

Report of the Directors and
Unaudited Financial Statements
for the Year Ended 30 June 2013
for
Pro-Active Projects Limited

Pro-Active Projects Limited

Contents of the Financial Statements
for the Year Ended 30 June 2013

	Page
Company Information	1
Report of the Directors	2
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	7
Chartered Accountants' Report	13
Trading and Profit and Loss Account	14

Pro-Active Projects Limited
Company Information
for the Year Ended 30 June 2013

DIRECTORS: A S Morton
Ms T Kay
M J H Johnston

SECRETARY: M J H Johnston

REGISTERED OFFICE: C/O Rawlinson & Hunter
8th Floor, 6 New Street Square
New Fetter Lane
London
EC4A 3AQ

REGISTERED NUMBER: 02808327 (England and Wales)

ACCOUNTANTS: Monahans
Chartered Accountants
Clarks Mill
Stallard Street
Trowbridge
Wiltshire
BA14 8HH

BANKERS: The Royal Bank of Scotland
Threadneedle Street
PO Box 412
London
EC2R 8LA

SOLICITORS: Withy King
Bryer Ash Business Park
Bradford Road
Trowbridge
Wiltshire
BA14 8AW

Pro-Active Projects Limited

Report of the Directors **for the Year Ended 30 June 2013**

The directors present their report with the financial statements of the company for the year ended 30 June 2013.

PRINCIPAL ACTIVITY

The principal activities of the company in the period under review were the continued management of TV production and distribution for various sporting events and tours around the world, in parallel with in-house production of TV programmes covering a range of sports for the international television market.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

Principal risks and uncertainties facing the company:

The main risks faced by the company going forward in the next year continue to be the reduced level of commissions for sporting event production and a slower demand for sports TV programming due to budget cutbacks by event sponsors and broadcasters around the world. However, the company has counteracted this with specific marketing efforts in both areas that are beginning to bring rewards.

Development and performance of the company during the year

The company's new agent agreements in programme sales representation resulted in slow but at least new and continuing sales to broadcasters. Project management contracts for some key new events were gained during the Summer and this helped strongly increase profits for this year.

Position of the company at the end of the year

The position of the company going forward into 2014 is again strong, with good cash reserves and on-going contracted relationships in key areas of business. The benefits of the investment in programming marketing are now seeing growing returns .

Internal overheads are being reduced thanks to the requirement for less office space as new technology dramatically reduces the size of editing equipment, and the company has retained a good core staff with a range of capabilities that enable it to be flexible and responsive to market opportunities in the most cost-effective manner.

DIVIDENDS

Interim dividends of £35,000 (2012: £250,000) were paid on the Ordinary 'A' shares during the year. The directors recommend that a final interim dividend of £nil (2012: £nil) be paid on these shares after the year end.

Interim dividends of £131,000 (2012: £40,000) were paid on the Ordinary 'B' shares during the period. The directors recommend that a final interim dividend of £49,400 (2012: £50,000) be paid on these shares after the year end.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2012 to the date of this report.

A S Morton

Ms T Kay

M J H Johnston

Other changes in directors holding office are as follows:

R E Burke - resigned 22 October 2012

The beneficial interests of the directors in the issued share capital of the ultimate parent company are shown in the financial statements of that company.

Pro-Active Projects Limited

Report of the Directors
for the Year Ended 30 June 2013

FINANCIAL INSTRUMENTS

The company holds or issues financial instruments in order to achieve three main objectives, being:

- (a) to finance its operations;
- (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and
- (c) trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

ON BEHALF OF THE BOARD:

M J H Johnston - Secretary

20 March 2014

Pro-Active Projects Limited

Profit and Loss Account
for the Year Ended 30 June 2013

	Notes	2013 £	2012 £
TURNOVER	2	2,182,984	1,806,525
Cost of sales		993,902	776,022
GROSS PROFIT		1,189,082	1,030,503
Administrative expenses		943,160	857,710
OPERATING PROFIT	3	245,922	172,793
Interest receivable and similar income		-	1
		245,922	172,794
Interest payable and similar charges		4,149	810
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		241,773	171,984
Tax on profit on ordinary activities	4	59,275	(735)
PROFIT FOR THE FINANCIAL YEAR		182,498	172,719

The notes form part of these financial statements

Pro-Active Projects Limited (Registered number: 02808327)

Balance Sheet
30 June 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	6	196,777	238,692
CURRENT ASSETS			
Stocks		1,107	871
Debtors	7	989,422	482,832
Cash at bank and in hand		247,631	494,076
		<u>1,238,160</u>	<u>977,779</u>
CREDITORS			
Amounts falling due within one year	8	619,663	409,267
NET CURRENT ASSETS		<u>618,497</u>	<u>568,512</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		815,274	807,204
CREDITORS			
Amounts falling due after more than one year	9	(37,229)	(39,547)
PROVISIONS FOR LIABILITIES	12	(8,859)	(14,969)
NET ASSETS		<u><u>769,186</u></u>	<u><u>752,688</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	200	200
Profit and loss account	14	768,986	752,488
SHAREHOLDERS' FUNDS		<u><u>769,186</u></u>	<u><u>752,688</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2013.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2013 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

Pro-Active Projects Limited (Registered number: 02808327)

Balance Sheet - continued

30 June 2013

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

The financial statements were approved by the Board of Directors on 20 March 2014 and were signed on its behalf by:

M J H Johnston - Director

The notes form part of these financial statements

Pro-Active Projects Limited

Notes to the Financial Statements **for the Year Ended 30 June 2013**

1. ACCOUNTING POLICIES

Accounting convention

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).

Turnover

Turnover represents amounts receivable during the year from the production and sale of television programmes and the sale of rights to show programmes, net of applicable Value Added Tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 25% on reducing balance
Motor vehicles	- 25% on straight line basis

The company depreciates digital master tapes held within plant and machinery over a period of 5 years on a straight line basis.

Plant and machinery are depreciated using the group policy of 25% reducing balance.

Stocks

Stock represents tape stock held for use in the activities of the business and is included at the lower of cost and net realisable value.

Work in progress represents the costs attributable to specific programmes where the sale has not been completed prior to the year-end. The costs include the direct salary expenses together with an allocation of attributable overheads. Work in progress does not include the cost of programmes where a regular contract to supply the feature has been agreed as these costs are invoiced as incurred, nor does it include library stock where a sale has already taken place and future sales are uncertain.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pro-Active Projects Limited

Notes to the Financial Statements - continued **for the Year Ended 30 June 2013**

1. ACCOUNTING POLICIES - continued

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise mainly cash at bank and in short term deposits with an original maturity of three months or less.

Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2013	2012
UK and Ireland	13.96%	21.55%
Rest of Europe	31.11%	16.71%
Rest of World	54.93%	61.74%
	<u>100.00%</u>	<u>100.00%</u>

3. OPERATING PROFIT

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

	2013	2012
	£	£
Depreciation - owned assets	62,622	68,625
Depreciation - assets on hire purchase contracts	18,136	8,760
Loss on disposal of fixed assets	21,207	12,832
Auditors' remuneration	-	11,650
Foreign exchange differences	7,909	(652)
	<u>114,815</u>	<u>125,088</u>
Directors' remuneration and other benefits etc	<u>114,815</u>	<u>125,088</u>

Pro-Active Projects Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2013**

4. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	2013	2012
	£	£
Current tax:		
UK corporation tax	65,385	2,428
Deferred tax	(6,110)	(3,163)
Tax on profit on ordinary activities	<u>59,275</u>	<u>(735)</u>

5. DIVIDENDS

	2013	2012
	£	£
Ordinary 'A' shares of £1.00 each		
Interim	35,000	250,000
Ordinary 'B' shares of £1.00 each		
Interim	<u>131,000</u>	<u>40,000</u>
	<u>166,000</u>	<u>290,000</u>

The directors recommend that a final interim dividend of £49,400 (2012: £50,000) be paid on the Ordinary "B" shares after the year end.

The directors recommend that a final interim dividend of £nil (2012: £nil) be paid on the Ordinary "A" shares after the year end.

6. TANGIBLE FIXED ASSETS

	Plant and machinery	Motor vehicles	Totals
	£	£	£
COST			
At 1 July 2012	1,022,710	53,772	1,076,482
Additions	54,357	-	54,357
Disposals	(204,473)	-	(204,473)
At 30 June 2013	<u>872,594</u>	<u>53,772</u>	<u>926,366</u>
DEPRECIATION			
At 1 July 2012	824,433	13,357	837,790
Charge for year	67,678	13,080	80,758
Eliminated on disposal	(188,959)	-	(188,959)
At 30 June 2013	<u>703,152</u>	<u>26,437</u>	<u>729,589</u>
NET BOOK VALUE			
At 30 June 2013	<u>169,442</u>	<u>27,335</u>	<u>196,777</u>
At 30 June 2012	<u>198,277</u>	<u>40,415</u>	<u>238,692</u>

Pro-Active Projects Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2013**

6. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 July 2012	26,020	36,444	62,464
Additions	20,000	-	20,000
At 30 June 2013	<u>46,020</u>	<u>36,444</u>	<u>82,464</u>
DEPRECIATION			
At 1 July 2012	3,252	-	3,252
Charge for year	9,025	9,111	18,136
At 30 June 2013	<u>12,277</u>	<u>9,111</u>	<u>21,388</u>
NET BOOK VALUE			
At 30 June 2013	<u>33,743</u>	<u>27,333</u>	<u>61,076</u>
At 30 June 2012	<u>22,768</u>	<u>36,444</u>	<u>59,212</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade debtors	909,737	266,120
Other debtors	1,000	1,000
Directors' current accounts	10,600	30,000
VAT	23,978	12,169
Prepayments and accrued income	44,107	173,543
	<u>989,422</u>	<u>482,832</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Hire purchase contracts	20,671	16,359
Trade creditors	314,350	141,067
Tax	59,919	2,428
Social security and other taxes	10,855	10,135
Other creditors	645	645
Accrued expenses	213,223	238,633
	<u>619,663</u>	<u>409,267</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013 £	2012 £
Hire purchase contracts	<u>37,229</u>	<u>39,547</u>

Pro-Active Projects Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2013**

10. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	2013	2012
	£	£
Expiring:		
Within one year	6,075	25,000
Between one and five years	1,325	20,221
In more than five years	34,000	-
	<u>41,400</u>	<u>45,221</u>

11. SECURED DEBTS

The following secured debts are included within creditors:

	2013	2012
	£	£
Hire purchase contracts	<u>57,900</u>	<u>55,906</u>

Hire purchase contracts are secured against the assets to which they relate.

12. PROVISIONS FOR LIABILITIES

	2013	2012
	£	£
Deferred tax	<u>8,859</u>	<u>14,969</u>
		Deferred tax
		£
Balance at 1 July 2012		14,969
Profit and loss account		<u>(6,110)</u>
Balance at 30 June 2013		<u>8,859</u>

Deferred taxation is provided in respect of accelerated capital allowances.

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2013	2012
			£	£
100	Ordinary 'A'	£1.00	100	100
100	Ordinary 'B'	£1.00	100	100
			<u>200</u>	<u>200</u>

The Ordinary 'A' and Ordinary 'B' shares rank pari passu except that holders of the Ordinary 'B' shares are not entitled by reason of their holding of such shares to receive notice of, attend or vote at any General Meeting of the company, nor to receive any distribution of capital on the winding-up of the company.

Pro-Active Projects Limited

Notes to the Financial Statements - continued
for the Year Ended 30 June 2013

14. **RESERVES**

	Profit and loss account £
At 1 July 2012	752,488
Profit for the year	182,498
Dividends	(166,000)
	<hr/>
At 30 June 2013	768,986
	<hr/> <hr/>

15. **ULTIMATE PARENT COMPANY**

Content Ventures Television Limited, a company incorporated in England and Wales, is the parent company. The ultimate parent company is Eastern European Media Holdings S.A., a company incorporated and registered in Luxembourg.

16. **CONTINGENT LIABILITIES**

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

17. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

During the year dividends were due to the following directors in respect of their holdings in the company's Ordinary 'B' shares:

	2013 £	2012 £
AS Morton	65,500	20,000
T Kay	65,500	20,000

At the year end date AS Morton owed the company £5,300 (2012: £15,000) and T Kay owed the company £5,300 (2012: £15,000).

18. **RELATED PARTY DISCLOSURES**

Content Ventures Television Limited
Holding company

Management charges of £150,000 (2012: £87,500) and dividends of £35,000 (2012: £250,000) were paid during the year.

19. **POST BALANCE SHEET EVENTS**

Subsequent to the year end a final interim dividend for the year ended 30 June 2013 of £49,400 was voted in respect of the Ordinary "B" shares.

Chartered Accountants' Report to the Board of Directors
on the Unaudited Financial Statements of
Pro-Active Projects Limited

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Pro-Active Projects Limited for the year ended 30 June 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising 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/membershandbook.

This report is made solely to the Board of Directors of Pro-Active Projects Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Pro-Active Projects Limited and state those matters that we have agreed to state to the Board of Directors of Pro-Active Projects Limited, as a body, 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 Board of Directors, as a body, for our work or for this report.

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

We have not been instructed to carry out an audit or a review of the financial statements of Pro-Active Projects Limited. 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.

Monahans
Chartered Accountants
Clarks Mill
Stallard Street
Trowbridge
Wiltshire
BA14 8HH

27 March 2014

Pro-Active Projects Limited

Trading and Profit and Loss Account
for the Year Ended 30 June 2013

	2013		2012	
	£	£	£	£
Sales		2,182,984		1,806,525
Cost of sales				
Opening stock	871		9,591	
Opening work in progress	-		21,232	
Purchases	994,138		746,070	
	<hr/>		<hr/>	
	995,009		776,893	
Closing stock	(1,107)		(871)	
	<hr/>	993,902	<hr/>	776,022
GROSS PROFIT		1,189,082		1,030,503
Other income				
Deposit account interest		-		1
		<hr/>		<hr/>
		1,189,082		1,030,504
Expenditure				
Rent and rates	55,994		57,238	
Insurance	8,749		-	
Light and heat	9,044		8,419	
Repairs to property	31,682		17,892	
Directors' salaries	97,306		98,843	
Directors' bonuses	-		11,060	
Directors' social security	13,764		13,453	
Directors' pension				
contributions	18,736		11,408	
Wages	247,394		263,288	
Social security	26,686		26,391	
Hire of plant and machinery	2,369		1,200	
Other operating leases	-		8,166	
Telephone	15,998		14,606	
Post and stationery	6,099		7,017	
Advertising	59,981		52,627	
Motor expenses	10,573		8,970	
Licences and insurance	10,983		16,989	
Management charges	150,000		87,500	
Sundry expenses	5,870		7,653	
Subscriptions	3,054		5,638	
Book keeping	12,120		11,908	
Legal fees and auditor's non				
audit remuneration	-		2,510	
Accountancy	8,475		-	
Auditors' remuneration	-		11,650	
Foreign exchange loss / (gain)	7,909		(652)	
Bad debts	40,616		19,517	
	<hr/>	843,402	<hr/>	763,291
Carried forward		345,680		267,213

This page does not form part of the statutory financial statements

Pro-Active Projects Limited

Trading and Profit and Loss Account
for the Year Ended 30 June 2013

	2013		2012	
	£	£	£	£
Brought forward		345,680		267,213
Finance costs				
Bank charges	3,715		4,202	
Hire purchase	4,149		810	
	<u> </u>	7,864	<u> </u>	5,012
		337,816		262,201
Depreciation				
Plant and machinery	61,755		73,053	
Motor vehicles	13,081		4,332	
	<u> </u>	74,836	<u> </u>	77,385
		262,980		184,816
Loss on disposal of fixed assets				
Plant and machinery		21,207		12,832
		<u> </u>		<u> </u>
NET PROFIT		<u> </u> <u> </u>		<u> </u> <u> </u>