

## **ALL3MEDIA Capital Limited**

### **Directors' report and financial statements**

For the year ended 31 August 2013

Registered number 05879286



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## **Directors' report for the year ended 31 August 2013**

The directors present their report and the audited financial statements of the company for the year ended 31 August 2013.

### **Principal activity and review of the business**

The principal activity of the company is a holding company of television production companies and artist management companies. The directors do not anticipate any changes in these activities over the coming year.

### **Results and dividends**

The loss for the financial year, after taxation, amounted to £10,317,440 (2012 loss: £15,717,270).

The directors do not recommend the payment of a dividend for the year (2012: £nil).

### **Listed debt**

The company holds loan notes which are listed on the Channel Islands Stock Exchange as 18% and 20% unsecured and limited recourse notes.

### **Going concern**

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued support of the ultimate parent company, ALL3MEDIA Holdings Limited. The directors have received confirmation that ALL3MEDIA Holdings Limited intends to support the company for at least one year after these financial statements are signed.

### **Future outlook**

The commercial environment in which the company operates remains competitive, but the directors believe that its relationship with the ALL3MEDIA Holdings Limited group (the "group") will enable it to maintain its current position in the future.

### **Principal risks and uncertainties**

The key business risks and uncertainties affecting the company relate to the general economic environment, competition from other television producers and talent agencies and success of the company's programming. Further discussion of these risks and uncertainties, in the context of the group as a whole, is provided on page 6 of the group's financial statements which does not form part of this report.

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

The directors of ALL3MEDIA Holdings Limited manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of ALL3MEDIA Capital Limited. The development, performance and position of the ALL3MEDIA Holdings Limited group, which includes the company, is discussed on page 5 of the group's financial statements which do not form part of this report.

### **Disclosure of information to auditors**

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

## Directors' report for the year ended 31 August 2013 (continued)

### Directors

The directors who held office during the year and up to the date of signing the financial statements were as follows:

S Morrison	
J Burns	
A Jones	(resigned 31 <sup>st</sup> August 2013)
N Bright	(appointed 31 <sup>st</sup> August 2013)
F Ramzan Golant	(appointed 7 <sup>th</sup> November 2013)
V Turton	(appointed 14 <sup>th</sup> March 2013)

### Directors' indemnities

The company maintains liability insurance for its directors and officers. Following shareholder approval, ALL3MEDIA Holdings Limited, the company's ultimate parent undertaking, has also provided an indemnity for the company's directors and officers, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. This indemnity was in force during the previous financial year and is currently in force.

### Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 year. In preparing these financial statements, the directors are required to:

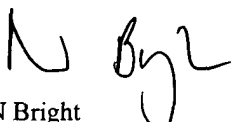
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and are deemed reappointed in accordance with s487(2) of the Companies Act 2006.

By order of the Board



N Bright  
Company secretary

Date: 12 December 2013

Berkshire House  
168-173 High Holborn  
London  
WC1V 7AA

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALL3MEDIA CAPITAL LIMITED**

We have audited the financial statements of ALL3MEDIA Capital Limited for the year ended 31 August 2013 which comprise the profit and loss account, the reconciliation of movements in shareholder's deficit, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

As explained more fully in the statement of directors' responsibilities set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **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 misstatement, 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. In addition, we read all the financial and non-financial information in the directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



David Snell (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London,  
12 December 2013

## Profit and loss account for the year ended 31 August 2013

	Note	Year ended 31 August 2013 £	Year ended 31 August 2012 £
Administrative expenses		(7,000)	(4,935)
<b>Operating loss</b>	2	(7,000)	(4,935)
Interest receivable and similar income	5	70,158,213	59,412,142
Interest payable and similar charges	6	(71,340,565)	(61,672,504)
<b>Loss on ordinary activities before taxation</b>		(1,189,352)	(2,265,297)
Tax on loss on ordinary activities	7	(9,128,088)	(13,451,973)
<b>Loss for the financial year</b>	14	(10,317,440)	(15,717,270)

All amounts in the current and previous financial year derive from continuing activities.

The company has no recognised gains or losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents.

The notes on pages 8 to 16 form part of these financial statements.

**Reconciliation of movements in shareholder's deficit for the year ended  
31 August 2013**

	Note	Year ended 31 August 2013 £	Year ended 31 August 2012 £
Loss for the financial year	14	(10,317,440)	(15,717,270)
<b>Net change in shareholder's deficit</b>		<b>(10,317,440)</b>	<b>(15,717,270)</b>
Opening shareholder's deficit	14	(46,519,262)	(30,801,992)
<b>Closing shareholder's deficit</b>	14	<b>(56,836,702)</b>	<b>(46,519,262)</b>

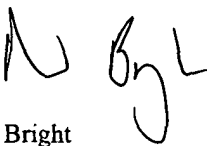
The notes on pages 8 to 16 form part of these financial statements.

## Balance sheet as at 31 August 2013

Registered number 05879286

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Investments	8	1	1
<b>Current assets</b>			
Debtors (includes £332,321,484 (2012: £223,414,484) due after more than one year)	9	453,477,323	382,841,356
<b>Creditors: amounts falling due within one year</b>	10	(48,904,468)	(38,929,739)
<b>Net current assets</b>		405,572,855	343,911,617
<b>Total assets less current liabilities</b>		405,572,856	343,911,618
<b>Creditors: amounts falling due after more than one year</b>	11	(461,409,558)	(390,430,880)
<b>Net liabilities</b>		(56,836,702)	(46,519,262)
<b>Capital and reserves</b>			
Called up share capital	13	1	1
Profit and loss account	14	(56,836,703)	(46,519,263)
<b>Total shareholder's deficit</b>		(56,836,702)	(46,519,262)

These financial statements on pages 5 to 16 were approved by the Board of directors on 12 December 2013 and signed on its behalf by:

  
N Bright  
Director

The notes on pages 8 to 16 form part of these financial statements.



## Notes to the financial statements for the year ended 31 August 2013

### 1. Accounting policies

The following accounting policies have been applied in dealing with items which are considered material in relation to the company's financial statements:

#### *Basis of preparation and consolidation*

The financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year are set out below.

The financial statements contain information about ALL3MEDIA Capital Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent undertaking, ALL3MEDIA Holdings Limited.

#### *Going concern*

The financial statements are prepared on the going concern basis due to the continued support of the ultimate parent company ALL3MEDIA Holdings Limited. The company has received confirmation that ALL3MEDIA Holdings Limited intends to support the company for at least one year after these financial statements are signed.

#### *Cash flow statement*

The company is a wholly owned subsidiary of All3Media Holdings Limited and is included in the consolidated financial statements of All3Media Holdings Limited which are publicly available. The All3Media Holdings Limited financial statements for the year ended 31 August 2013 contain a consolidated statement of cash flows. Consequently, the company has taken advantage of the exemption available under Financial Reporting Standard 1 (revised 1996). 'cash flow statements' from preparing its own statement of cash flows.

#### *Fixed asset investments*

Fixed asset investments are stated at cost less any provision for impairment. The carrying values of fixed asset investments are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Taxation*

Corporation tax is payable on taxable profits at amounts expected to be paid, or recovered, under the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the average tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

## Notes to the financial statements for the year ended 31 August 2013 *(continued)*

### 1. Accounting policies *(continued)*

#### *Financial instruments*

All borrowings are initially stated at the fair value of the consideration received after deduction of issue costs. Issue costs together with finance costs are charged to the profit and loss account over the term of the borrowings. Accrued finance costs attributable to borrowings where the maturity at the date of issue is less than 12 months are included within current liabilities. For all other borrowings, accrued finance charges and issue costs are included within creditors due in more than one year.

Debtors are initially stated at fair value. The carrying value of debtors are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

### 2. Operating loss

The audit fee of £4,000 (2012: £4,000) for the year was borne by ALL3MEDIA Limited.

### 3. Directors' emoluments

Directors' remuneration in 2013 was £nil (2012: £nil).

S Morrison, J Burns, A Jones, V Turton, F Ramzan Golant and N Bright are remunerated by ALL3MEDIA Limited, and details of their emoluments and pension payments are available in the financial statements of that company. These emoluments are not paid to them in their capacity as directors of the company and are payable for services wholly attributable to other subsidiary undertakings. Accordingly, no details in respect of their emoluments have been included in these financial statements.

### 4. Employee information

The company had no employees (2012: nil) and incurred no staff costs during the year (2012: £nil).

### 5. Interest receivable and similar income

	Year ended 31 August 2013 £	Year ended 31 August 2012 £
Interest receivable from group undertakings	70,158,213	59,412,142
	<u>70,158,213</u>	<u>59,412,142</u>

### 6. Interest payable and similar charges

	Year ended 31 August 2013 £	Year ended 31 August 2012 £
On unsecured subordinated loan notes	70,178,353	59,581,033
Interest payable to the ultimate parent undertaking	1,162,212	1,009,624
Interest payable to group undertakings	-	1,081,847
	<u>71,340,565</u>	<u>61,672,504</u>

## Notes to the financial statements for the year ended 31 August 2013 *(continued)*

### 7. Tax on loss on ordinary activities

#### (i) Tax on loss on ordinary activities for the year

The tax charge is made up as follows:

	Year ended 31 August 2013 £	Year ended 31 August 2012 £
<b>Current tax</b>		
UK Corporation tax		
Current tax on income for the year	12,341,314	13,450,535
Adjustments in respect of prior years	(2,735,472)	1,438
<b>Total current tax charge</b>	<b>9,605,842</b>	<b>13,451,973</b>
<b>Deferred tax</b>		
Originating and reversal of timing difference	(268,824)	-
Adjustments in respect of prior years	(208,930)	-
<b>Tax on profit on ordinary activities</b>	<b>9,128,088</b>	<b>13,451,973</b>

#### (ii) Factors affecting the tax charge for the current year and future years

The tax charge for the year is higher (2012: higher) than the standard rate of corporation tax in the UK at 23.58% (2012: 25.16%). The differences are explained below.

	Year ended 31 August 2013 £	Year ended 31 August 2012 £
<b>Loss on ordinary activities before taxation</b>	<b>(1,189,352)</b>	<b>(2,265,297)</b>
Current tax at 23.58% (2012: 25.16%)	(280,449)	(569,949)
Effects of:		
Expenses not deductible for tax purposes	12,728,098	14,020,484
Adjustments in respect of prior year	(2,735,472)	1,438
Short term timing differences	301,850	-
Group relief	(408,185)	-
<b>Total current tax charge for the year</b>	<b>9,605,842</b>	<b>13,451,973</b>

The tax payable for the year has been reduced by £12,641,314 (2012: £11,836,732 because of group relief received from a fellow subsidiary for which payment will be made.

#### (iii) Factors affecting the tax credit for the current year

The Finance Act 2012 was enacted in July 2012 and included legislation to reduce the main rate of corporation tax from 24% to 23% and was effective from 1 April 2013. The current tax rate for the period is therefore 23.58%

Further reductions to the main rate of corporation tax were included within Finance Act 2013 which was enacted in July 2013, which further reduced the main rate of corporation tax from 23% to 21% effective from 1 April 2014, and reduce the rate further from 21% to 20% effective from 1 April 2015. These reductions supersede the reduction to 23% which had been included as part of Finance Act 2012.

## Notes to the financial statements for the year ended 31 August 2013 *(continued)*

### **Taxation *(continued)***

#### **Tax on loss on ordinary activities *(continued)***

The changes to the main rate of corporation tax disclosed above had been substantively enacted at the balance sheet date, and deferred taxes have been measured using the enacted rates within these financial statements.

#### **(c) Deferred tax**

The deferred tax included in the balance sheet is as follows:

	2013 £	2012 £
Short term timing differences	477,754	-
Included in debtors (note 9)	<u>477,754</u>	<u>-</u>
		<b>Deferred tax asset £</b>
At 1 September 2012		-
Deferred tax credit in profit and loss account for the year		477,754
		<u>          </u>
<b>At 31 August 2013</b>		<b>477,754</b>
		<u>          </u>

## Notes to the financial statements for the year ended 31 August 2013 *(continued)*

### 8. Fixed asset investments

	2013 Shares in subsidiary companies £	2012 Shares in subsidiary companies £
Cost and net book value at 1 September 2012	1	1
	<hr/>	<hr/>
<b>Cost and net book value at 31 August 2013</b>	<b>1</b>	<b>1</b>
	<hr/> <hr/>	<hr/> <hr/>

Fixed asset investments in the company comprise a £1 investment in ALL3MEDIA Intermediate Limited.

The details of the principal subsidiary companies in which the company holds 20% or more of the nominal value of any class of share capital are as follows. Shares held by an intermediate holding company are indicated with an asterisk (\*). All investments are unlisted, except for MME Moviemment AG.

Name of company	Country of incorporation	Equity holding	Nature of business
ALL3MEDIA Intermediate Limited	England & Wales	100%	Sub-holding company
ALL3MEDIA Finance Limited	England & Wales	*100%	Sub-holding company
ALL3MEDIA Group Limited	England & Wales	*100%	Sub-holding company
ALL3MEDIA Limited	England & Wales	*100%	Sub-holding company
North One Television Limited	England & Wales	*100%	Television production and distribution
ALL3MEDIA International Limited	England & Wales	*100%	Distribution
Bentley Productions Limited	England & Wales	*100%	Television production and distribution
Lion Television Limited	England & Wales	*100%	Television production and distribution
Ravenscourt Services Limited	England & Wales	*100%	Production services company
Company Television Limited	England & Wales	*100%	Television production and distribution
Company Television Productions Limited	England & Wales	*100%	Television production and distribution
Company Productions Limited	England & Wales	*100%	Television production and distribution
Company Productions (North) Limited	England & Wales	*100%	Television production and distribution
MCB Productions Limited	England & Wales	*100%	Television production and distribution
Mersey Acquisitions Limited	England & Wales	*100%	Sub-holding company
Lime Pictures Group Limited	England & Wales	*100%	Television production and distribution
The Lime Pictures Holding Company Limited	England & Wales	*100%	Television production and distribution
Conker Media Limited	England & Wales	*100%	Television production and distribution
Lime Pictures Limited	England & Wales	*100%	Television production and distribution
Maverick Television Limited	England & Wales	*100%	Television production and distribution
Objective Productions Limited	England & Wales	*100%	Television production and distribution

## Notes to the financial statements for the year ended 31 August 2013 *(continued)*

### 8. Fixed asset investments *(continued)*

Name of company	Country of incorporation	Equity holding	Nature of business
Digital Life Sciences Limited	England & Wales	*50.2%	Multiplatform content provider
Illumina Digital Limited	England & Wales	*50.2%	Multiplatform content provider
Little Dot Studios Limited	England & Wales	*60%	Online content provider
Tulip Holdings BV	Netherlands	*100%	Sub-holding company
IDTV Media Group BV	Netherlands	*100%	Television production and distribution
South Pacific Pictures Limited	New Zealand	*100%	Television production and distribution
Tidy Television Limited	England & Wales	*100%	Sub-holding company
Optomen Television Limited	England & Wales	*100%	Television production and distribution
One Potato Two Potato Limited	England & Wales	*100%	Television production and distribution
Studio Lambert Limited	England & Wales	*100%	Television production and distribution
ALL3MEDIA Deutschland GmbH	Germany	*100%	Sub-holding company
MME Moviemment AG	Germany	*93.5%	Sub-holding company
Filmpool Film- und Fernsehproduktion GmbH	Germany	*93.5%	Television production
MME Me, Myself & Eye Entertainment GmbH	Germany	*93.5%	Television production
All3Media USA, Inc.	USA	*100%	Sub-Holding company
All3Media USA Ltd	England & Wales	*100%	Sub-Holding company
Lion Television, LLC (formerly Lion Television Inc.)	USA	*100%	Television production and distribution
Maverick Television, Inc.	USA	*100%	Television production and distribution
Objective Productions US, Inc.	USA	*100%	Television production and distribution
Optomen Productions, LLC (formerly Optomen Productions Inc.)	USA	*100%	Television production and distribution
One Potato Two Potato, LLC (formerly One Potato Two Potato Inc.)	USA	*100%	Television production and distribution
Rumpole Inc.	USA	*100%	Television production and distribution
All3Media America, LLC (formerly Studio Lambert USA, Inc.)	USA	*100%	Television production and distribution
Noah Holdings, LLC (formerly All3Media America Inc.)	USA	*100%	Sub-Holding company
Noah Acquisitions Inc.	USA	*100%	Sub-Holding company
Zoo Productions Inc.	USA	*100%	Television production and distribution

The directors believe that the carrying value of the investments is supported by their underlying net assets.

The investment in MME Moviemment AG is listed on the German Stock Exchange. It has a book value (excluding related acquisition costs) of £62,370,066 (2012: £58,061,000) and a market value at 31 August 2013 of £80,783,160 (2012: £77,553,000).

## Notes to the financial statements for the year ended 31 August 2013 *(continued)*

### 9. Debtors

	2013 £	2012 £
Amounts owed by fellow subsidiary undertakings	452,999,569	382,841,356
Deferred tax	477,754	-
	<u>453,477,323</u>	<u>382,841,356</u>

Amounts falling due after more than one year included in the above are:

	2013 £	2012 £
Amounts owed by fellow subsidiary undertakings	332,321,484	223,414,484

Amounts owed by subsidiary undertakings included in the company above include an unsecured non-trading loan of £117,598,000 (2012: £117,598,000) and rolled up interest of £214,723,484 (2012: £159,429,872). This is repayable on demand following the settlement of all outstanding loan amounts due under the Senior Facilities Agreement with the Royal Bank of Scotland plc dated 28 September 2006 (as amended and restated on 22 December 2012). Interest is payable on this loan at rates between 18% and 20% per annum. Also included in the amounts owed by group undertakings included in the company above are unsecured loan notes of £120,678,085 (2012: £105,813,484). These are repayable on 28 September 2016 or on a sale or listing of the company (subject to agreement by the majority of loan note holders). Interest is payable on this loan at a rate of 18% per annum.

### 10. Creditors: amounts falling due within one year

	2013 £	2012 £
Trade Creditors	-	1,300
Amounts owed to parent undertaking	1,925,192	1,563,305
Amounts owed to group undertakings	23,919,461	23,913,161
Amounts owed to group undertakings for group relief	23,057,815	11,838,170
Corporation tax	-	1,613,803
Accruals and deferred income	2,000	-
	<u>48,904,468</u>	<u>38,929,739</u>

Amounts owed to the parent undertaking above include an unsecured non-trading loan of £1,925,192 (2012: £1,563,305). This is repayable on demand and interest is payable on this loan at a rate of 10% per annum.

Amounts owed to fellow group undertakings by the company above are unsecured non-trading loan of £23,919,461 (2012: £23,913,161). These are repayable on demand and interest is payable on these loans at a rate of nil% (2012: 4.75%) per annum.

## Notes to the financial statements for the year ended 31 August 2013 *(continued)*

### 11. Creditors: amounts falling due after more than one year

	2013 £	2012 £
Unsecured subordinated preference certificate (see note 12)	454,107,418	383,929,065
Unsecured loan and loan notes payable to parent undertaking	7,302,140	6,501,815
	<hr/>	<hr/>
	461,409,558	390,430,880
	<hr/>	<hr/>

Amounts owed to the parent undertaking above include an unsecured non-trading loan of £2,055,562 (2012: £2,055,562). This is repayable on demand following the settlement of all outstanding loan amounts due under the Interim Loan Agreement with the Royal Bank of Scotland plc dated 31 July 2006, the final amount of which falls due on 31 August 2016. Interest is payable on this loan at a rate of 10% per annum. Also included in the amounts owed to parent undertaking above are unsecured loan notes of £5,246,578 (2012: £4,446,253). These are repayable on 28 September 2016 or on a sale or listing of the company (subject to agreement by the majority of loan note holders). Interest is payable on this loan at a rate of 18% per annum.

### 12. Loans

	2013 £	2012 £
Within five years	454,107,418	383,929,065
	<hr/>	<hr/>
Details of loans wholly repayable within five years are as follows:		
Unsecured subordinated preference certificate Series A repayable 28 September 2016	258,049,095	218,778,153
Unsecured subordinated preference certificate Series B repayable 28 September 2016		
Unsecured subordinated preference certificate Acquisitions repayable 15 August 2017	121,435,795	102,955,211
	74,622,528	62,195,701
	<hr/>	<hr/>
	454,107,418	383,929,065
	<hr/>	<hr/>



## Notes to the financial statements for the year ended 31 August 2013 *(continued)*

### 12. Loans *(continued)*

The above loan notes are listed on the Channel Islands Stock Exchange as 18% and 20% unsecured and limited recourse notes.

A fixed annual interest rate of 18% is payable on the Series A and B subordinated preference certificates. The interest rate payable on the Acquisitions subordinated preference certificates is a fixed annual interest rate of 20%.

Included in the loans above is £300,617,419 (2012: £230,439,065) of accrued interest costs.

On 28 September 2006 the group acquired the ALL3MEDIA group. As part of the acquisition arrangements the shares and assets of the company were charged to the Royal Bank of Scotland plc and Bank of Scotland who provided bank finance for the transaction.

### 13. Called up share Capital

*Allotted, called up and fully paid*

	2013 £	2012 £
1 (2012: 1) ordinary shares of £1 each	1	1
	<u>          </u>	<u>          </u>

### 14. Reserves

Movements in reserves were as follows:

	Called-up Share capital £	Profit and loss account £	Total £
At 1 September 2012	1	(46,519,263)	(46,519,262)
Loss for the financial year	-	(10,317,440)	(10,317,440)
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 August 2013	1	(56,836,703)	(56,836,702)
	<u>          </u>	<u>          </u>	<u>          </u>

### 15. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard No. 8 from the requirement to disclose transactions with wholly owned group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company, which are publicly available. There were no other related party transactions in the current or prior year.

### 16. Ultimate and immediate parent undertaking and controlling party

The company's immediate and ultimate parent undertaking is ALL3MEDIA Holdings Limited. ALL3MEDIA Holdings Limited is the parent undertaking of the smallest and the largest group to consolidate these financial statements at 31 August 2013. Copies of its group financial statements, which include the company, are available from Berkshire House, 168-173 High Holborn, London WC1V 7AA.

The ultimate controlling party at the balance sheet date was Permira Holdings Limited, a company which owns Permira Europe III G.P. Limited, the general partner of Permira Europe III.