

Company Registration No. 1886042

AMENDING.

19 Entertainment Limited

Report and Financial Statements

Year ended 31 December 2012

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19 Entertainment Limited

Report and financial statements 2012

Contents	Page
Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	5
Independent auditor's report	6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9

19 Entertainment Limited

Report and financial statements 2012

Officers and professional advisers

Directors

Marc Graboff
Peter Hurwitz
Kimberly Williams

Secretary

Abogado Nominees Limited

Registered Office

100 New Bridge Street
London
EC4V 6JA

Bankers

Natwest Bank Plc
Bloomsbury Parr's
PO Box 158
214 Holborn
London
WC1V 7BX

Solicitors

Baker & McKenzie LLP
100 New Bridge Street
London
EC4V 6JA

Auditor

PricewaterhouseCoopers LLP
St Albans

19 Entertainment Limited

Directors' report

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

Enhanced business review

The Group made a profit after tax of \$44,900,189 (2011: \$48,886,006). The Company made a profit after tax of \$899,962 (2011: \$1,299,535).

Following a significant restructuring of the 19 Entertainment businesses to focus on core projects and the resulting closure of the London office in 2010, all functions previously performed by employees of the Group are now performed in the US by employees of the Company's US subsidiary 19 Entertainment Inc. and the Company's US parent Core Media Group Inc. Certain associated costs and revenues were shifted to US subsidiaries of 19 Entertainment Ltd in 2011 by assigning the relative responsibilities for funding the joint companies' activities and splitting accordingly the associated revenues, including the multiple complementary revenue streams, including, for example, television, sponsorship, merchandising and touring.

The Group's strategy is to license its ownership interest in entertainment content and to seek to enhance the value of that content. The Group's primary revenue sources include license fees and royalties from the sale of the *Dance* and *IDOLS* television formats, live performance tours based on *American Idol* and *Dance*, branded merchandise, recorded music artists and fee income from management clients. The directors believe the Group is well placed to exploit future licensing and royalty opportunities and intends to take steps to develop the business in future years.

IDOLS

19 TV Limited, a subsidiary of the Company, owns the *IDOLS* television show format, which is exploited worldwide in conjunction with our global television production & distribution partner FremantleMedia. *IDOLS* revenue is derived from licensing the *IDOLS* television show format in various countries and ancillary revenue streams from the *IDOLS* brand.

Most of the *IDOLS* related revenue is generated through agreements with FremantleMedia, and our contractual global record label partners Sony Music Entertainment and Universal Music Group.

A portion of the revenue from the *American Idol* series is dependent upon the number of hours of programming delivered. In the eleventh broadcast season, which aired during 2012, the Company's US subsidiary and Fremantle Media delivered 59 hours of programming to the Fox Broadcasting Network ("Fox") compared to 55 hours of programming during the same period of 2011.

So You Think You Can Dance

19 Entertainment Limited created, and a US subsidiary co-produces, the television show *Dance*, which has been broadcast in the US on Fox since the summer of 2005 and in numerous other countries.

A portion of the revenue from the *Dance* series is dependent upon the number of hours of programming delivered. In the eighth broadcast season, which aired during 2011, and the ninth broadcast season, which aired during 2012, the Company's US subsidiary delivered 37 hours and 30 hours, respectively, of *Dance* programming to Fox.

Touring

With the success of the *American Idol* and *Dance* productions, touring has become an additional source of revenue for 19 Touring LLC, a subsidiary of the Company, which it generated from ticket sales. 19 Touring LLC receives from the contracted tour promoters a minimum guarantee on ticket sales, which ensures tour revenue will be sufficient to fund the costs of producing the tours. Additional ticket sale revenue may be earned, contingent upon 19 Touring's share of ticket sales surpassing the minimum guarantee. 19 Touring LLC also earns ancillary revenue streams including tour merchandise and sponsorships. In the summer and fall of 2012, the *Dance* tour played 30 dates in cities and venues across the US and Canada, the *American Idol* tour played 46 dates across the US, Canada and the Philippines.

Key performance indicators

The key factors affecting the profitability of the Group are as follows:

- The number of hours of *American Idol* and *Dance* shows broadcast on the Fox network.
- Ratings of *American Idol* and *Dance* shows on the Fox network. This directly affects the TV revenue we generate and is also an early indicator for touring, sponsorship and merchandising revenues.

19 Entertainment Limited

Directors' report

Principal risks and uncertainties facing the group

We are dependent upon a limited number of brands which may, over time, decline in popularity

We rely heavily upon the continued appeal of the *American Idol* and *Dance* brands in the US and, to a lesser extent, its foreign adaptations. Our revenues and income derived from those television programs depend primarily upon the initial and continued acceptance of that programming by the public.

Our success depends, to a significant degree, on our relationships with third parties, including our television broadcasters. Although we have strong relationships in the entertainment industry, there can be no guarantee that these relationships will endure or that our production and distribution partners will honor their obligations to us.

Certain affiliates and third parties have the right to exploit our intellectual property for commercial purposes and may exercise those rights in a manner that negatively affects our business.

Financial risk management objectives and policies

The Group's activities expose it to a number of financial risks including cash flow risk and credit risk. The Group does not currently use derivative financial instruments for hedging or speculative purposes.

Currency risk

Although the Group's functional currency is the US Dollar, the Group derives a portion of its revenue from foreign currencies and incurs certain costs in Pounds Sterling. If currency exchange rates were to change unfavourably, our financial results could be negatively impacted.

Credit risk

The Group's principal financial assets are cash, trade and other receivables.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Dividends

The directors do not recommend a dividend payment in the current year (2011 \$nil).

Going concern

After making enquiries, including considering overall financial resources of the Core Media Group companies, and the future revenues and costs of the Group, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern can be found in note 1 "Accounting Policies" in the financial statements.

Directors

The directors, who served throughout the year except as noted, were as follows:

T P Benson	(resigned 2 October 2012)
Kraig Fox	(resigned 1 August 2012)
Michael Ferrel	(appointed 5 January 2012, resigned 17 January 2012)
Marc Graboiff	(appointed 13 March 2012)
Peter Hurwitz	(appointed 16 August 2012)
Kimberly Williams	(appointed 2 October 2012)

19 Entertainment Limited

Directors' report

Disclosure of relevant information to the auditor

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

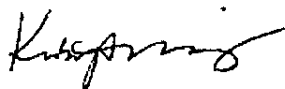
- so far as the director is aware, there is no relevant audit information of which the Groups auditor is unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Groups auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Auditor

PricewaterhouseCoopers LLP were appointed as the Group's auditor for the year ended 31 December 2012. They have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board



Kimberly Williams
Director
24 October 2013

19 Entertainment Limited

Directors' responsibilities statement

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 Group and of the profit or loss of the Group 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 accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 19 ENTERTAINMENT LIMITED

We have audited the group and parent company financial statements (the "financial statements") of 19 Entertainment Limited for the year ended 31 December 2012 which comprise the Group and Company Profit and Loss Account, the Group and Company Balance Sheets 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 Directors' Responsibilities Statement set out on page 5, 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 group's and parent 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 financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the company's affairs as at 31 December 2012 and of the group's profit and the company's 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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

Andrew Latham (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
30 October 2013

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19 Entertainment Limited

Profit and loss account Year ended 31 December 2012

	Notes	Group		Company	
		\$	\$	\$	\$
		2012	2011	2012	2011
Turnover	1,2	157,766,163	195,080,856	8,464,738	29,026,422
Cost of sales		(91,380,678)	(115,613,989)	(7,666,703)	(19,278,267)
Gross profit		66,385,485	79,466,867	798,035	9,748,155
Other income		-	-	487,593	-
Administrative expenses		(4,709,874)	(13,302,185)	-	(8,415,110)
Operating profit	3,4	61,675,611	66,164,682	1,285,628	1,333,045
Interest receivable	6	475,847	525,065	480,821	535,957
(Loss) on the sale of fixed assets	7	-	(1,282)	-	-
Profit/(loss) on the sale or termination of an operation	7	170,985	(108,911)	(943,906)	(49,793)
(Loss) on forgiveness of intercompany indebtedness	7	-	(145,431)	-	(145,431)
Profit on ordinary activities before taxation		62,322,443	66,434,123	822,543	1,673,778
Tax (charge)/credit on profit on ordinary activities	8,9	(17,422,254)	(17,548,117)	77,419	(374,243)
Profit on ordinary activities after taxation		44,900,189	48,886,006	899,962	1,299,535

The above results are derived from continuing activities

There are no recognised gains or losses for the current or prior year, other than as stated in the profit and loss account. Accordingly, no statement of total recognised gains and losses has been presented.

19 Entertainment Limited

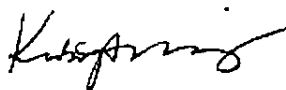
Balance sheet 31 December 2012

	Notes	Group		Company	
		\$	\$	\$	\$
		2012	2011	2012	2011
Fixed assets					
Tangible fixed assets	10	519,470	751,384	-	-
Investments	11	56,497	16,231	7,403,871	17,199
		<u>575,967</u>	<u>767,615</u>	<u>7,403,871</u>	<u>17,199</u>
Current assets					
Debtors-due within one year	12	199,512,819	195,728,650	168,899,075	174,341,981
-due after one year	12	25,900,321	13,910,304	-	-
Cash at bank and in hand		3,356,923	15,574,072	274,410	4,887,433
		<u>228,770,063</u>	<u>225,213,026</u>	<u>169,173,485</u>	<u>179,229,414</u>
Total current assets					
		228,770,063	225,213,026	169,173,485	179,229,414
Creditors: amount falling due within one year	13	(37,719,656)	(79,112,489)	(195,342,909)	(198,912,128)
		<u>191,050,407</u>	<u>146,100,537</u>	<u>(26,169,424)</u>	<u>(19,682,714)</u>
Net current assets/(liabilities)					
		191,050,407	146,100,537	(26,169,424)	(19,682,714)
Creditors amounts falling due after more than one year	14	(2,498,179)	(2,640,146)	(93,020)	(93,020)
		<u>191,626,374</u>	<u>146,868,152</u>	<u>(18,765,553)</u>	<u>(19,665,515)</u>
Total assets less current liabilities					
		191,626,374	146,868,152	(18,765,553)	(19,665,515)
Net assets/(liabilities)					
		<u>189,128,195</u>	<u>144,228,006</u>	<u>(18,858,573)</u>	<u>(19,758,535)</u>
Capital and reserves					
Called up share capital	16	288	288	288	288
Share premium account	17	7,879,704	7,879,704	7,879,704	7,879,704
Profit and loss account	18	181,248,203	136,348,014	(26,738,565)	(27,638,527)
		<u>189,128,195</u>	<u>144,228,006</u>	<u>(18,858,573)</u>	<u>(19,758,535)</u>
Shareholder's funds/(deficit)	19				
		<u>189,128,195</u>	<u>144,228,006</u>	<u>(18,858,573)</u>	<u>(19,758,535)</u>

The notes on pages 9 to 19 form an integral part of the financial statements

The financial statements of 19 Entertainment Limited registered number 1886042 were approved by the Board of Directors on 24 October 2013

Signed on behalf of the Board of Directors



Kimberly Williams
Director

19 Entertainment Limited

Notes to the financial statements Year ended 31 December 2012

1. Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding period.

Change in accounting policies

As outlined in more detail in the *Basis of consolidation* paragraphs below, the Company has elected to no longer take exemptions from consolidation available to it and presents consolidated financial statements for the Group with comparatives as applicable. There have been no other changes in accounting policies during the current year.

Presentational currency

The Group's functional currency is the US Dollar. The reporting currency is also the US Dollar.

Basis of consolidation

These financial statements have been prepared on a consolidated basis as the Group has elected to no longer take advantage of the exemptions available to it under s400(1) of the Companies Act 2006 and FRS 2 "Accounting for Subsidiary Undertakings" not to produce consolidated accounts. In producing consolidated accounts at this level, the subsidiaries of the Company are eligible to take advantage of the audit exemption available to them under s470A of the Companies Act 2006 relating to subsidiary companies.

The consolidated financial statements include the Company and all its wholly-owned subsidiary undertakings. Uniform group accounting policies have been used in preparing the financial statements. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from, or to, the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

Joint ventures

Entities in which the Group holds an interest on a long-term basis and over whose activities the Group has joint control, established by contractual agreement, are classified as joint ventures. The consolidated financial statements include the Group's share, based on its ownership interest, of the profits less losses of joint ventures in the consolidated income statement and its interest in their assets and liabilities in the consolidated balance sheet using the gross equity method. Where increases in the ownership interests result in entities becoming controlled by the Group, joint venture accounting is suspended from the date of change of control.

Turnover

Turnover represents the value of goods and services provided, net of value added taxation. The directors do not consider any one part of the worldwide market to be significantly different from any other. Full segmental information has not been disclosed as permitted by Statement of Standard Accounting Practice No. 25 Segmental Reporting. In the opinion of the directors, such disclosure would be commercially sensitive.

Cash flow

The company is a wholly-owned subsidiary of CORE Entertainment Inc and is included in the consolidated financial statements of CORE Entertainment Inc and, has taken advantage of the exemption allowed by Financial Reporting Standard No 1 (revised) not to prepare a cash flow statement. Consolidated financial statements of CORE Entertainment Inc are available to the public, on written request to Chief Financial Officer, CORE Entertainment Inc, 900 Third Avenue, New York NY 10022.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

19 Entertainment Limited

Notes to the financial statements Year ended 31 December 2012

1 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of any depreciation and any provision for impairment. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of the asset as follows:

Furniture and equipment	-	25% per annum on cost
Leasehold improvements	-	over the period of the lease
Plant machinery	-	25% per annum on cost

Investments

Fixed asset investments are stated at cost less provision for impairment.

Operating leases

The company enters into operating leases as described in note 5. Rentals under operating leases are charged at actual cost as payments come due rather than on a straight-line basis over the lease term, as the company has determined the difference between straight-line and actual cost is immaterial.

Going concern

The Directors have considered the use of the going concern basis in the preparation of the financial statements in light of current market conditions and concluded that it is appropriate. In coming to this conclusion, the Directors have considered the cash requirements of the Group for the period of 12 months from the signing of the financial statements. After making enquiries and taking account of the factors noted above, the Directors have a reasonable expectation that the Group will have access to adequate resources to continue in existence for the foreseeable future.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

2 Turnover

The turnover and profit before tax are attributable to the principal activities of the company.

An analysis of turnover is given below:

	Group		Company	
	\$	\$	\$	\$
	2012	2011	2012	2011
Third Party Sales	157,766,163	195,080,856	1,872,606	14,926,884
Management fees	-	-	6,592,132	14,099,538
	<u>157,766,163</u>	<u>195,080,856</u>	<u>8,464,738</u>	<u>29,026,422</u>

19 Entertainment Limited

Notes to the financial statements Year ended 31 December 2012

3 Operating profit

Operating profit is stated after charging/(crediting)

	Group		Company	
	\$	\$	\$	\$
	2012	2011	2012	2011
Depreciation of owned tangible fixed assets	381,421	422,082	-	-
Operating leases	829,792	888,361	-	56,235
Exchange (gains)/losses	(188,230)	668,277	(771,276)	(181,792)

Fees payable to the company's auditor for the audit of the company and their associates' consolidated financial statements have been borne in full in the current year by CORE Entertainment Inc. The portion of fees paid by CORE Entertainment Inc that were directly attributable to the 19 Entertainment Limited Group are detailed below

	Group		Company	
	\$	\$	\$	\$
	2012	2011	2012	2011
Fees payable to the Company's auditor for the audit of the annual accounts	94,000	94,000	-	2,401
Fees payable to the Company's auditor and their associates for audit of the Company's subsidiaries pursuant to legislation	809,143	715,942	-	-
Fees payable to the Company's auditor and their associates for tax advisory services	134,173	491,267	-	-
Total audit fees	1,037,316	1,301,209	-	2,401

There are no other fees payable to the company's auditor

19 Entertainment Limited

Notes to the financial statements Year ended 31 December 2012

4. Directors and employees

(a) Employee numbers

The average number of employees during the period including directors was

	Group		Company	
	\$	\$	\$	\$
	2012	2011	2012	2011
Distribution	38	38	-	1
Administration	16	16	-	-
	<u>54</u>	<u>54</u>	<u>-</u>	<u>1</u>

(b) Staff costs

	Group		Company	
	\$	\$	\$	\$
	2012	2011	2012	2011
The aggregate term remuneration comprised				
Gross wages and salaries	6,800,812	8,088,166	-	106,219
Social security costs	461,602	552,681	-	179,359
	<u>7 262,414</u>	<u>8,640,847</u>	<u>-</u>	<u>285,578</u>

(c) Directors' remuneration

	Group		Company	
	\$	\$	\$	\$
	2012	2011	2012	2011
Emoluments	<u>515,321</u>	<u>610,142</u>	<u>-</u>	<u>-</u>

5. Lease Commitments

The Group had annual commitments under non-cancellable operating leases as set out below

	Group		Company	
	\$	\$	\$	\$
	2012	2011	2012	2011
Operating leases which expire				
Within one year	1,436,000	1,716,000	-	-
In one to two years	1,139,000	2,715,000	-	-
Less sublease income	(829,000)	(1,542,000)	-	-
	<u>1,746,000</u>	<u>2,889,000</u>	<u>-</u>	<u>-</u>

19 Entertainment Limited

Notes to the financial statements Year ended 31 December 2012

6. Interest

	Group		Company	
	\$	\$	\$	\$
	2012	2011	2012	2011
Bank interest (paid)/received	(4,898)	28,190	532	26,951
Interest on note receivable	(538)	27,722	(538)	27,722
Interest on amounts owed from group undertakings	480,989	480,990	480,989	480,990
Interest received/(paid) on corporate tax	294	(11,837)	(162)	294
	<u>475,847</u>	<u>525,065</u>	<u>480,821</u>	<u>535,957</u>

7. Exceptional Items

	Group		Company	
	\$	\$	\$	\$
	2012	2011	2012	2011
(Loss) on the sale of fixed assets	-	(1,282)	-	-
Profit/(loss) on the sale or termination of an operation	170,985	(108,911)	(943,906)	(49,793)
(Loss) on forgiveness of intercompany indebtedness	-	(145,431)	-	(145,431)
	<u>170,985</u>	<u>(255,624)</u>	<u>(943,906)</u>	<u>(195,224)</u>

Beginning in 2009, Core Media Group Inc undertook an assessment of the strategic and structural needs of 19 Entertainment's creative development projects and market focus. This review resulted in a significant restructuring of the 19 Entertainment businesses in 2010 to focus on core projects and the resulting closure of the London office. This fundamental reorganisation of the company led to a number of exceptional costs being born by the entity. A further review of the business in 2011 led to the forgiveness of intercompany loans to two subsidiaries and the decision to enter voluntary liquidation on three international subsidiaries, two of which were located in Germany and one in France. The companies were officially closed resulting in the write-off of intercompany indebtedness during the current year. Also, there were additional gains recognized on the sale of two subsidiaries, which were initially reported in 2010 but for which the final accounting was received in 2012.

19 Entertainment Limited

Notes to the financial statements Year ended 31 December 2012

8. Tax charge on profit on ordinary activities

	Group		Company	
	\$	\$	\$	\$
	2012	2011	2012	2011
Current taxation				
United Kingdom corporation tax based on profits in the period at 24.5% (2011 26.5%)	6,788	19,192,008	6,787	-
Deferred expense allowed	-	(1,788)	-	-
Group relief for nil consideration	-	(2,004,902)	-	-
Adjustment in respect of previous periods	(76,235)	(18,394)	(37,499)	-
Foreign tax suffered	18,893,833	-	-	-
Foreign tax relief	(6,787)	-	-	-
Adjustment in respect of previous periods – foreign tax	74,748	-	-	-
Current tax charge/(credit) for the year	18,892,347	17,166,924	(30,712)	-
Deferred taxation				
Origination and reversal of timing differences	(1,425,753)	381,193	-	374,243
Effect of changes in tax rates	32,552	-	31,138	-
Adjustments in respect of previous periods	(76,892)	-	(77,845)	-
Tax charge/(credit) for the year	17,422,254	17,548,117	(77,419)	374,243

Factors affecting the current tax charge for the current period

The tax charge for the year differs from the standard rate of corporation tax in the UK of 24.5% (2011 26.5%)

The differences are explained below

	Group		Company	
	\$	\$	\$	\$
	2012	2011	2012	2011
Profit on ordinary activities before taxation	62,322,443	66,434,123	822,543	1,673,778
Tax charge at 24.5% (2011 26.5%)	15,268,528	17,605,042	201,601	443,551
Effects of				
Effect of gains (incl. Rollover relief)	1,013	-	1,013	-
Foreign withholding taxation credit	-	(377,968)	-	(377,968)
Depreciation in excess of capital allowances	(3,282)	(86,867)	-	(82,516)
Movement in short term timing differences	1,429,035	1,305,491	-	-
Expenses not deductible for tax purposes	97,923	32,947	444,680	16,933
Group relief for nil consideration	(4,257,194)	(3,876,815)	(640,507)	-
Adjustments to tax charge in respect of previous periods	(1,487)	(31,613)	(37,499)	-
Effects of other tax rates/credits	6,357,811	2,596,707	-	-
Current tax charge/(credit) for the year	18,892,347	17,166,924	(30,712)	-

19 Entertainment Limited

Notes to the financial statements Year ended 31 December 2012

8 Tax charge on profit on ordinary activities (continued)

The Finance Act (No 2) 2011, which provides for a reduction in the main rate of corporation tax from 26% to 24% effective from 1 April 2012, was substantively enacted on 21 July 2010. The Government also indicated it intended to enact future reductions in the main tax rate of 1% each year down to 22% by 1 April 2014.

In addition to the changes in rates of Corporation tax disclosed above, further changes to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2013 on 2 July 2013. These include reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015.

9 Deferred taxation

	Group		Company	
	\$	\$	\$	\$
	2012	2011	2012	2011
Accelerated capital allowances	4,840,518	3,370,426	358,087	311,380

The movement during the year in the deferred taxation asset was

	Group	Company
	\$	\$
Balance at 1 January 2012	3,370,426	311,380
Current year credit/(charge)	1,393,200	(31,138)
Adjustment in respect of prior years	76,892	77,845
Balance at 31 December 2012	4,840,518	358,087

10 Tangible fixed assets

	Leasehold Improvements \$	Furniture and equipment \$	Plant and machinery \$	Total \$
Cost				
At 1 January 2012	936,780	875,663	735,610	2,548,053
Additions	10,743	-	138,764	149,507
Disposals	-	-	(3,200)	(3,200)
At 31 December 2012	947,523	875,663	871,174	2,694,360
Depreciation				
At 1 January 2012	(516,388)	(733,217)	(547,064)	(1,796,669)
Additions	(167,127)	(93,667)	(120,627)	(381,421)
Disposals	-	-	3,200	3,200
At 31 December 2012	(683,515)	(826,884)	(664,491)	(2,174,890)
Net book value				
At 31 December 2012	264,008	48,779	206,683	519,470

19 Entertainment Limited

Notes to the financial statements Year ended 31 December 2012

11 Investments - Subsidiary undertakings

	<u>Group</u> <u>\$</u>	<u>Company</u> <u>\$</u>
Cost		
At 1 January 2012	16,231	17,199
Additions – Capital Contributions made to subsidiaries	40,266	9,051,083
At 31 December 2012	<u>56,497</u>	<u>9,068,282</u>
Provision for impairment		
At 1 January 2012		-
Impairment in the year –Shy Records Limited	-	(1,664,411)
At 31 December 2012	<u>-</u>	<u>(1,664,411)</u>
Net book value		
At 1 January 2012	16,231	17,199
At 31 December 2012	<u>56,497</u>	<u>7,403,871</u>

The parent company owns the issued share capital of the following companies, all incorporated in the United Kingdom except where indicated otherwise

Name of Subsidiaries	Nature of business	Class of shares Held	% of shares held - Direct or indirect
19 Merchandising Limited	Merchandising and Sponsorship	Ordinary	100%
19 Recordings Limited	Record Production	Ordinary	100%
19 TV Limited	TV production	Ordinary	100%
19 Management Limited	Music artist management	Ordinary	100%
19 Touring Limited	Artistes touring	Ordinary	100%
19 Productions Limited	Film development	Ordinary	100%
Brilliant 19 Limited	Music artist management	Ordinary	75%
19 Entertainment Inc (incorporated in USA)	TV production and music artist management	Ordinary	100%
Native Management Limited	Management of artistes	Ordinary	100%
Freedom Media Limited	Dormant	Ordinary	100%
19 Brands Limited	Dormant	Ordinary	100%
Core Group Productions Limited (formerly 19 Loves Music)	TV production	Ordinary	100%
19 Artist Tours Limited	Dormant	Ordinary	100%
Shy Records Limited	Music artist management	Ordinary	75%
Other investments			
Channel Bee Limited	Online Entertainment	Ordinary	50%
19 Fashionair Limited	Fashion website	Ordinary	50%

19 Entertainment Limited

Notes to the financial statements Year ended 31 December 2012

12 Debtors

	Group		Company	
	\$	\$	\$	\$
	2012	2011	2012	2011
Amounts falling due within one year				
Trade debtors	3,036,355	2,349,567	587,237	1,040,936
Amounts owed by group undertakings	168,624,671	156,747,815	162,428,460	162,995,287
Deferred production costs	1,666,665	-	-	-
Note receivable	-	1,482,301	-	1,482,301
Other debtors	1,804,967	2,936,865	10,118	5,239,381
Deferred tax asset (note 9)	4,840,518	3,370,426	358,087	311,380
Corporate tax receivable	6,086,218	6,106,444	4,172,018	-
Prepayments and accrued income	13,453,425	22,735,232	1,343,155	3,272,697
	<u>199,512,819</u>	<u>195,728,650</u>	<u>168,899,075</u>	<u>174,341,981</u>
Amounts falling due after one year				
Trade debtors	1,250,000	-	-	-
Security deposits	105,584	-	-	-
Amounts owed by group undertakings	24,544,737	13,910,304	-	-
	<u>25,900,321</u>	<u>13,910,304</u>	<u>-</u>	<u>-</u>

13 Creditors' amounts falling due within one year

	Group		Company	
	\$	\$	\$	\$
	2012	2011	2012	2011
Trade creditors	152,384	22,187	20,748	22,963
Amounts due to group undertakings	12,226,824	45,046,861	188,352,369	181,846,069
Other creditors (including tax and social security)	831,483	831,388	689,279	9,887
Corporate tax payable	-	-	-	277,399
Accruals and deferred income	24,153,350	32,905,065	6,280,513	16,755,810
Amounts owed under sale and leaseback	355,615	306,988	-	-
	<u>37,719,656</u>	<u>79,112,489</u>	<u>195,342,909</u>	<u>198,912,128</u>

14 Creditors' amounts falling due after one year

	Group		Company	
	\$	\$	\$	\$
	2012	2011	2012	2011
Tenant security deposits	93,020	93,020	93,020	93,020
Amounts due to group undertakings	592,721	473,045	-	-
Amounts owed under sale and leaseback	1,812,438	2,074,081	-	-
	<u>2,498,179</u>	<u>2,640,146</u>	<u>93,020</u>	<u>93,020</u>

19 Entertainment Limited

Notes to the financial statements Year ended 31 December 2012

15 Related party transactions

The Company is a subsidiary of Core Media Group Inc and, as such, has taken advantage of the exemption allowed by Financial Reporting Standard No 8 to not disclose details of transactions and balances with other related entities of Core Media Group Inc

16. Called up share capital

	Group		Company	
	\$	\$	\$	\$
	2012	2011	2012	2011
Authorised ordinary share capital				
97,500 voting shares of £0.01 each	1,553	1,553	1,553	1,553
2,500 non-voting share of £0.01 each	40	40	40	40
	<u>1,593</u>	<u>1,593</u>	<u>1,593</u>	<u>1,593</u>
Allotted, issued and fully paid up				
15,619 (2011: 15,619) voting shares of £0.01 each	248	248	248	248
2,500 (2011: 2,500) non-voting share of £0.01 each	40	40	40	40
	<u>288</u>	<u>288</u>	<u>288</u>	<u>288</u>

17 Share premium

	Group		Company	
	\$	\$	\$	\$
	2012	2011	2012	2011
Share premium	<u>7,879,704</u>	<u>7,879,704</u>	<u>7,879,704</u>	<u>7,879,704</u>

18 Reserves

	Group	Company
	\$	\$
As at 1 January 2012	136,348,014	(27,638,527)
Profit for year	<u>44,900,189</u>	<u>899,962</u>
	<u>181,248,203</u>	<u>(26,738,565)</u>

19 Entertainment Limited

Notes to the financial statements Year ended 31 December 2012

19 Reconciliation of movement in shareholder's funds/(deficit)

	Group		Company	
	\$	\$	\$	\$
	2012	2011	2012	2011
Profit for the period	44,900,189	48,886,006	899,962	1,299,535
Net addition to shareholder's funds/(deficit)	44,900,189	48,886,006	899,962	1,299,535
Opening shareholders' funds/(deficit)	144,228,006	95,342,000	(19,758,535)	(21,058,070)
Closing shareholders' funds/(deficit)	189,128,195	144,228,006	(18,858,573)	(19,758,535)

20 Contingent liabilities

The company has provided secured guarantees to the administrative agents (for the benefit of the respective lenders) in respect of the following credit facilities: Credit Agreement dated as of 21 June 2011, among CORE Entertainment Inc., CORE Media Group Inc. as borrower, the lenders party thereto and OneWest Bank, FSB (as successor to Goldman Sachs Bank USA) as administrative agent, as amended as of 9 December 2011, First Lien Term Loan Agreement dated as of 9 December 2011, among CORE Entertainment Inc. as Borrower, CORE Media Group Inc., the lenders party thereto and Goldman Sachs Bank USA as administrative agent, and Second Lien Term Loan Agreement dated as of 9 December 2011, among CORE Entertainment Inc. as Borrower, CORE Media Group Inc., the lenders party thereto and U.S. Bank National Association (as successor to Goldman Sachs Bank USA) as administrative agent. At 31 December 2012, guarantees outstanding amounted to \$360,000,000 (2011: \$360,000,000).

21 Ultimate parent company and controlling party

The directors regard CORE Entertainment Holdings Inc., a company incorporated in the United States, as the ultimate parent company and the ultimate controlling party. The immediate parent company is CORE MG UK Holdings Limited (formerly CKX UK Holdings Limited), a company incorporated in the United Kingdom and registered in England and Wales. CORE Entertainment Holdings Inc. is the largest and 19 Entertainment Limited is the smallest group for which consolidated accounts are prepared. Since 21 June 2011 CORE Entertainment Holdings Inc. is owned by investment funds managed by affiliates of Apollo Global Management LLC.

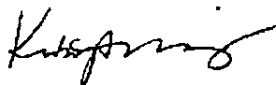
19 Entertainment Limited
Company number 1886042

Supplementary note to the financial statements
Year ended 31 December 2012

The disclosure in the accounting policies note of the original financial statements stated that the subsidiaries are claiming exemption from audit under s470A of the Companies Act 2006. This should read s479A of the Companies Act 2006.

This supplementary note, which has been prepared pursuant to section 454 of the Companies Act 2006 and regulations made pursuant thereto, revises the Original Report as at the date of the Original Report and not at the date of this supplementary note and does not deal with events between those dates. It should be treated as forming part of the Original Report. The Original Report as supplemented by this note shall together be the Revised Report.

Signed on behalf of the Board of Directors

A handwritten signature in black ink, appearing to read 'Kimberly Williams', is written over a horizontal line.

Kimberly Williams
Director
13 November 2013



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 19 ENTERTAINMENT LIMITED

We have audited the revised group and parent company financial statements of 19 Entertainment Limited for the year ended 31 December 2012 which comprise the Group and Parent Profit and Loss Account, the Group and Parent Balance Sheets, the related notes and the supplementary note. 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). These revised financial statements replace the original financial statements approved by the directors on 24 October 2013.

The revised financial statements have been prepared under the Companies (Revision of Defective Accounts and Reports) Regulations 2008 and accordingly do not take account of events which have taken place after the date on which the original financial statements were approved.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5 the directors are responsible for the preparation of the revised 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 revised 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 the Companies (Revision of Defective Accounts and Reports) Regulations 2008 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 revised financial statements

An audit involves obtaining evidence about the amounts and disclosures in the revised financial statements sufficient to give reasonable assurance that the revised 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 group's and 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 revised financial statements. In addition, we read all the financial and non-financial information in the Directors Report to identify material inconsistencies with the revised financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

The audit of revised financial statements includes the performance of procedures to assess whether the revisions made by the directors are appropriate and have been properly made.

Opinion on revised financial statements

In our opinion the revised financial statements

- give a true and fair view, seen as at the date the original financial statements were approved, of the state of the group's and the company's affairs as at 31 December 2012 and of the group's and the company's profits for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice seen as at the date the original financial statements were approved, and

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- have been prepared in accordance with the provisions of the Companies Act 2006 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 2008

Emphasis of matter – correction of typographical error

In forming our opinion on the revised financial statements, which is not modified, we have considered the adequacy of the supplementary note to these revised financial statements concerning the need to revise the Companies Act 2006 reference regarding subsidiary company audit exemptions. The original financial statements were approved on 24 October 2013. We have not performed a subsequent events review for the period from the date the original financial statements were approved to the date of this report.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion

- the original financial statements for the year ended 31 December 2012 complied with the requirements of the Companies Act 2006 as this correction relates to a disclosure pertaining to subsidiary exemptions from audit as opposed to any matters directly affecting the group and parent company financial statements.
- the information given in the revised Directors' Report for the financial year for which the revised financial statements are prepared is consistent with the revised 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 revised 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 'Andrew Latham'.

Andrew Latham (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
15 November 2013