10,000 (2016: profit of £165,000). The Company has net liabilities of £1,882,000 (2016: £1,872,000).

### **Key performance indicators ('KPIs')**

Given the straightforward nature of the Company's activities, the Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

The KPIs of the Group are managed as a whole and are discussed within the annual report and consolidated financial statements of AGL, a copy of which is available from the address in note 15 of these financial statements or the Group's website at [www.arqiva.com](http://www.arqiva.com).

### **Financial risk management**

The Company's operations could expose it to a variety of financial risks that include the effects of changes in purchase prices, liquidity risk and interest rate risk. The Group's overall risk management programme seeks to minimise potential adverse effects as noted below.

#### *Purchase price risk*

The Company has a limited exposure to fluctuations in prices as the majority of the Company's costs do not fluctuate on a day-to-day basis but are fixed for periods of time.

#### *Liquidity risk*

All funding is arranged via intercompany loans, hence there is no direct exposure to liquidity risk.

#### *Interest rate risk*

Intercompany loan balances are interest free.

### **Principal risks and uncertainties**

From the perspective of the Company, the principal risks and uncertainties arising from its activities as a finance vehicle are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed within the strategic report of the AGL consolidated financial statements, a copy of which can be obtained from the address in note 15 of these financial statements or the Group's website at [www.arqiva.com](http://www.arqiva.com).

### **Dividends and transfers to reserves**

The Company has not declared any dividends for the year (2016: £nil). The loss for the year of £10,000 (2016: profit of £165,000) was transferred to reserves.

## **Events after the reporting period**

There have been no events since the balance sheet date which would have a material impact on the Company and require disclosure within the financial statements.

## **Going concern**

The Company adopts the going concern basis in preparing its financial statements, based on the support from its parent undertakings, the future cash flow forecasts of the Group and available facilities, which lead the Directors of the Company to be confident that the Company will have adequate resources to continue in operational existence for the foreseeable future.

## **Future developments**

It is the intention of the Company to continue to act as an intermediate holding company.

## **Directors**

The following held office as directors of the Company during the period and up to the date of this report:

- Simon Beresford-Wylie
- Stephen Holebrook
- Paul Stratton (appointed 3 January 2017)

## **Company Secretary**

Michael Giles resigned as Company Secretary on 1 January 2018.

Jeremy Mavor was appointed Company Secretary on 1 January 2018.

## **Directors' indemnities**

The Company has provided an indemnity for its Directors and the Company Secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. The indemnity was in force during the full financial year and up to the date of approval of the financial statements.

## **Statement of Directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

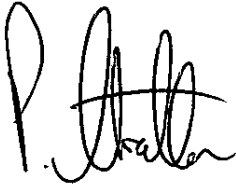
**ABHL Digital Radio Limited (03573732)**

Annual Report and Financial Statements – Year ended 30 June 2017

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.

The directors 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.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'P. Stratton', with a large, stylized initial 'P' and a horizontal line across the middle.

**Paul Stratton**  
**Director**  
Crawley Court  
Winchester  
Hampshire  
SO21 2QA

30 January 2018

**ABHL Digital Radio Limited (03573732)**

Annual Report and Financial Statements – Year ended 30 June 2017

**Income Statement**

	Note	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Operating loss	5	(10)	(7)
Finance income	7	-	172
<b>(Loss) / profit before tax</b>		<b>(10)</b>	<b>165</b>
Tax	9	-	-
<b>(Loss) / profit for the year</b>		<b>(10)</b>	<b>165</b>

All results are from continuing operations.

The Company has no other comprehensive income other than the profit for the year stated above and therefore no separate statement of comprehensive income has been presented.

## Statement of Financial Position

	Note	30 June 2017 £'000	30 June 2016 £'000
<b>Non-current assets</b>			
Investments	9	705	705
		<b>705</b>	<b>705</b>
<b>Current assets</b>			
Receivables	10	847	967
<b>Total current assets</b>		<b>847</b>	<b>967</b>
<b>Total assets</b>		<b>1,552</b>	<b>1,672</b>
<b>Current liabilities</b>			
Payables	11	(3,434)	(3,544)
<b>Net current liabilities</b>		<b>(2,587)</b>	<b>(2,577)</b>
<b>Total liabilities</b>		<b>(3,434)</b>	<b>(3,544)</b>
<b>Net liabilities</b>		<b>(1,882)</b>	<b>(1,872)</b>
<b>Equity</b>			
Share capital	12	-	-
Capital reserves		208	208
Retained earnings		(2,090)	(2,080)
<b>Total shareholders' deficit</b>		<b>(1,882)</b>	<b>(1,872)</b>

The notes on pages 7 to 12 form part of these financial statements.

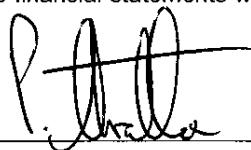
For the year ending 30 June 2017 the company was entitled to exemption from audit under section 479A of the Companies Act 2006.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

For the year ended 30 June 2017, the financial statements have been prepared in accordance with the provisions applicable by the small companies' regime (as defined by the Companies Act 2006).

These financial statements were approved by the Board of Directors on 30 January 2018 and were signed on its behalf by:



Paul Stratton - Director

**ABHL Digital Radio Limited (03573732)**

Annual Report and Financial Statements – Year ended 30 June 2017

**Statement of changes in equity**

	Share capital	Accumulated losses	Capital reserve	Total equity
	£'000	£'000	£'000	£'000
<b>Balance at 1 July 2015</b>	-	(2,245)	208	(2,037)
Profit for the year	-	165	-	165
<b>Balance at 30 June 2016</b>	-	(2,080)	208	(1,872)
Loss for the year	-	(10)	-	(10)
<b>Balance at 30 June 2017</b>	-	(2,090)	208	(1,882)



## Notes to the financial statements

### 1 General Information

ABHL Digital Radio Limited ('the Company') is a private company incorporated in England, United Kingdom ('UK') under the Companies Act under registration number 03573732. The address of the registered office is Crawley Court, Winchester, Hampshire, SO21 2QA.

The nature of the Company's operations and its principal activities are set out in the Directors Report on page 1.

### 2 Basis of preparation and statement of compliance

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ('FRS 101'). The Group's financial statements (Arqiva Group Limited and its subsidiaries) are available online at [www.arqiva.com](http://www.arqiva.com).

The requirements have been applied in accordance with the requirements of the Companies Act 2006.

The financial statements are prepared on a going concern basis and under the historical cost convention.

The following disclosure exemptions, as permitted by paragraph 8 of FRS 101, have been taken in these Company financial statements and notes:

<u>EU-adopted IFRS</u>	<u>Relevant disclosure exemptions</u>
IFRS 7 Financial Instruments: Disclosures	All disclosure requirements.
IAS 7 Statement of Cash Flows	All disclosure requirements.
IAS 24 Related Party Disclosures	The requirements of paragraph 17; the requirement to disclose related party transactions entered into between two or more members of a Group, provided that any subsidiary party to the transaction is wholly owned by such a member and key management personnel.
IAS 1 Presentation of financial statements	The requirements of paragraph 38; comparative information in respect of paragraph 79(a)(iv) of IAS 1;
IAS 1 Presentation of financial statements	The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B to D, 40A to D, 111 and 134 to 136.
IAS 8 Accounting policies, changes in accounting estimates and errors	The requirements of paragraphs 30 and 31.
IFRS 3 Business Combinations	The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67.

### 3 Principal accounting policies

The following accounting policies have been applied consistently in relation to the Company's financial statements:

**(a) Exemption from consolidation**

The Company is a wholly owned subsidiary of ABHL Digital Limited and of its ultimate parent, AGL. It is included in the consolidated financial statements of AGL which are publicly available. Therefore the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are separate financial statements.

**(b) Going concern**

The Company adopts the going concern basis in preparing its financial statements based upon the support from its parent undertakings and the future profit, cash flows and available resources of the Group which lead the Directors of the Company to be confident that the Company will have adequate resources to continue in operational existence for the foreseeable future.

**(c) Changes in accounting policy and disclosures**

New and revised standards

The following new and revised Standards and Interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in the financial statements.

---

Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation
Annual improvements 2012-2014 cycle	Clarify guidance and wording for IFRS 5, IFRS 7, IAS 19 and IAS 34
Amendments to IAS 1	Disclosure initiatives

---

Amendments to IFRS 7 Disclosures

The Company has applied the exemption from the disclosure requirements of IFRS 7 in accordance with FRS 101.

**(d) Taxation and deferred taxation**

The charge for taxation is based on the result for the year and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided fully in respect of all timing differences using the liability method for timing differences where there is an obligation to pay more tax, or a right to pay less tax, in the future. The provision is calculated using the rates expected to be applicable when the asset or liability crystallises, based on current tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

A deferred tax asset is regarded as recoverable and therefore recognised only when it is more likely than not that there will be sufficient taxable profits against which to recover carried forward tax losses and from which the future reversal of timing differences can be deducted. Deferred tax is not recognised on revalued fixed assets until a binding agreement is in place to sell such assets and the resulting gain or loss has been recognised in the financial statements. Deferred tax is measured on an undiscounted basis.

**(e) Investments in subsidiaries and joint ventures**

Investments in subsidiaries and joint ventures are shown at cost less provision for impairment.

**(f) Finance income**

Finance income represents dividends received from investments and are brought to account on an accruals basis, at the point they are formally declared, and comprise amounts receivable and payable on intercompany balances.

## 4 Critical accounting estimates and judgements

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical accounting estimates or key judgements expressed in these financial statements.

## 5 Operating result

The operating loss of £10,000 (2016: loss of £7,000) includes management recharges from fellow group undertakings (2017: £10,000; 2016: £10,000). The operating profits recorded in prior years include the release of deferred consideration payable on acquisitions completed in previous financial years brought about by the expiry of the related licenses in these prior periods.

The Company's audit fee for the year was £nil (2016: £nil) due to the exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

## 6 Employees and directors

### Employees

The Company had no employees during the year (2016: none).

### Directors

There are no recharges (2016: £nil) made to the Company in respect of any remuneration for any Directors, as their duties in respect of the Company are incidental to their normal duties on behalf of their employer companies.

The Directors are either representatives of the ultimate UK parent undertakings or other Group companies and their individual remuneration reflects the services they provide to the Company, other Group companies and a number of other entities outside of the Group. It is not possible to make an accurate apportionment of each Director's emoluments in respect of their services to the Company. Accordingly, no emoluments in respect of these Directors services have been disclosed.

## 7 Finance income

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Income from investments	-	172
<b>Total finance income</b>	<b>-</b>	<b>172</b>

## ABHL Digital Radio Limited (03573732)

Annual Report and Financial Statements – Year ended 30 June 2017

### 8 Tax

There has been no current or deferred tax charge in the year.

Corporation tax is calculated at 19.75% (2016: 20.0%) of the estimated taxable result for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

	Year ended 30 June 2017	Year ended 30 June 2016
	£'000	£'000
(Loss) / profit on ordinary activities before taxation	(10)	165
Tax at the UK Corporation tax rate of 19.75% (2016: 20.0%)	(2)	33
Group relief received for nil consideration	2	(33)
<b>Total tax charge for the year</b>	-	-

The main rate of UK corporation tax decreased from 20% to 19% during the period and a 19.75% blended tax rate (2016: 20%) has therefore been used for the reconciliation of total tax. Finance Act 2016 was substantively enacted in the period ended 30 June 2017 and further reduced the main rate of corporation tax from 19% to 17% with effect from 1 April 2020.

### 9 Investments

	Investments in subsidiaries £'000
<b>Cost</b>	
At 30 June 2016 and 30 June 2017	11,474
<b>Impairment</b>	
At 30 June 2016 and 30 June 2017	(10,769)
<b>Carrying value</b>	
At 30 June 2016 and 30 June 2017	<b>705</b>

The Directors consider the carrying value of the Company's investments in its subsidiaries on an annual basis, or more frequently should indicators arise, and believe that the carrying values of the investments are supported by the underlying trade and net assets.

The Company's investments (held indirectly unless stated), are shown below:

Company	Country of incorporation	Principal activities	Year end	Percentage of ordinary shares held
Digital One Limited	United Kingdom	Transmission services	30-Jun	100% (held directly)
Now Digital Limited	United Kingdom	Transmission services	30-Jun	100% (held directly)
Now Digital (Southern) Limited	United Kingdom	Transmission services	30-Jun	100% (held directly)
Now Digital (Oxford) Limited	United Kingdom	Transmission services	30-Jun	100%
Now Digital (East Midlands) Limited	United Kingdom	Transmission services	30-Jun	52.50%
South West Digital Radio Limited	United Kingdom	Transmission services	30-Jun	66.67%
<b>Associate undertakings:</b>				
MXR Holdings Limited	United Kingdom	Transmission services	30-Jun	12.0% (held directly)

## ABHL Digital Radio Limited (03573732)

Annual Report and Financial Statements – Year ended 30 June 2017

With the following exceptions, the registered office of each of the subsidiary companies listed was Crawley Court, Winchester, Hampshire, SO21 2QA:

Company	Country of incorporation	Principal activities	Registered office	Year end	Percentage of ordinary shares held
<b>Associate undertakings:</b>					
MXR Holdings Limited	United Kingdom	Transmission services	30 Leicester Square, London, WC2H 7LA	30-Jun	12.0%

### 10 Receivables

	30 June 2017 £'000	30 June 2016 £'000
Amounts receivable from other group entities	847	967
<b>Total receivables</b>	<b>847</b>	<b>967</b>

Amounts receivable from other group entities are unsecured, interest free and repayable on demand.

### 11 Payables

	30 June 2017 £'000	30 June 2016 £'000
Amounts payable to other group entities	3,434	3,544
<b>Total current payables</b>	<b>3,434</b>	<b>3,544</b>

Amounts payable to other group entities are unsecured, interest free and repayable on demand.

### 12 Share capital

	30 June 2017 £	30 June 2016 £
<b>Allotted, called up and fully paid:</b>		
2 (2016: 2) ordinary shares of £1 each	2	2

### 13 Related party transactions

The Company has applied the provisions within FRS 101 to be exempt from the disclosure of transactions entered into, and balances outstanding, with a Group entity (which is wholly owned by another Group entity) and key management personnel.

### 14 Financial commitments and contingent liabilities

#### Financing commitments

Under the terms of the Group's external debt facilities, the Group has provided security over substantially all of its tangible, intangible and other assets by way of a Whole Business Securitisation ('WBS') structure.

## **15 Controlling parties**

The Company's immediate parent undertaking is ABHL Digital Limited. Copies of the ABHL Digital Limited's financial statements can be obtained from the Company Secretary at Crawley Court, Winchester, Hampshire, SO21 2QA.

The ultimate parent undertaking is AGL, which is the parent undertaking of the largest group to consolidate these financial statements. Arqiva Group Parent Limited ('AGPL') is the smallest group to consolidate these financial statements.

Copies of the AGL and AGPL consolidated financial statements can be obtained from the Company Secretary of each Company at Crawley Court, Winchester, Hampshire, SO21 2QA.

AGL is owned by a consortium of shareholders including Canada Pension Plan Investment Board, Macquarie European Infrastructure Fund II, other Macquarie managed funds and minorities. There is no ultimate controlling party of the Company, as defined by FRS 101.