

# **Eastern European Media Holdings S.A.**

**Company Financial Statements  
For the year ended 31 July 2012**

Luxembourg registered number: B 159867

## **Eastern European Media Holdings S.A.**

### **Report of the directors for the year ended 31 July 2012**

The Directors present their annual report and the financial statements of Eastern European Media Holdings S.A. ("the Company") for the year ended 31 July 2012.

#### **1. INCORPORATION**

The Company was incorporated in the Grand Duchy of Luxembourg on 21 March 2011 with subscribed share capital of £27,063.92.

#### **2. ACTIVITIES AND REVIEW OF THE DEVELOPMENT OF THE BUSINESS**

At a general meeting held on 20 May 2011, the founder member of the Company resolved as follows:

- To decrease the share capital to nil;
- To increase the share capital to £1,458,335.31 by issuing 145,833,531 new shares with a par value of 1 pence each;
- To allot the newly issued shares to the shareholders of CV(Bulgaria) Limited (formerly Content Ventures Limited) pro-rata to their shareholding in that entity with 100% of the shares of CV(Bulgaria) Limited being acquired by the Company in consideration.

On 21 July 2011, CV (Bulgaria) Limited declared a distribution in specie to the Company of CV (Bulgaria) Limited's interest in Nova Television AD. This investment is now held directly by the Company.

On 31 May 2012, CV(Bulgaria) Limited declared a distribution in specie to the Company of CV (Bulgaria) Limited's remaining assets and liabilities.

On 9 October 2012, CV (Bulgaria) Limited was dissolved.

As a result of the above, the Company is a holding company for a small group of television and music businesses.

#### **3. RESULT AND ALLOCATION**

The result for the year ended 31 July 2012 is a loss of £35,000, which we propose to absorb as follows:

	£
• Loss for the period	(35,000)
• Retained earnings brought forward	<u>(1,607,000)</u>
• Retained earnings carried forward	<u>(1,642,000)</u>

The accumulated loss at 31 July 2012 exceeded the share capital of the Company. In accordance with article 100 of the Luxembourg law of 10th August 1915 on commercial companies, the shareholders should deliberate whether the Company should carry on its activities. The directors consider that it is appropriate for the Company to carry on its activities.

#### **4. POST BALANCE SHEET EVENTS**

The significant post balance sheet events are detailed in note 15 to the financial statements.

#### **5. RESEARCH AND DEVELOPMENT**

The Company did not have any activities of research and development during the period.

## **Eastern European Media Holdings S.A.**

### **Report of the directors for the year ended 31 July 2012 (continued)**

#### **6. PURCHASE OF OWN SHARES**

As at 31 July 2012 and at the current date, the Company does not hold any of its own shares.

#### **7. DISCHARGE**

We propose to approve the financial statements as well as the proposed allocation of the results and to give full discharge to the Directors and to the “Commissaire aux comptes” for their mandate for the year ended 31 July 2012.

#### **8. BOARD OF DIRECTORS**

Roby Burke resigned from the Board with effect from 21 October 2012. Didier Stoessel is appointed as a director with effect from 12 December 2012 and has agreed to act as chairman of the Board. Ratification of his appointment will be proposed at the Company’s Annual General Meeting.

By order of the Board

Martin Johnston

Director

12 December 2012

## **Report of the commissaires aux comptes to the members of Eastern European Media Holdings S.A.**

In our capacity as commissaires aux comptes and in accordance with our engagement dated 4 October 2012 setting out our responsibilities, we have audited the financial statements of Eastern European Media Holdings S.A. (“the Company”) for the year ended 31 July 2012 which comprise the Statement of comprehensive income, Statement of financial position, Statement of cash flows, Statement of changes in equity and the related notes (“the financial statements”). The financial reporting framework that has been applied in their preparation is International Financial Reporting Standards (“IFRSs”) as adopted by the EU and relevant legislation where applicable.

This report is made solely to the Company’s members. 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 accordance with our engagement letter dated 4 October 2012 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, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors are responsible for keeping adequate accounting records that set out with reasonable accuracy, at any time, the financial position of the Company, and for preparing financial statements which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as adopted by the EU and relevant legislation and in accordance with our engagement letter dated 4 October 2012. In preparing the financial statements, the directors are required to select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; and prepare the financial statements on the going concern basis unless it is inappropriate to presume the Company will continue in business.

In accordance with our engagement letter of 4 October 2012, our responsibility is to audit the financial statements in accordance with the International Standards on Auditing and specifically International Standard on Auditing 800 – (The Independent Auditor’s Report on Special Purpose Audit Engagements) issued by the International Auditing and Assurance Standards Board, and, in accordance with applicable law. The International Standards on Auditing require us to comply with the UK 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 misstatements, 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.

**Report of the commissaires aux comptes  
to the members of Eastern European Media Holdings S.A. (continued)**

**Opinion on financial statements**

In our opinion:

- the Company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU; and
- the financial statements have been prepared in accordance with the requirements of relevant legislation where applicable.

**RAWLINSON & HUNTER**  
Statutory Auditor  
Chartered Accountants

Eighth Floor  
6 New Street Square  
New Fetter Lane  
London  
EC4A 3AQ

Date: 12 December 2012

## Eastern European Media Holdings S.A.

### Statement of comprehensive income For the year ended 31 July 2012

	Notes	Year ended 31 July 2012 £'000	Period ended 31 July 2011 £'000
<b>Revenue</b>		-	10
<b>Administrative expenses</b>		2	(18)
<b>Profit / (loss) from operations</b>		2	(8)
Finance costs		(37)	-
Income from investments	1	37	5,564
Impairment of investments	4	(37)	(7,163)
<b>Loss before tax</b>		(35)	(1,607)
Taxes	3	-	-
<b>Loss and total comprehensive income for the year</b>		(35)	(1,607)

All results relate to continuing operations.

The notes on pages 12 to 17 form part of these financial statements.

Statement of financial position  
As at 31 July 2012

	Notes	31 July 2012 £'000	31 July 2011 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in subsidiary undertakings	4	9	46
Available for sale financial assets	5	5,564	5,564
Loans and receivables	6	735	-
		<u>6,308</u>	<u>5,610</u>
<b>Current assets</b>			
Trade and other current receivables	7	51	5
Cash and cash equivalents		13	1
<b>Total current assets</b>		<u>64</u>	<u>6</u>
<b>Total assets</b>		<u>6,372</u>	<u>5,616</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other current payables	8	28	23
<b>Total current liabilities</b>		<u>28</u>	<u>23</u>
<b>Non-current liabilities</b>			
Convertible loan	9	786	-
<b>Total liabilities</b>		<u>814</u>	<u>23</u>
<b>Net assets</b>		<u>5,558</u>	<u>5,593</u>
<b>Equity</b>			
Share capital	10	1,458	1,458
Share premium	11	5,742	5,742
Retained earnings	12	(1,642)	(1,607)
<b>Equity shareholders' funds</b>		<u>5,558</u>	<u>5,593</u>

The financial statements were approved by the Board on 12 December 2012

M. J. H. Johnston

Director

The notes on pages 12 to 17 form part of these financial statements.

## Eastern European Media Holdings S.A.

### Statement of cash flows For the year ended 31 July 2012

		Year ended 31 July 2012	Period ended 31 July 2011
	Notes	£'000	£'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	12	12	10
<b>Net cash from operating activities</b>		<u>12</u>	<u>10</u>
Purchase of Balkan Capital EAD		-	(9)
<b>Net cash used in investing activities</b>		<u>-</u>	<u>(9)</u>
<b>Net increase in cash and cash equivalents</b>		12	1
Cash and cash equivalents at beginning of period		1	-
<b>Cash and cash equivalents at end of period</b>		<u>13</u>	<u>1</u>

The notes on pages 12 to 17 form part of these financial statements.



## Eastern European Media Holdings S.A.

### Statement of changes in equity For the year ended 31 July 2012

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
At incorporation 21 March 2011	-	-	-	-
Loss for the period	-	-	(1,607)	(1,607)
Total comprehensive income for the period	-	-	(1,607)	(1,607)
Incorporation shares issued	27	-	-	27
<i>Scheme of Arrangement 16 May 2011:</i>				
• cancellation of incorporation shares	(27)	-	-	(27)
• issue of shares pursuant to Scheme of Arrangement	1,458	5,742	-	7,200
<b>Balance at 31 July 2011</b>	<b>1,458</b>	<b>5,742</b>	<b>(1,607)</b>	<b>5,593</b>
Loss for the period	-	-	(35)	(35)
<b>Balance at 31 July 2012</b>	<b>1,458</b>	<b>5,742</b>	<b>(1,642)</b>	<b>5,558</b>

## **Eastern European Media Holdings S.A.**

### **Statement of accounting policies for the year ended 31 July 2012**

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

#### **Companies' legislation and Accounting Standards**

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted for use by the European Union ("IFRS"), International Financial Reporting Interpretations Committee ("IFRIC") interpretations and in accordance with the laws and regulations in force in the Grand Duchy of Luxembourg.

#### **Critical accounting estimates and judgements**

The Company makes estimates and assumptions concerning the preparation of the financial statements. The estimates and assumptions that have a significant risk of causing material adjustment are discussed below:

##### **(a) Revenue recognition**

In making its judgement of when to recognise revenue, management have applied the detailed criteria for the recognition of revenue from the sale of goods and rendering of services as detailed in IAS 18.

#### **Going concern**

The going concern basis has been used to prepare the financial statements of the Company for the year ended 31 July 2012.

The Company had net assets of £5,558,000 as at 31 July 2012. The directors consider that the going concern basis is appropriate on the grounds that there is sufficient cash to meet the Company's liabilities as they fall due over the twelve months from the date of approval of these statements.

#### **Basis of consolidation**

For the purposes of these financial statements and in accordance with Luxembourg law, consolidated accounts were not prepared.

#### **Revenue recognition**

Turnover comprises management fees charged to group companies.

#### **Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate ruling at the balance sheet date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Exchange gains and losses are recognised in the Statement of comprehensive income.

## **Eastern European Media Holdings S.A.**

### **Statement of accounting policies for the year ended 31 July 2012**

#### **Investment in subsidiary undertakings**

Investments in subsidiary undertakings are valued at cost less provision for impairment.

#### **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Gains or losses arising from changes in fair value are presented in the income statement within "exceptional administrative expenses". Available-for-sale financial assets are held at the mid-market price for quoted equities and at cost less provision for impairment if appropriate for unlisted equity securities.

#### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting period. These are classified as non-current assets.

#### **Trade and other current receivables**

Trade and other current receivables are initially measured at original invoice amount and subsequently measured after deducting any provision for impairment.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's UK cash management facility are netted against credit balances in the same facility and are included as a component of cash equivalents for the purposes of the cash flow statement.

#### **Trade and other current payables**

Trade and other current payables are stated based on the amounts which are considered to be payable in respect of goods or services received up to the date of the Statement of financial position.

#### **Convertible loan notes**

Convertible loan notes are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non convertible debt. The difference between the proceeds of issue and the convertible loan notes and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the Company, is included in capital reserves (equity). The interest expense on the liability component is calculated by applying the prevailing market rate for similar non-convertible debt to the instrument. The difference between this amount and the interest paid is added to the carrying value of the convertible loan note.

#### **Provisions**

A provision is recognised in the balance sheet when the Company has a present 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. Provisions are recognised at an amount equal to the best estimate of the expenditure required to settle the Company's liability.

## Eastern European Media Holdings S.A.

### Statement of accounting policies for the year ended 31 July 2012

#### Taxes

Corporate income tax payable is provided on taxable profits at the current rate.

Deferred tax is provided in full using the balance sheet liability method for all taxable temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is measured using currently enacted or substantively enacted tax rates.

Deferred tax assets are recognised to the extent that the temporary difference will reverse in the foreseeable future and that it is probable that future taxable profit will be available against which the asset can be utilised.

#### Financial instruments

In relation to the disclosures made in the notes to the financial statements:

- Short term debtors and creditors are not treated as financial assets or financial liabilities except for the currency disclosures; and
- The Company does not hold or issue derivative financial instruments for trading purposes.

#### International Financial Reporting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") have issued the following standards, which are effective for annual accounting periods beginning on or after the stated effective date. These standards have not been applied early in the preparation of these consolidated financial statements:

Accounting Standard/Interpretation	Effective date
IFRS 7 – Financial Instruments: Disclosures (Amendment)	1st July 2011
IAS 12 – Limited Scope Amendment (Recovery of Underlying Assets)	1st January 2012
IAS 1 – Presentation of Items of Other Comprehensive Income (Amendment)	1st January 2012
IFRS 10 – Consolidated Financial Statements	1st January 2013
IFRS 13 – Fair Value Measurement	1st January 2013
IFRS 9 – Financial Instruments	1st January 2015

**Notes to the financial statements  
For the year ended 31 July 2012**

**1. Income from investments**

Income from investments relates to a £37,000 distribution in specie (2011: £5,564,000) at book value from CV (Bulgaria) Limited as detailed in note 4.

**2. Staff costs**

The Company employs no staff. The directors are unpaid.

**3. Taxation on loss on ordinary activities**

Owing to the loss incurred in the period, the Company required no provision for tax.

**4. Investments in subsidiary undertakings**

	<b>2012</b>	2011
	<b>£'000</b>	£'000
At 1 August 2011	<b>46</b>	-
At incorporation 21 March 2011	-	-
Acquisition of CV (Bulgaria) Limited by Scheme of Arrangement	-	7,200
Acquisition of Balkan Capital EAD	-	9
Impairment of investment in CV (Bulgaria) Limited re Albanian settlement	-	(1,599)
Adjustment of carrying value of investment in CV (Bulgaria) Limited subsequent to distribution in specie	<b>(37)</b>	(5,564)
At 31 July 2012	<b>9</b>	<b>46</b>

At 31 July 2012, the Company owned the following subsidiary undertakings:

<b>Subsidiary undertaking</b>	<b>Principal activity</b>	<b>Country of incorporation</b>	<b>% of equity and votes held</b>	<b>Share capital and reserves</b>	<b>Profit / (loss)</b>
CV (Bulgaria) Limited	Holding company	England	100%	1	(1,665,468)
Content Ventures Television Limited*	Holding company	England	100%	763,312	154,644
Balkan Capital EAD	Holding company	Bulgaria	100%	(41,000)	(48,000)
Pro-Active Projects Limited **	Television production	England	100%	725,864	105,897
Steadfast Television Limited **	In administration	England	75%	-	-
Steadfast International Limited **	In liquidation	England	100%	-	-

\* - subsidiary undertakings of Balkan Capital EAD.

\*\* - subsidiary undertakings of Content Ventures Television Limited.

The share capital and reserves, and profit / (loss) for CV (Bulgaria) Limited, Content Ventures Television Limited and Pro-Active Projects Limited are unaudited and relate to the year ended 30 June 2012. For Content Ventures Television Limited the results are of the Company only. For Balkan Capital EAD the results are for the year ended 31 December 2011.

**Notes to the financial statements**  
**For the year ended 31 July 2012**

On 31 March 2012, Content Ventures Television Limited sold 66.66% of the ordinary shares of Apace Rights Limited to the company's management at a whole company valuation of £90,000 after drawing cash dividends of £43,000. The sale consideration has been settled in cash.

On 31 May 2012, CV (Bulgaria) Limited distributed all of its remaining net assets except for £1 to the Company by means of a dividend in specie at book value. The dividend consisted of the following assets and liabilities:

	<b>2012</b> <b>£'000</b>
Cash	<b>13</b>
Offset payment of amount due to subsidiary undertaking	<b>63</b>
Loan receivable from subsidiary undertaking	<b>780</b>
Cancellation of amount payable to CV (Bulgaria) Limited	<b>38</b>
Settlement of loan receivable from CV (Bulgaria) Limited	<b>(857)</b>
	<u><b>37</b></u>

Application was then made for the striking off of CV (Bulgaria) Limited and the company was dissolved on 9 October 2012.

Apace Music Limited was dissolved subsequent to formal liquidation on 28 June 2012.

**5. Available for sale financial assets**

	<b>2012</b> <b>£'000</b>	2011 £'000
Investment in Nova Televizia AD	<b>5,564</b>	5,564
	<u><b>5,564</b></u>	<u>5,564</u>

Available for sale financial assets are held at:

- the mid-market price for quoted equities.
- Cost for unlisted equity securities

The investment in Nova Televizia AD represents 5% of Nova's ordinary shares. There exists a shareholder agreement between the Company and Modern Times Group (MTG), which owns the remaining 95% of Nova. Put and call options are contained in the shareholder agreement whereby MTG may oblige the Company to sell, or the Company may oblige MTG to buy, the Company's Nova shares after 5 August 2015 at a fair value proportionate to the total fair value of Nova.

Notes to the financial statements  
For the year ended 31 July 2012

6. Loans and receivables

	2012 £'000	2011 £'000
Loan assigned as part of dividend in specie	780	-
Exchange difference	(45)	-
Amount receivable from subsidiary undertakings	<u>735</u>	<u>-</u>

The amount receivable constitutes the book value of interest-free deferred consideration assigned to the Company by CV (Bulgaria) Limited as part of the dividend in specie referred to in notes 1 and 4 above. Details of the deferred consideration terms are as follows:

- Counter-party: Balkan Capital EAD (a 100% owned subsidiary undertaking of the Company);
- Principal amount: €2,640,000;
- Payments due: €440,000 on 15 May 2012 and payments of €440,000 on the 5 following anniversaries of that date.

The payment due on 15 May 2012 was not made. Before declaring the dividend in specie, the directors of CV (Bulgaria) Limited impaired the carrying value of the deferred consideration to the net book value of £780,000 referred to above.

7. Trade and other current receivables

	2012 £'000	2011 £'000
Trade receivables	-	4
Amounts owed by subsidiary undertakings	50	-
Prepayments & accrued income	1	1
	<u>51</u>	<u>5</u>

8. Trade and other current payables

	2012 £'000	2011 £'000
Amounts due to group undertakings	-	12
Accruals and deferred income	28	11
	<u>28</u>	<u>23</u>

Notes to the financial statements  
For the year ended 31 July 2012

9. Non-current liability

	2012 £'000	2011 £'000
Convertible loan	<u>786</u>	-
	<u>786</u>	-

On 27 September 2011, the directors of the Company agreed to lend €1,000,000 to CV (Bulgaria) Limited and to borrow the same amount by means of a convertible loan from its controlling shareholder, Balkan Advisors EAD. The main terms of the convertible loan are as follows:

- Principal amount: €1,000,000;
- Security : Debenture secured with the proceeds of sale of the Nova shares;
- Interest: payable quarterly at the rate of 4.25% p.a. above 3 month EURIBOR from time to time;
- Repayment: the Company may repay all or part of the Principal at any time before the Maturity Date;
- Maturity Date: 30 November 2015 or, if earlier, 30 days after the exercise of an option to sell the Nova shares, the proceeds from which will be applied to repay Principal before any opportunity for conversion;
- Conversion options: the Lender may convert any unpaid Principal and Interest either at Maturity or on the occurrence of an event of default;
- Conversion terms: 1p Ordinary Shares of the Company at par using a conversion exchange rate of €1.14 to £1.
- Earlier repayment: the Lender may call for early repayment on 2 occasions (30 November 2012 or 30 May 2014) if the Lender's bank facility fails to be renewed on either of those dates. The earlier of these dates has passed without call.

The Company has complied with all of the terms of the convertible loan.

On 1 November 2012, the Company repaid €150,000 of the convertible loan principal amount, leaving €850,000 outstanding. The repayment was made from operating cash flows of the UK subsidiaries.

10. Share capital

	Number '000s	2012 Par value £'000	Number '000s	2011 Par value £'000
<b>Issued, called up and fully paid</b>				
1 August 2011	145,834	1p 1,458	-	-
Issue of incorporation shares	-	-	2,706	1p 27
Cancellation of incorporation shares	-	-	(2,706)	1p (27)
Scheme of Arrangement Shares issued	-	-	145,834	1p 1,458
31 July 2012	<u>145,834</u>	<u>1p 1,458</u>	<u>145,834</u>	<u>1p 1,458</u>
<b>Total issued share capital</b>				
<b>31 July 2012</b>		<b>1,458</b>		<b>1,458</b>



**Notes to the financial statements  
For the year ended 31 July 2012**

**11. Reserves**

Movements on reserves are shown in the Statement of changes in equity.

**12. Cash generated from operations**

	<b>Year to 31 July 2012 £'000</b>	<b>Period to 31 July 2011 £'000</b>
Loss for the period	(35)	(1,607)
Adjusted for:		
Impairment of investment in CV (Bulgaria) Limited	37	1,599
Increase in trade and other receivables	-	(1)
Increase in payables	10	19
<b>Cash generated from operations</b>	<b>12</b>	<b>10</b>

**13. Financial instruments**

During the period, the Company's financial instruments comprised cash and liquid resources and various other items, such as trade debtors, trade creditors and other receivables and payables. These arise directly from the Company's operations.

The Company has not entered into any derivatives transactions.

It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Company's financial instruments are price risk, credit risk, liquidity risk, interest rate risk, cash flow risk and currency risk. The Board reviews and agrees policies for managing each of these risks.

In September 2011, the Company entered into a convertible loan, details of which are given in note 9 above.

**Interest rate profile**

The Company has no financial assets other than a cash balance of £13,000, which is part of the financing arrangements of the Company. The cash balance comprises bank current accounts denominated in Euros. Details of the convertible loan are given in note 9 above. The Company has no other interest-bearing loans receivable or payable.

**Currency hedging**

During the period, the Company did not engage in any form of currency hedging transaction.

**Financial liabilities**

The Company had no financial liabilities at the balance sheet date other than the convertible loan, details of which are given in note 9 above.

**Notes to the financial statements  
For the year ended 31 July 2012**

**Fair values**

The fair values of the financial assets and liabilities at 31 July 2012 are not materially different from their book values.

**14. Contingent liabilities**

The Company has no material contingent liabilities.

**15. Post balance sheet events**

On 1 November 2012, the Company repaid €150,000 of the convertible loan principal amount, leaving €850,000 outstanding. The repayment was made from operating cash flows of the UK subsidiaries.

**16. Related party transactions**

Included in amounts receivable from subsidiary undertakings is £735,000 (2011: £Nil) owed by Balkan Capital EAD. Details are given in note 6.

Included in amounts owed by subsidiary undertakings in note 7 is £50,000 (2011: £667 owed to) owed by Content Ventures Television Limited, a subsidiary undertaking.

Included in convertible loan is £786,000 (2011: £Nil) owed to Balkan Advisors EAD. Details are given in note 9.

During the period, there were no other transactions with directors other than in respect of reimbursement of business expenses.

**17. Ultimate controlling party**

The directors consider Didier Stoessel to be the ultimate controlling party.

## **Eastern European Media Holdings S.A.**

### **Directors and advisers**

#### **Directors**

D G P Stoessel (appointed 12/12/2012)

M J H Johnston (appointed 21/03/2011)

W W Vanderfelt (appointed 21/03/2011)

O Dorier (appointed 21/03/2011)

A Belchev (appointed 21/03/2011)

R E Burke (appointed 21/03/2011, resigned 21/10/2012)

#### **Secretary**

M J H Johnston

#### **Registered office**

6C, rue Gabriel Lippmann

L-5365 Munsbach

Grand Duchy of Luxembourg

#### **Registered company number**

Luxembourg: B 159867

#### **Commissaires aux comptes**

Rawlinson & Hunter

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