
CONTENT VENTURES TELEVISION LIMITED

UNAUDITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

CONTENT VENTURES TELEVISION LIMITED

COMPANY INFORMATION

DIRECTORS	M J H Johnston R E Burke (resigned 22 October 2012)
COMPANY SECRETARY	M J H Johnston
REGISTERED NUMBER	05987280
REGISTERED OFFICE	Eighth Floor 6 New Street Square New Fetter Lane London EC4A 3AQ
ACCOUNTANTS	Rawlinson & Hunter Chartered Accountants Eighth Floor 6 New Street Square New Fetter Lane London EC4A 3AQ

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CONTENT VENTURES TELEVISION LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

The director presents his report and the financial statements of Content Ventures Television Limited ("the Company") for the year ended 30 June 2013.

PRINCIPAL ACTIVITIES

The principal activity of the Company is a holding company for a media company.

DIRECTORS

The directors who served during the year were:

M J H Johnston
R E Burke (resigned 22 October 2012)

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

M J H Johnston
Director

Date: 18 March 2014

CONTENT VENTURES TELEVISION LIMITED

**CHARTERED ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE PREPARATION OF THE
UNAUDITED STATUTORY FINANCIAL STATEMENTS OF CONTENT VENTURES TELEVISION LIMITED
FOR THE YEAR ENDED 30 JUNE 2013**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Content Ventures Television Limited ("the Company") for the year ended 30 June 2013 which comprise the Unaudited Profit and loss account, Unaudited Balance sheet and the related notes from the Company's accounting records and from information and explanations you have given to us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew.com/regulations.

This report is made solely to the director of the Company, in accordance with the terms of our engagement letter dated 7 March 2014. Our work has been undertaken solely to prepare for your approval the financial statements of the Company and state those matters that we have agreed to state to you in this report in accordance with AAF 2/10 as detailed at icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and its director for our work or for this report.

It is your duty to ensure that the Company has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the Company's assets, liabilities, financial position and profit. You consider that the Company is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of the Company. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Rawlinson & Hunter
Chartered Accountants
Eighth Floor
6 New Street Square
New Fetter Lane
London
EC4A 3AQ

18 March 2014

CONTENT VENTURES TELEVISION LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 £	2012 £
TURNOVER	1	174,289	120,036
Administrative expenses		(26,599)	(313,296)
OPERATING PROFIT/(LOSS)	2	147,690	(193,260)
Income from shares in group undertakings		66,025	253,355
Interest receivable and similar income	4	1	3,549
Interest payable and similar charges		(339)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		213,377	63,644
Tax on profit on ordinary activities	5	-	-
PROFIT FOR THE FINANCIAL YEAR		£ 213,377	£ 63,644

The notes on pages 5 to 10 form part of these financial statements.

CONTENT VENTURES TELEVISION LIMITED
REGISTERED NUMBER: 05987280

BALANCE SHEET
AS AT 30 JUNE 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	6		1,358		1,869
Investments	7		1,000,000		1,020,001
			<u>1,001,358</u>		<u>1,021,870</u>
CURRENT ASSETS					
Debtors	8	153,006		98,688	
CREDITORS: amounts falling due within one year	9		<u>(268,674)</u>	<u>(448,245)</u>	
NET CURRENT LIABILITIES			<u>(115,668)</u>		<u>(349,557)</u>
NET ASSETS			<u>£ 885,690</u>		<u>£ 672,313</u>
CAPITAL AND RESERVES					
Called up share capital	10		2,607,737		2,607,737
Share premium account	11		4,643,425		4,643,425
Profit and loss account	11		<u>(6,365,472)</u>		<u>(6,578,849)</u>
SHAREHOLDERS' FUNDS - All Equity			<u>£ 885,690</u>		<u>£ 672,313</u>

The director considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Act.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the Company as at 30 June 2013 and of its profit for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by the sole director:

M J H Johnston
Director

Date: 18 March 2014

The notes on pages 5 to 10 form part of these financial statements.

CONTENT VENTURES TELEVISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The Company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

1.2 Going concern

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future.

The Company is an intermediate holding company within the Eastern European Media Holdings S.A. group of companies. On the basis of this information and discussions with the immediate and ultimate company's directors regarding continuation of support of the Company, the director believes that the Company will have sufficient financial resources to continue in operation for a period of at least twelve months from the date of approval of these financial statements. Whilst there is no certainty that the immediate and ultimate company will continue to support the Company's funding requirements, the director is confident that they will do so. Therefore the director considers it appropriate to prepare the financial statements on a going concern basis.

Accordingly, the financial statements do not include any adjustments that would result from a withdrawal of the above facilities. If the Company were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet value of assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify fixed assets and any long term liabilities as current assets and liabilities.

1.3 Cash flow

The financial statements do not include a Cash Flow Statement because the Company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.4 Turnover

Turnover comprises management fees payable by group companies. All turnover is stated net of VAT and arose within the UK.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	25% reducing balance
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1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

CONTENT VENTURES TELEVISION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

1. ACCOUNTING POLICIES (continued)

1.7 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

2. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets: - owned by the Company	511	527
Auditor's remuneration	-	5,000
Pension costs	12,000	71,167
	<u>12,511</u>	<u>76,694</u>

3. DIRECTOR'S REMUNERATION

	2013 £	2012 £
Aggregate remuneration	£ 36,000	£ 120,679
	<u>36,000</u>	<u>120,679</u>

During the year retirement benefits were accruing to 1 director (2012 - 1) in respect of defined contribution pension schemes.

4. INTEREST RECEIVABLE

	2013 £	2012 £
Interest receivable from group companies	-	3,530
Other interest receivable	1	19
	<u>1</u>	<u>3,549</u>

5. TAXATION

Factors that may affect future tax charges

There were no factors that may affect future tax charges, other than management losses of £245,310 (2012 - £333,616) and capital losses of £28,688 (2012 - £28,668) available for offset against applicable future taxable profits.

CONTENT VENTURES TELEVISION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

6. TANGIBLE FIXED ASSETS

	Plant & machinery £
Cost	
At 1 July 2012 and 30 June 2013	3,122
Depreciation	
At 1 July 2012	1,253
Charge for the year	511
At 30 June 2013	1,764
Net book value	
At 30 June 2013	£ 1,358
<i>At 30 June 2012</i>	£ 1,869

7. FIXED ASSET INVESTMENTS

	Investment in subsidiary company £	Investment in associate £	Total £
Cost or valuation			
At 1 July 2012	1,650,003	20,001	1,670,004
Disposals	-	(20,001)	(20,001)
At 30 June 2013	1,650,003	-	1,650,003
Impairment			
At 1 July 2012 and 30 June 2013	650,003	-	650,003
Net book value			
At 30 June 2013	£ 1,000,000	£ -	£ 1,000,000
<i>At 30 June 2012</i>	£ 1,000,000	£ 20,001	£ 1,020,001

Subsidiary undertaking

The following is a subsidiary undertaking of the Company:

Name	Class of shares	Holding
Pro-Active Projects Limited	A Ordinary Shares	100%

CONTENT VENTURES TELEVISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

7. **FIXED ASSET INVESTMENTS (continued)**

The aggregate of the share capital and reserves as at 30 June 2013 and of the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Pro-Active Projects Limited	<u>770,334</u>	<u>183,646</u>

Investment in associate

On 2 April 2013, the Company disposed of its 33% shareholding in Apace Rights Limited, for £30,001 giving a profit on disposal of £10,000.

8. **DEBTORS**

	2013 £	2012 £
Amounts owed by group undertakings	109,164	30,658
Other debtors	43,842	68,030
	<u>£ 153,006</u>	<u>£ 98,688</u>

Details of related parties are given in note 14.

CONTENT VENTURES TELEVISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

9. **CREDITORS:**
Amounts falling due within one year

	2013 £	2012 £
Bank loans and overdrafts	196,111	217,619
Amounts owed to group undertakings	50,000	151,140
Other taxation and social security	588	6,372
Other creditors	21,975	73,114
	<u>£ 268,674</u>	<u>£ 448,245</u>

The bank overdraft is secured on a standard unlimited intercompany guarantee as detailed in note 12.

Details of related parties are given in note 14.

10. **SHARE CAPITAL**

	2013 £	2012 £
Allotted, called up and fully paid		
2,607,737 Ordinary shares of £1 each	<u>£ 2,607,737</u>	<u>£ 2,607,737</u>

11. **RESERVES**

	Share premium account £	Profit and loss account £
At 1 July 2012	4,643,425	(6,578,849)
Profit for the year	-	213,377
At 30 June 2013	<u>£ 4,643,425</u>	<u>£ (6,365,472)</u>

12. **CONTINGENT LIABILITIES**

There is a standard unlimited intercompany guarantee formally charged to the bank with accession between the Company, Pro-Active Projects Limited, and Apace Rights Limited.

13. **PENSION COMMITMENTS**

During the year contributions of £12,000 (2012 - £12,000) were payable to a defined contribution pension scheme. There were contributions of £Nil (2012 - £27,167) outstanding at the year end.

CONTENT VENTURES TELEVISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

14. RELATED PARTY TRANSACTIONS

Included within amounts owed by group undertakings are £20,458 (2012 - £20,458) owed by the immediate parent undertaking Balkan Capital EAD, £51,206 (2012 - Nil) owed by the ultimate parent undertaking Eastern European Media Holdings S.A. and £37,500 (2012 - Nil) owed by subsidiary undertaking Pro-Active Projects Limited.

Included within other debtors is a loan of £30,518 (2012 - £30,150) to the director, Martin Johnston. The loan is unsecured and accrues interest at 5% per annum.

Included within amounts owed to group undertakings is £Nil (2012 - £101,140) owed to the ultimate parent undertaking Eastern European Media Holdings S.A. and £50,000 (2012 - £50,000) owed to the parent undertaking Balkan Capital EAD.

During the year the Company charged former associate investment Apace Rights Limited management fees of £24,000 (2012 - £28,500) and subsidiary Pro-Active Projects Limited £150,000 (2012 - £87,500).

During the year dividends of £35,000 (2012 - £250,000) and £31,025 (2012 - £3,355) were received from Pro-Active Projects Limited and Apace Rights Limited, respectively.

The Company was charged management fees of £Nil (2012 - £50,000) by parent undertaking Balkan Capital EAD and £Nil (2012 - £60,000) by ultimate parent undertaking Eastern European Media Holdings S.A..

15. CONTROLLING PARTY

The immediate parent undertaking is Balkan Capital EAD and the ultimate parent undertaking is Eastern European Media Holdings S.A., (registered in the Grand Duchy of Luxembourg).

The director considers Mr D G P Stoessel to be the ultimate controlling party.

CONTENT VENTURES TELEVISION LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2013

	Page	2013 £	2012 £
TURNOVER	12	174,289	120,036
OVERHEADS			
Administration expenses	12	(26,599)	(313,296)
OPERATING PROFIT/(LOSS)		147,690	(193,260)
Interest receivable	13	1	3,549
Interest payable	13	(339)	-
Investment income	13	66,025	253,355
PROFIT FOR THE YEAR		£ 213,377	£ 63,644

CONTENT VENTURES TELEVISION LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2013**

	2013 £	2012 £
TURNOVER		
Management charges	174,000	116,000
Other income	289	4,036
	£ 174,289	£ 120,036
	£ 174,289	£ 120,036

	2013 £	2012 £
ADMINISTRATION EXPENSES		
Director's salaries	24,000	49,512
Director's national insurance	1,755	6,005
Directors pension costs	12,000	71,167
Staff salaries	508	24,025
Staff national insurance	899	(1,563)
Termination costs	-	33,000
Motor running costs	199	400
Entertainment	395	853
Hotels, travel and subsistence	1,161	1,972
Printing and stationery	1,783	102
Postage	76	138
Telephone and fax	2,610	1,534
Computer costs	152	400
Trade subscriptions	198	601
Legal and professional	1,059	67
Auditor's remuneration	-	5,000
Auditor's remuneration - non-audit	-	12,400
Accountancy fees	4,560	-
Bank charges	962	836
Difference on foreign exchange	5,420	8,041
Sundry expenses	-	10
Depreciation - office equipment	164	211
Depreciation - computer equipment	226	196
Depreciation and loss on disposal of fixtures and fittings	121	119
Loss on sale of CMG shares	-	28,693
Management charges	-	110,000
(Profit) on sale of Apace Rights Limited	(10,000)	-
Recovery against loans previously provided against	(21,649)	(40,423)
	£ 26,599	£ 313,296
	£ 26,599	£ 313,296

CONTENT VENTURES TELEVISION LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 £	2012 £
INTEREST RECEIVABLE		
Bank interest receivable	1	-
Other interest receivable	-	19
Group interest receivable - non-UK	-	3,530
	<u>£ 1</u>	<u>£ 3,549</u>
	2013 £	2012 £
INTEREST PAYABLE		
Group loan interest - UK	325	-
Other loan interest payable	14	-
	<u>£ 339</u>	<u>£ -</u>
	2013 £	2012 £
INVESTMENT INCOME		
Income from investments in group companies	<u>£ 66,025</u>	<u>£ 253,355</u>