

# Financial Statements

## Lausanne Midco Limited

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**For the year ended 31 December 2012**

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COMPANIES HOUSE

**Registered number: 07476070**

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**Lausanne Midco Limited**

## Company Information

|                            |   |
|----------------------------|---|
| <b>Directors</b>           | S Cox<br>P N McDanell   |
| <b>Company secretary</b>   | N Linton  |
| <b>Registered number</b>   | 07476070  |
| <b>Registered office</b>   | Allan House<br>10 John Princes Street<br>London<br>W1G 0JW  |
| <b>Independent auditor</b> | Grant Thornton UK LLP<br>Chartered Accountants & Statutory Auditor<br>Grant Thornton House<br>Melton Street<br>Euston Square<br>London<br>NW1 2EP |
| <b>Bankers</b>             | HSBC Bank Plc<br>70 Pall Mall<br>London<br>SW1Y 5EZ   |

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# Directors' Report

For the year ended 31 December 2012

The directors present their report and the financial statements for the year ended 31 December 2012

## Directors' responsibilities statement

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 elected to prepare 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- 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.

## Principal activities

The company's principal activity during the period was to act as a holding company.

## Results

The profit for the year, after taxation, amounted to £NIL (2011 - £NIL).

## Directors

The directors who served during the year were

S Cox  
P N McDanell

## Principal risks and uncertainties

### Risk

The company finances itself through shareholder loans. The group that Lausanne Midco Limited is part of is fundamentally cash generative and manages its liquid resources so as to obtain the best available rate of return on the cash investments, whilst retaining access to those resources.

## **Directors' Report**

**For the year ended 31 December 2012**

### **Provision of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

### **Auditor**

The Board appointed Grant Thornton UK LLP to fill a casual vacancy in accordance with Companies Act 2006 and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 30 April 2013 and signed on its behalf



P N McDanell  
Director



## Independent Auditor's Report to the Members of Lausanne Midco Limited

We have audited the financial statements of Lausanne Midco Limited for the year ended 31 December 2012, which comprise the Profit and loss account, 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 an Auditor's report 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 as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' responsibilities statement, 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Qualified 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 December 2012 and of its result 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.



## Independent Auditor's Report to the Members of Lausanne Midco Limited

### **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

A handwritten signature in black ink, appearing to read "Mark Henshaw".

Mark Henshaw (Senior statutory auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Chartered Accountants  
Statutory Auditor  
London (Euston)

30 April 2013

## Profit and Loss Account

For the year ended 31 December 2012

|  | Note | 2012<br>£000 | 2011<br>£000 |
|--|------|--------------|--------------|
| Interest receivable and similar income               | 3    | (2,692)      | (1,581)      |
| Interest payable and similar charges                 | 3    | 2,692        | 1,581        |
|  |      | <hr/>        | <hr/>        |
| <b>Profit on ordinary activities before taxation</b> |      | -            | -            |
| Tax on profit on ordinary activities                 |      | -            | -            |
|  |      | <hr/>        | <hr/>        |
| <b>Profit on ordinary activities after taxation</b>  |      | -            | -            |
| <b>Profit brought forward</b>                        |      | -            | -            |
|  |      | <hr/>        | <hr/>        |
| <b>Retained profit carried forward</b>               |      | -            | -            |
|  |      | <hr/>        | <hr/>        |

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 7 to 10 form part of these financial statements



## Balance Sheet

As at 31 December 2012

|   | Note | £000     | 2012<br>£000 | £000     | 2011<br>£000 |
|---|------|----------|--------------|----------|--------------|
| <b>Fixed assets</b>                                   |      |          |              |          |              |
| Investments   | 4    |          | 70           |          | 70           |
| <b>Current assets</b>                                 |      |          |              |          |              |
| Debtors   | 5    | 29,803   |              | 27,111   |              |
| <b>Creditors:</b> amounts falling due within one year | 6    | (29,803) |              | (27,111) |              |
| <b>Net current assets</b>                             |      |          | -            |          | -            |
| <b>Net assets</b>                                     |      |          | 70           |          | 70           |
| <b>Capital and reserves</b>                           |      |          |              |          |              |
| Called up share capital                               | 7    |          | -            |          | -            |
| Share premium account                                 | 8    |          | 70           |          | 70           |
| <b>Shareholders' funds</b>                            | 9    |          | 70           |          | 70           |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 April 2013



P N McDanell  
Director

The notes on pages 7 to 10 form part of these financial statements

# Notes to the Financial Statements

For the year ended 31 December 2012

## 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 applicable accounting standards

### 1.2 Going concern

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors have taken notice of the Financial Reporting Council guidance "Going Concern and Liquidity Risk Guidance for Directors of UK Companies 2009", which requires the reasons for this decision to be explained. The directors regard the going concern basis as remaining appropriate as they have assessed the group's financial performance and position. From this, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future.

### 1.3 Cashflow

The directors have taken advantage of the exemptions available in Financial Reporting Standard No 1, the company has not prepared its own cash flow statement as the company is fully consolidated into Lausanne Topco Limited.

### 1.4 Investments

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

### 1.5 Borrowing costs

Interest on loans is charged to the profit and loss account as incurred. Costs incurred in the acquisition of loan finance are capitalised in the balance sheet and charged to the profit and loss account over the period the loan matures.

### 1.6 Interest received

Interest on loans is credited to the profit and loss account as earned. Amounts due but not received at the year end are accrued.

## 2. Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2011 - £NIL)

# Notes to the Financial Statements

For the year ended 31 December 2012

## 3. Interest receivable and payable

|   | 2012<br>£000    | Period ended<br>2011<br>£000 |
|---|-----------------|------------------------------|
| Interest receivable from group companies          | (2,692)         | (1,581)                      |
| Interest payable on loans from group undertakings | 2,692           | 1,581                        |
|   | <u>-</u>        | <u>-</u>                     |
|   | <u><u>-</u></u> | <u><u>-</u></u>              |

## 4. Fixed asset investments

|  | Investments<br>in subsidiary<br>companies<br>£000 |
|--|---|
| <b>Cost or valuation</b>               |   |
| At 1 January 2012 and 31 December 2012 | <u>70</u>   |
| <b>Net book value</b>                  |   |
| At 31 December 2012                    | <u>70</u>   |
| At 31 December 2011                    | <u><u>70</u></u>                                  |

The investment relates to 100% of the ordinary share capital of Lausanne Financing Limited which owns 100% of the share capital of six companies listed below

### Subsidiary undertakings

The following were subsidiary undertakings of the company

| Name                                   | Place of incorporation | Holding |
|--|------------------------|---------|
| Lausanne Financing Limited             | England                | 100%    |
| Lausanne Acquisitions Limited          | England                | 100%    |
| Independent Media Distribution Limited | England                | 100%    |
| IMD Media Limited                      | England                | 100%    |
| Optimad Media Systems Limited          | England                | 100%    |
| IMD Media Ltd                          | Republic of Ireland    | 100%    |
| eBus Media Network Limited (dormant)   | New Zealand            | 100%    |

# Notes to the Financial Statements

For the year ended 31 December 2012

## 4. Fixed asset investments (continued)

The results and net assets of the company's subsidiaries as at 31 December 2012 are

| Name                                   | Aggregate of<br>share capital and<br>reserves<br>£000 | Profit/(loss)<br>£000 |
|--|---|-----------------------|
| Lausanne Financing Limited             | 70  | -                     |
| Lausanne Acquisitions Limited          | (5,441)   | (3,440)               |
| Independent Media Distribution Limited | 5,799   | (5)                   |
| IMD Media Limited                      | 7,363   | 1,547                 |
| Optumad Media Systems Limited          | 4,230   | 612                   |
| IMD Media Ltd                          | 138   | 46                    |

The principal activity of IMD Media Limited is the distribution of TV and radio commercials. Optumad Media Systems Limited provides the industry standard web-based administrative services for TV advertising campaigns. IMD Media Limited (Ireland) distributes TV and radio commercials.

Lausanne Financing Limited, Lausanne Acquisitions Limited and Independent Media Distribution Limited are investment holding companies.

## 5. Debtors

|                                    |        |        |
|------------------------------------|--------|--------|
| Amounts owed by group undertakings | 29,803 | 27,111 |
|------------------------------------|--------|--------|

## 6. Creditors:

### Amounts falling due within one year

|   | 2012<br>£000 | 2011<br>£000 |
|---|--------------|--------------|
| Amounts owed to ultimate parent undertaking | 29,362       | 26,710       |
| Amounts owed to parent undertaking          | 10           | 9            |
| Other creditors                             | 431          | 392          |
|   | 29,803       | 27,111       |

## 7. Share capital

|                                    | 2012<br>£000 | 2011<br>£000 |
|------------------------------------|--------------|--------------|
| Allotted, called up and fully paid |              |              |
| 100 Ordinary shares of £1 each     | -            | -            |

# Notes to the Financial Statements

For the year ended 31 December 2012

## 8. Reserves

|  | Share<br>premium<br>account<br>£000 |
|--|-------------------------------------|
| At 1 January 2012 and 31 December 2012 | 70                                  |

## 9. Reconciliation of movement in shareholders' funds

|  | 2012<br>£000 | 2011<br>£000 |
|--|--------------|--------------|
| Opening shareholders' funds                      | 70           | -            |
| Share premium on shares issued (net of expenses) | -            | 70           |
| Closing shareholders' funds                      | 70           | 70           |

## 10. Related party transactions

The company has taken advantage of the exemption under Financial Reporting Standard No 8 "Related Party Disclosures (FRS8) and has not disclosed any intra group related party transactions

Included within other creditors is £431,277 (2011 £392,000) due to S Cox and P N McDanell, directors of the company, under loans provided by them to the company

The loans attract interest at a rate of 10% from the date of draw down for two years and 12% thereafter. The interest and principle is repayable when the finances of the company permit

## 11. Ultimate parent undertaking and controlling party

Lausanne Topco Limited is the ultimate parent company of the Group incorporated in England and Wales. The issued share capital of Lausanne Topco Limited is ultimately held by VIP I Nominees Limited on behalf of investors in the Vitruvian Investment Partnership I. The Vitruvian Investment Partnership I is managed by Vitruvian Partners LLP and is deemed to be the ultimate controlling party.