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Zodiak Rights Limited

Report and Financial Statements

31 December 2011

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COMPANIES HOUSE

Directors
L Boissel
D Frank
M Frank
J Slow
M Honeybone

Auditors
Ernst & Young LLP
1 More London Place
London SE1 2AF

Bankers
NatWest
City of London Office
1 Princes Street
London EC2R 8BP

Registered Office
The Gloucester Building
Kensington Village
Avonmore Road
London W14 8RF

Directors' report

Going concern

After reviewing the company's budget for the year ended 31 December 2012 and its medium-term plans, the directors have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future

The company is expected to be profitable in 2012 and the foreseeable future, and is expected to be net cash generative given that, with the exception of specific programme advances and development funding, payments to rights owners are not made until money has been received from the licensee In addition, the company's intermediate parent undertaking, Zodiak Media SA has agreed to provide financial support as necessary for a period of at least twelve months from the date the directors approve the financial statements of the company The directors, having made sufficient enquiries, are satisfied that Zodiak Media SA is in a position to provide the level of support required and hence have concluded that it is appropriate to prepare the financial statements on a going concern basis

Directors

The directors who served during the year and were appointed subsequently were as follows

L Boissel
D Frank
M Frank
J Slow
M Honeybone (appointed 17 March 2011)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

On behalf of the board

M Honeybone

Director

28 MAR 2012

Directors' report

The directors present their report and financial statements for the year ended 31 December 2011

Results and dividends

The loss for the year after taxation amounted to £1,578,000 (2010 loss of £502,000) No dividend is payable (2010 £nil)

Principal activities and review of the business

The principal activities of the company are the distribution of broadcast television programmes and the exploitation of television formats

Following the acquisition of the RDF Media Group by Zodiak Media SA, the company has operated as the main UK distribution entity for the combined group since 1 January 2011

On 1 January 2011, Zodiak Media UK Limited purchased the company's investment in 70% of the issued share capital of Dangerous Films Limited at a consideration of £2,520,000, as part of a Zodiak UK legal restructure On the same date, the company acquired the rights division of Zodiak Media (Central) Limited at a consideration of £2,587,000

The entity's key performance indicators are revenue and operating profit which are disclosed in the profit and loss account within the financial statements

Principal risks and uncertainties

The Zodiak Media Group manages business and financial risks and uncertainties at group level, rather than on an individual company basis and for this reason the directors believe that the company has reduced exposure to business and financial risks

Commercial risk

The principal commercial risks inherent in the activities of the company relate to the ability of the company to maintain a catalogue of television programmes which will sell around the world The company aims to manage this risk by maintaining a diversified catalogue of television programmes and selling into more than one territory

Currency risk

The company is exposed to currency risk by virtue of the significant proportion of its business being invoiced in foreign currencies The company uses short-term foreign exchange forward contracts and holds cash in foreign currencies in order to hedge these exposures

Credit risk

The principal credit risk arises from trade debtors The company aims to manage this risk by setting limits for customers based on a combination of payment history and third party credit references, which are reviewed on a regular basis in conjunction with debt aging and collection history

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 judgements and 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, and
- 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 proper 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 auditor's report

to the members of Zodiak Rights Limited

We have audited the financial statements of Zodiak Rights Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 23 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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 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

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 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 the 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 2011 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

Independent auditor's report

to the members of Zodiak Rights 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

Ernst & Young LLP

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

28 March 2014

Profit and loss account

for the year ended 31 December 2011

	Notes	2011 £000	2011 £000	2010 £000
Revenue	3		19,509	6,380
Cost of sales			(762)	(966)
Gross profit			18,747	5,414
Administrative expenses				
Before exceptional items		(18,370)		(5,323)
Impairment of investments		(1,080)		–
			(19,450)	(5,323)
Operating (loss)/profit	4		(703)	91
Interest receivable and similar income	6		227	3
Interest payable and similar charges	7		(304)	(243)
Loss on ordinary activities before taxation			(780)	(149)
Tax on loss on ordinary activities	8		(798)	(353)
Loss for the financial year	18		(1,578)	(502)

All transactions arise from continuing operations

Statement of total recognised gains and losses

for the year ended 31 December 2011

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £1,578,000 for the year ended 31 December 2011 (2010 loss of £502,000)

Balance sheet

at 31 December 2011

	Notes	2011 £000	2010 £000
Fixed assets			
Intangible assets	9	5,725	755
Tangible assets	10	1,311	995
Investments	11	–	3,600
		7,036	5,350
Current assets			
Debtors	12	33,794	8,537
Cash at bank and in hand		2,341	3,469
		36,135	12,006
Creditors amounts falling due within one year	13	(45,913)	(15,034)
Net current liabilities		(9,778)	(3,028)
Total assets less current liabilities		(2,742)	2,322
Creditors amounts falling due after more than one year	14	–	(3,486)
Net liabilities		(2,742)	(1,164)
Capital and reserves			
Called up share capital	17	1,000	1,000
Profit and loss account	18	(3,742)	(2,164)
Shareholders' deficit	18	(2,742)	(1,164)

The financial statements were approved by the board of directors and authorised for issue on

M Honeybone
Director

28 MAR 2012

Notes to the financial statements

at 31 December 2011

1. Going concern

The financial statements have been prepared on a going concern basis The company has made a loss in the current year and has both net liabilities and net current liabilities at 31 December 2011 The company is expected to be profitable and net cash generative in 2012 and the foreseeable future, given that, with the exception of specific programme advances and development funding, payment to rights owners are not made until money has been received from the licensee

In addition, the company's intermediate parent undertaking, Zodiak Media SA has agreed to provide financial support as necessary for a period of at least twelve months from the date the directors approve the financial statements of the company The directors, having made sufficient enquiries, are satisfied that Zodiak Media SA is in a position to provide the level of support required and hence have concluded that it is appropriate to prepare the financial statements on a going concern basis

2. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

Basis of consolidation

The company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of Section 400 of the Companies Act 2006 These financial statements therefore present information about the company as an individual undertaking and not about its group

Statement of cash flows

The company has taken advantage of the exemption available under FRS 1 not to prepare a statement of cash flows as the company is a subsidiary of a group whose financial statements that include a statement of cash flows are publicly available

Revenue recognition

Distribution revenues are recognised once the rights are transferred to the client, on the basis of a signed agreement, and only once the licensing period has begun

Revenue not meeting these conditions is deferred Revenue invoiced but not yet recognised in the profit and loss account is held on the balance sheet within accruals and deferred income

Distribution revenues are presented net of payback to producers and other rights owners

Inter-group income relating to recharges of shared service costs is recognised in the financial statements on an accruals basis

Royalty income is recognised based on the statement received from the licensee of the rights in the period in which the statement is received

Interest income

Income is recognised as interest accrues using the effective interest method

Notes to the financial statements

at 31 December 2011

2. Accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows

Short leasehold improvements	–	over the lease term
Office equipment	–	over 3 to 5 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Intangible fixed assets and amortisation

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses Intangible fixed assets include production investments, dubbing costs and capitalised website costs

Production investments

Programme rights advances and capitalised direct costs of less than €500,000 are amortised over three years Programme rights advances of more than €500,000 are amortised over the period the company expects to benefit from the use of the intangible asset, on an individual rights basis, to the extent to which the revenue generated in each period contributes to the expected total revenue, with a maximum of ten years Provision is made for any impairment

Website development costs

Design and content development costs are capitalised only to the extent that they lead to the creation of an enduring asset delivering benefits at least as great as the amount capitalised If there is insufficient evidence on which to base reasonable estimates of the economic benefits that will be generated in the period until the design and content are next updated, the costs of developing the design and content are charged to the profit and loss account as incurred

Capitalised website development costs are amortised over three years

Provisions for liabilities

A provision is recognised when the group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at net proceeds After initial recognition, debt is increased by the finance cost in respect of the reporting period and reduced by repayments made in the period

Notes to the financial statements

at 31 December 2011

2. Accounting policies (continued)

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 exception

- 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

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date

All differences are taken to the profit and loss account

Leasing commitments

Rentals paid under operating leases are charged to income on a straight line basis over the lease term

Financial instruments

Derivative instruments are used for hedging purposes to alter the risk profile of an existing underlying exposure of the company in line with the company's risk management policies Gains and losses on forward foreign currency contracts, which hedge future sales denominated in foreign currencies, are taken to the profit and loss account on maturity to match the underlying transactions Income and expenditure arising on financial instruments is recognised on the accruals basis or charged to the profit and loss account in the financial period to which it relates Termination payments are taken to the profit and loss account as incurred

Retirement benefits

The company operates a defined contribution pension scheme Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

Notes to the financial statements

at 31 December 2011

3 Revenue

Revenue, which is stated net of value added tax and paybacks to producers and other rights owners, represents amounts invoiced to third parties and is attributable to the distribution of broadcast television programmes and formats, and associated merchandising and licensing rights

Gross revenue for the year, before paybacks to producers and other rights owners, was £55,230,000 (2010 £17,084,420)

The company's revenue was all derived from its continuing principal activities

Analysis of revenue by geographical market is given below

	2011	*2010*
	£000	*£000*
United Kingdom	1,294	206
United States	3,800	2,290
Rest of Europe	5,559	2,807
Rest of World	8,856	1,077
	19,509	6,380

4. Operating loss/profit

This is stated after charging

	2011	*2010*
	£000	*£000*
Depreciation of owned fixed assets	475	277
Amortisation of intangible fixed assets	6,092	241
Loss on disposal of investment in a subsidiary	1,080	214
Operating lease rentals – land and buildings	258	255
Foreign exchange losses	309	238
Restructuring/redundancy costs	206	789

The audit fee for 2011 was borne by Zodiak Media (Central) Limited, a fellow subsidiary undertaking, on behalf of the company

Notes to the financial statements

at 31 December 2011

5. Staff costs

(a) Staff costs

Staff costs during the year were as follows

	2011	*2010*
	£000	*£000*
Wages and salaries	5,652	1,583
Social security costs	687	194
	6,339	1,777

The average monthly number of employees during the year was made up as follows

	2011	*2010*
	No	*No*
Sales	74	13
Administration, legal and finance	39	14
Development	10	11
	123	38

The split of headcount has been amended in the current year to better reflect the structure of the business

(b) Directors' remuneration

	2011	*2010*
	£000	*£000*
Aggregate remuneration in respect of qualifying services	471	–
Aggregate amounts receivable under long term incentive plans	–	–
	471	–

In respect of the highest paid director

	2011	*2010*
	£000	*£000*
Aggregate remuneration	310	–

Remuneration for two of the five directors of the company is paid directly by the company, with the remaining remuneration paid for by a sister company as well as the parent of the company

In 2010, remuneration for all directors of the company was paid for by sister and parent companies

Remuneration paid for by sister and parent companies is recharged to the company as part of a wider management fee based on a reasonable apportionment of the amount attributable to the company

Notes to the financial statements

at 31 December 2011

6 Interest receivable and similar income

	2011 £000	2010 £000
Bank interest	–	3
Interest receivable from group undertakings	227	–
	227	3

7. Interest payable and similar charges

	2011 £000	2010 £000
Interest payable to group undertakings	258	230
Bank interest	5	–
Bank charges	41	13
	304	243

8 Tax

(a) Tax on loss on ordinary activities

The tax charge is made up as follows

	2011 £000	2010 £000
Current tax		
UK corporation tax on the loss for the year	–	–
Foreign tax	909	353
Total current tax (note 8(b))	909	353
Deferred tax		
Origination and reversal of timing differences (note 15)	(111)	–
Tax charge on loss on ordinary activities	798	353

Notes to the financial statements

at 31 December 2011

8. Tax (Continued)

(b) Factors affecting tax for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 26 5% The differences are explained below

	2011	*2010*
	£000	*£000*
Loss on ordinary activities before tax	(780)	(149)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26 5% (2010 28%)	(207)	(42)
Effects of		
Expenses not deductible for tax purposes	369	2
Difference between capital allowances and depreciation	76	(18)
Foreign tax charge	668	353
Tax losses arising during the year	3	28
Difference in tax rates	–	26
Other timing differences	–	4
Current tax for the year (note 8(a))	909	353

(c) Factors affecting future tax charges

The following changes were announced in the UK Budget on 21 March 2012

(i) The tax rate was 28% until 1 April 2011 The Finance Act 2011 included legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 As this change was substantively enacted on 5 July 2011 and therefore before the balance sheet date, deferred tax is recognised at 25% in the current period

On 21 March 2012, the Chancellor announced that the main rate of corporation tax will in fact reduce from 26% to 24% from 1 April 2012, with further reductions to the main rate to reduce the rate by 1% per annum to 22% by 1 April 2014

The effect on the company of further proposed reductions in the UK main rate of corporation tax will be reflected in the company's financial statements in future years, as appropriate, once the changes have been substantively enacted

(ii) the rate of annual writing down allowances on qualifying plant and machinery will reduce by 2%, to 18% for the general capital allowances pool and to 8% for the integral features pool, with effect from 1 April 2012

Notes to the financial statements

at 31 December 2011

9. Intangible fixed assets

	Production Investments £000	*Dubbing Costs £000*	*Capitalised Website Costs £000*	*Total £000*
Cost				
As at 1 January 2011	364	412	238	1,014
Intangible assets acquired (Note 16)	4,672	–	–	4,672
Additions	6,268	–	122	6,390
At 31 December 2011	11,304	412	360	12,076
Amortisation				
As at 1 January 2011	104	53	102	259
Charge for the year	5,868	137	87	6,092
At 31 December 2011	5,972	190	189	6,351
Net book value				
At 31 December 2011	5,332	222	171	5,725
At 1 January 2011	260	359	136	755

Notes to the financial statements

at 31 December 2011

10. Tangible fixed assets

	Office Equipment £000	*Short leasehold improve-ments £000*	*Total £000*
Cost			
As at 1 January 2011	410	912	1,322
Fixed assets acquired (Note 16)	169	327	496
Additions	295	–	295
At 31 December 2011	874	1,239	2,113
Depreciation			
As at 1 January 2011	63	264	327
Charge for the year	208	267	475
At 31 December 2011	271	531	802
Net book value			
At 31 December 2011	603	708	1,311
At 1 January 2011	347	648	995

Notes to the financial statements

at 31 December 2011

11. Investments

	Subsidiary undertakings £000
At 1 January 2011	3,600
Disposal	(3,600)
At 31 December 2011	–

Subsidiary undertakings	*Country of incorporation*	*Shares held*	*Holding*	*Principal activity*
Zodiak Rights SA	France	Ordinary	100%	Television Production

On 1 January 2011, Zodiak Rights Limited sold Dangerous Films Limited to Zodiak Media UK Limited at a consideration of £2,520,000 as part of a UK legal restructure Loss on disposal of investment in subsidiary of £1,080,000 was recognised in the profit and loss account

12 Debtors

	2011 £000	*2010 £000*
Trade debtors	30,270	4,175
Other debtors	47	–
Prepayments and accrued income	551	338
Amounts owed by group undertakings	2,147	3,356
Deferred tax asset (Note 15)	779	668
	33,794	8,537

£422,000 of the deferred tax asset is due after more than one year (2010 £634,000)

£3,984,000 of trade debtors are due after more than one year (2010 £153,000)

Notes to the financial statements

at 31 December 2011

13 Creditors: amounts falling due within one year

	2011 *£000*	*2010* *£000*
Trade creditors	2,167	197
Other taxes and social security costs	259	118
Finance lease creditor	23	–
Accruals and deferred income	40,232	10,074
Amounts owed to group undertakings	3,232	4,645
	45,913	15,034

Amounts owed to group undertakings are unsecured, interest free and repayable on demand

14. Creditors: amounts falling after more than one year

	2011 *£000*	*2010* *£000*
Amounts owed to group undertakings	–	3,486

15. Deferred tax

The movement in the deferred tax asset during the year was

	2011 *£000*	*2010* *£000*
Balance brought forward	668	668
Profit and loss account movement arising during the year (note 8(a))	111	–
Balance carried forward (Note 12)	779	668

The deferred tax asset consists of the tax effect of timing differences in respect of

	2011 *£000*	*2010* *£000*
Excess of tax allowances over depreciation on fixed assets	161	48
Unutilised tax losses	615	620
Other timing differences	3	–
Deferred tax asset	779	668

Notes to the financial statements

at 31 December 2011

16 Acquisition

On 1 January 2011, the company acquired the trade, net assets and liabilities of the distribution arm of RDF Media Limited, a fellow group undertaking of Zodiak Media SA, at net book value for consideration of £2,587,000

Net assets at the date of acquisition were

	Net assets £000
Intangible fixed assets	4,672
Tangible fixed assets	496
Cash at bank	2,561
Debtors	25,145
Creditors due within one year	(30,287)
Net assets acquired	2,587

17. Issued share capital

Allotted, called up and fully paid	*2011 No*	*2011 £000*	*2010 No*	*2010 £000*
Ordinary shares of £1 each	1,000,001	1,000	1,000,001	1,000

18 Reconciliation of shareholders' deficit and movements on reserves

	Share capital £000	*Profit and loss account £000*	*Total share-holders' deficit £000*
At 1 January 2010	1,000	(1,662)	(662)
Loss for the year	–	(502)	(502)
At 31 December 2010	1,000	(2,164)	(1,164)
Loss for the year	–	(1,578)	(1,578)
At 31 December 2011	1,000	(3,742)	(2,742)

Notes to the financial statements

at 31 December 2011

19. Other financial commitments

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings £000	*Plant and machinery £000*
Operating leases which expire		
Within one year	258	–
In two to five years	–	–
Over five years	–	–
	258	–

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings £000	*Plant and machinery £000*
Operating leases which expire		
Within one year	–	6
In two to five years	258	–
Over five years	–	–
	258	6

20. Derivatives

The fair value of derivative contracts outstanding as at the balance sheet date is £4,000 (2010 nil)

Notes to the financial statements

at 31 December 2011

21. Contingent liabilities

At the balance sheet date, the company was party to a cross-company guarantee covering the UK Zodiak Media Group of companies, under which all surplus cash balances are held as collateral for bank facilities advanced to group members In addition, the company had issued an unlimited guarantee to the bank to support these facilities Details of these facilities are disclosed in the financial statements of Zodiak Media Limited which are publicly available

In the framework of the refinancing of the Zodiak Media Group that occurred on 11 January 2012, the existing cross-company guarantees were released and the company became a party to the Senior Facility Agreement as guarantor As such, it guarantees, severally and jointly with other obligors, the payment, when due, of all sums from time to time payable by each obligor under the finance agreements Details of these facilities are disclosed in the financial statements of Zodiak Media SA which are publicly available

In addition, further to the refinancing of the group, the company entered with other UK Zodiak Media Group companies into a new cash pooling arrangement with the Royal Bank of Scotland, under which the company has issued an unlimited inter-company guarantee to the bank, as well as given the bank right of set-off against debit balances of other UK Zodiak Media Group companies

22 Related party transactions

Transactions with group companies are exempt from disclosure under the provisions of FRS 8 'Related party transactions' for subsidiaries which are wholly owned Management have however highlighted the following transactions

The company was charged £2,511,000 (2010 £525,000) by companies in the Zodiak Media SA group in respect of services received and £258,000 (2010 £230,000) in respect of interest on intercompany loans It charged £1,762,000 (2010 £4,170,000) to companies in the Zodiak Media SA group in respect of services rendered and £221,000 (2010 nil) in respect of interest on intercompany loans It was owed £2,147,000 (2010 £3,356,000) at the year-end by companies in that group and in turn owed £3,232,000 (2010 £8,132,000) to companies in that group

Zodiak Media SA is the company's parent undertaking and a subsidiary undertaking in the B & D Holding di Marco Drago e C s a p a group

23. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Zodiak Media SA, a company incorporated in France

The ultimate parent undertaking and controlling party and the parent undertaking of the smallest and largest group which includes the company and for which publicly available group financial statements are prepared, is B & D Holding di Marco Drago e C s a p a , incorporated in Italy Copies of these financial statements can be obtained from Via G da Verrazano 15, 28100 Novara, Italy The financial statements are filed and publicly available