

# **Glam Media International Limited**

## **Report and Abbreviated Financial Statements**

31 December 2013

Registration number: 07195169

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# **Independent auditor's report**

**to Glam Media International Limited under section 449 of the Companies Act 2006**

We have examined the company's abbreviated financial statements which comprise the Balance Sheet and the related notes 1 to 3, together with the financial statements of Glam Media International Limited for the year ended 31 December 2013 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company 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 as a body, for our audit work, for this report, or for the opinions we have formed.

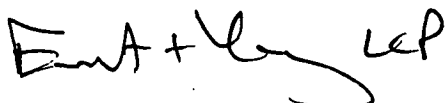
## **Respective responsibilities of directors and auditor**

The directors are responsible for preparing the abbreviated financial statements in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements are properly prepared.

## **Opinion**

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated financial statements have been properly prepared in accordance with the regulation made under that section.



Paul Gordon (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
London

Date 5 December 2014

## Abbreviated balance sheet

at 31 December 2013

Registered No. 07195169

	Note	2013 £	2012 £
<b>Current assets</b>			
Debtors		507,963	359,005
Cash at bank and in hand		<u>228,159</u>	<u>233,826</u>
		736,122	592,831
<b>Creditors: amounts falling due within one year</b>		<u>(5,835,618)</u>	<u>(5,509,231)</u>
<b>Net current liabilities</b>		<u>(5,099,496)</u>	<u>(4,916,400)</u>
<b>Net liabilities</b>		<u>(5,099,496)</u>	<u>(4,916,400)</u>
<b>Capital and reserves</b>			
Called up share capital	3	633,869	633,869
Profit and loss account		<u>(5,733,365)</u>	<u>(5,550,269)</u>
<b>Shareholders' deficit</b>		<u>(5,099,496)</u>	<u>(4,916,400)</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The financial statements were authorized for issue by the board and signed on its behalf by:

J Seeley

Director

Date 2 DECEMBER 2014

## Notes to the financial statements

at 31 December 2013

### 1. Accounting policies

#### ***Basis of preparation***

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards the Financial Reporting Standard for Smaller Entities (effective April 2008)

#### ***Going concern***

The financial statements have been prepared on a going concern basis notwithstanding the net current liability of £5,099,496 as at the balance sheet date. The company is dependent for its working capital on funds provided to it by the parent undertaking, Glam Media Inc. Glam Media Inc has provided the company with an undertaking that, for a period of at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as and when they fall due for payment. On this basis the directors consider it appropriate to prepare financial statements on a going concern basis.

#### ***Turnover***

Income is recognised in the year in which the services are provided and advertising campaigns are run.

#### ***Deferred taxation***

Deferred taxation 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 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 tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

A deferred tax asset has not been recognised in respect of trading losses carried forward as it is uncertain if sufficient future trading profits will arise. Trading losses give rise to a potential deferred tax asset of £1,090,871 based on a tax rate of 20% (2012 – £1,215,192 based on a tax rate of 23%). The deferred tax asset may be recoverable if suitable taxable profits arise in future years. The amount recovered will be subject to the tax rates in force in the year in which the losses are used.

#### ***Foreign currencies***

Monetary assets and liability denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

#### ***Leasing and hire purchase commitments***

Rentals applicable to operating leases are charged to the profit and loss account over the term of the lease on a straight line basis

## Notes to the financial statements

at 31 December 2013

### 1. Accounting policies (continued)

#### *Financial instruments*

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as 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 where shares are issued. Any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

### 2. Issued share capital

<i>Allotted, called up and fully paid</i>	<i>2013</i>		<i>2012</i>	
	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
Ordinary shares of £1 each	633,869	<u>633,869</u>	633,869	<u>633,869</u>

### 3. Ultimate parent undertaking and controlling party

The company's ultimate parent undertaking and controlling party is Glam Media Inc., a company registered in Delaware, USA. The results of the company are consolidated within the financial statements of Glam Media Inc, which is the largest and smallest group preparing financial statements.