

# **NOVA ENTERTAINMENT INVESTMENTS LIMITED**

Company number: 03673200

## **Annual report and financial statements For the year ended 31 December 2014**

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## **Corporate Information**

### **Directors**

Lachlan Murdoch  
Siobhan McKenna  
David Roberts

### **Company secretary**

Louise Higgins  
Olswang Cossec Ltd

### **Registered office**

90 High Holborn  
London WC1V 6XX  
United Kingdom

### **Independent auditors**

PricewaterhouseCoopers LLP  
1 Embankment Place,  
London WC2N 6RH  
United Kingdom

Company number: 03673200

## Strategic report

The directors present their strategic report on the affairs of Nova Entertainment Investments Limited (the "Company"), for the year ended 31 December 2014.

### Business review

The Company has achieved turnover of \$8,700,000 for the year ended 31 December 2014 (2013: \$31,300,000) with a profit of \$8,875,000 for the year ended 31 December 2014 (2013: \$30,292,000). The directors consider the financial position of the Company at the end of the year to be acceptable based on the results of the Company for the year ended 31 December 2014.

### Key performance indicators

The Company is an investment company and is not subject to any key performance indicators.

### Principal risks and uncertainties

The Company's activities expose it primarily to interest rate risk. Interest bearing assets and liabilities are held at variable rates.

#### Commercial risk

The Company is a holding company and is not exposed to any commercial risk.

#### Credit risk

The Company's principal assets are investments in subsidiaries. It is not exposed to credit risk.

#### Interest rate risk

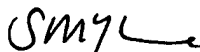
The Company is exposed to interest rate risk as it borrows funds at floating rates. There is no external interest rate risk as the borrowings are with related parties.

#### Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses long-term debt finance.

Further details regarding the liquidity risk can be found in Note 3 of the financial statements.

Approved by the Board and signed on its behalf by:



90 High Holborn  
London WC1V 6XX  
United Kingdom

Siobhan McKenna  
Director  
31 March 2015

## Directors' report

The directors present their Directors' Report on the affairs of Nova Entertainment Investments Limited (the "Company"), for the year ended 31 December 2014.

### Directors

The directors, who served throughout the financial year and to the date of signing were as follows:

Lachlan Murdoch	Australia
Siobhan McKenna	Australia
David Roberts	England

### Dividends

As recommended by the directors no dividends were paid or declared in respect of the year ended 31 December 2014 (2013: \$nil).

### Principal activities

In the course of the financial year the principal activity of the Company was acting as an investment company.

### Going concern

After making enquiries and taking into account the Company's business model, forecasts and available financing, the directors have a reasonable expectation that the Company 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.

### Future developments and events after the balance sheet date

On 1 January 2015, Nova Entertainment Investments Limited (NEIL) disposed of its shares in its wholly owned subsidiary Nova Entertainment (Australia) Pty Limited to a related Australian incorporated entity. On the same date, NEIL was acquired by another related entity within the group. Refer to note 14 for further details.

There have been no other significant events occurring after the balance date which may affect either the Company's operations or results of those operations or the Company's state of affairs.

Over the next 12 months the Company intends to continue to hold its remaining investments in subsidiaries.

### Disabled employees

The Company does not have any employees.

### Indemnification of officers

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company (as named above), the Company secretary and all executives, officers of the Company and any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the *Australian Corporations Act 2001*. The contract prohibits disclosure of the nature of the liability and the amount of the premium.

## Directors' report (continued)

### Indemnification of auditors

To the extent permitted by law, the Company has a qualifying third party indemnity provision. The Company had agreed to indemnify its auditors, PricewaterhouseCoopers LLP, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). This was in force for the year ended 31 December 2014 and at the time of signing the financial statements. No payment has been made to indemnify PricewaterhouseCoopers LLP during or since the financial year.

### Statement of disclosure of information to the auditors

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

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

### Independent auditors

PricewaterhouseCoopers LLP was appointed during the year and have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:



90 High Holborn  
London WC1V 6XX  
United Kingdom

Siobhan McKenna  
Director  
31 March 2015

## **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards adopted by the European Union.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance;
- state that the company has complied with IFRSs, 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
- make judgements and estimates that are reasonable and prudent.

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

## ***Independent auditors' report to the members of Nova Entertainment Investments Limited***

### **Report on the financial statements**

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#### **Our opinion**

In our opinion, Nova Entertainment Investments Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit and cash flows for the year then ended;
  - have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
  - have been prepared in accordance with the requirements of the Companies Act 2006.
- 

#### **What we have audited**

Nova Entertainment Investments Limited's financial statements comprise:

- the Statement of financial position as at 31 December 2014;
- the Statement of comprehensive income for the year then ended;
- the Statement of cash flows for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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

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

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### **Other matters on which we are required to report by exception**

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#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.



## ***Independent auditors' report to the members of Nova Entertainment Investments Limited (continued)***

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### **Responsibilities for the financial statements and the audit**

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#### **Our responsibilities and those of the directors**

As explained more fully in the Directors' responsibility 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) ("ISAs (UK & 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.

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#### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited 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.



Jennifer Dickie (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

31 March 2015

## Statement of comprehensive income For the year ended 31 December 2014

	Note	31 December 2014 \$'000	31 December 2013 \$'000
Dividend Income		8,700	31,300
<b>Revenue</b>		<b>8,700</b>	<b>31,300</b>
General and administrative expenses		(36)	(98)
Interest expense		(620)	(1,216)
<b>Profit before income tax</b>		<b>8,044</b>	<b>29,986</b>
Income tax benefit	6	831	306
<b>Profit for the year</b>	4	<b>8,875</b>	<b>30,292</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>8,875</b>	<b>30,292</b>

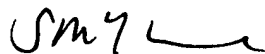
*The notes included on pages 13 to 21 are an integral part of the financial statements.*

## Statement of financial position As at 31 December 2014

	Note	31 December 2014 \$'000	31 December 2013 \$'000
<b>Assets</b>			
<i>Current</i>			
Assets classified as held for sale	14	36,324	-
<b>Total current assets</b>		<b>36,324</b>	<b>-</b>
<i>Non-current assets</i>			
Related party receivables	8	-	235
Investment in subsidiaries	19	27,000	63,324
Deferred tax assets	7	831	-
<b>Total non-current assets</b>		<b>27,831</b>	<b>63,559</b>
<b>Total assets</b>		<b>64,155</b>	<b>63,559</b>
<b>Liabilities and equity</b>			
<i>Current liabilities</i>			
Trade and Other payables	9	13	5
Related party payables	10	4,555	125
Borrowings	11	2,792	-
<b>Total Current liabilities</b>		<b>7,360</b>	<b>130</b>
<i>Non-Current liabilities</i>			
Borrowings	11	-	15,509
<b>Total Non-Current liabilities</b>		<b>-</b>	<b>15,509</b>
<b>Total liabilities</b>		<b>7,360</b>	<b>15,639</b>
<b>Net assets</b>		<b>56,795</b>	<b>47,920</b>
<b>Equity</b>			
Called up share capital	12	136	136
Retained earnings	13	56,659	47,784
<b>Total equity</b>		<b>56,795</b>	<b>47,920</b>

The notes included on pages 13 to 21 are an integral part of the financial statements.

The financial statements on pages 9 to 21 were approved and authorised for issue by the Board of Directors on 31 March 2015 and signed on its behalf by:



Siobhan McKenna  
Director

## Statement of changes in equity For the year ended 31 December 2014

	<i>Called up share capital \$'000</i>	<i>Retained earnings \$'000</i>	<i>Total equity \$'000</i>
<b>At 1 January 2014</b>	<b>136</b>	<b>47,784</b>	<b>47,920</b>
<b>Profit for the year</b>	<b>-</b>	<b>8,875</b>	<b>8,875</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>8,875</b>	<b>8,875</b>
<b>At 31 December 2014</b>	<b>136</b>	<b>56,659</b>	<b>56,795</b>
<b>At 1 January 2013</b>	<b>136</b>	<b>17,492</b>	<b>17,628</b>
<b>Profit for the year</b>	<b>-</b>	<b>30,292</b>	<b>30,292</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>30,292</b>	<b>30,292</b>
<b>At 31 December 2013</b>	<b>136</b>	<b>47,784</b>	<b>47,920</b>

*The notes included on pages 13 to 21 are an integral part of the financial statements.*

## Statement of cash flows

### For the year ended 31 December 2014

	Note	31 December 2014 \$'000	31 December 2013 \$'000
<b>Operating activities</b>			
Net cash flows from operating activities		-	-
<b>Investing activities</b>			
Net cash flows used in investing activities		-	-
<b>Financing activities</b>			
Net cash flows used in financing activities		-	-
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year		-	-

*The notes included on pages 13 to 21 are an integral part of the financial statements.*

*Note: Nova Entertainment Investments Limited does not operate a cash account, all cash transactions are completed at a group level, through the use of intercompany transactions.*

# Notes to the Financial Statements

## 1 GENERAL INFORMATION

Nova Entertainment Investments Limited (the "Company") is a private limited company incorporated and domiciled in Great Britain under the Companies Act 2006. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities are set out in the strategic report and the directors' report.

These financial statements are presented in Australian Dollars because that is the currency of the primary economic environment in which the Company operates.

The Company's business activities and principal risks are detailed in the strategic report. The Company has sufficient funding from related parties. The directors therefore believe that the Company has sufficient cash resources and the ability to meet its obligations as they fall due. Having considered these risks and the current uncertain economic environment, the directors have reasonable expectation that the Company has adequate resources and support to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### Statement of compliance

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and Interpretations issued by the International Financial Reporting Standards Interpretation Committee (IFRS IC) as adopted by the European Union and applied in accordance with the provisions of the Companies Act 2006 as they apply to the financial statements of the Company for the year ended 31 December 2014.

### Basis of preparation

The financial statements are prepared on the historical cost basis. The financial statements are presented in Australian Dollars (\$) and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

On 31 December 2014 the exchange rate between the Australian Dollar and the Great British Pound was: \$1 AUD = £0.53 GBP.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The annual financial statements comprise the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and notes, and are presented in accordance with IFRS as applicable at the closing date of the financial statements.

Under the accrual basis of accounting, revenue and costs are recognised as they are earned or incurred rather than when the cash is received or paid. The accrual basis is used in preparing the financial statements, except for cash flow information.

The elements of financial statements (assets, liabilities, equity, income and expenses) are recognised only when they meet the definitions and recognition criteria in the IASB's Framework.

## **2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Basis of non-consolidation**

The company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

Nova Entertainment Investments Limited and all of its subsidiary undertakings are included in the group financial statements of the ultimate parent undertaking which are filed in Australia, and are available to the public. Refer to note 15.

### **Changes in accounting policy and disclosures**

#### **Standards issued but not yet effective**

At the date of authorisation of the financial information, the following Standards and Interpretations, which have not been applied in the financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU). Their adoption is not expected to have a significant impact on the amounts reported in the financial statements but may impact the accounting for future transactions and arrangements.

Date to be implemented by Nova  
Entertainment Investments Limited

IFRS 9	Financial Instruments	1 January 2015
IFRS 7	Financial instruments disclosure (amendment)	1 January 2015
IAS 28	Investments in associates and joint ventures – amendment	1 January 2016
IFRS 11	Joint arrangements	1 January 2016
IFRS 15	Revenue from contracts with customers	1 January 2017

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### Related party receivables

Related party receivables are measured at cost less impairment losses.

### Investment in subsidiaries

The Company recognises its investments in subsidiaries initially at cost being the fair value of the consideration given and including directly attributable costs.

### Borrowings

Borrowings are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

### Taxation

#### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current tax is also recognised in other comprehensive income or directly in equity.

### Trade payables

Trade payables are measured at fair value.

### Dividend income

Revenue is recognised when the Company's right to receive the payment is established.

### Share Capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### Borrowing Costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

### Assets classified as held for sale

Current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.



### 3 FINANCIAL INSTRUMENTS

#### Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders.

The capital structure of the Company consists of equity attributable to equity holders of the Company, comprising called up share capital and retained earnings as disclosed in notes 12 and 13.

#### Categories of financial instruments

	31 December 2014 \$'000	31 December 2013 \$'000
<b>Financial liabilities</b>		
Trade and other payables	13	5
Related party payables	4,555	125
Borrowings	2,792	15,509
	<u>7,360</u>	<u>15,639</u>

#### Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from activities.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are related parties.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk.

#### Interest rate sensitivity analysis

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Company's:

- net profit would change by \$13,000 (2013: \$83,000) which is mainly attributable to the Company's exposure to interest rates on its related party borrowings.

#### Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and borrowing facilities.

### 3 FINANCIAL INSTRUMENTS (continued)

#### Liquidity and interest risk tables

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities. The table below has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date of which the Company can be required to pay. The table includes both interest and principal cash flows.

	Weighted Average effective interest rate %	Less than 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000
<b>31 December 2014</b>				
Variable interest rate	4	2,792	-	-
Non-interest bearing	-	-	-	-
<b>31 December 2013</b>				
Variable interest rate	5.5	-	15,509	-
Non-interest bearing	-	-	-	-

The carrying amounts of financial liabilities are recorded at amortised cost in the financial statements and are approximate to their fair values.

### 4 PROFIT FOR THE YEAR

	31 December 2014 \$'000	31 December 2013 \$'000
The analysis of auditors' remuneration is as follows:		
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	10	12
Other non-audit services	2.5	-
	<u>12.5</u>	<u>12</u>

### 5 DIRECTORS' REMUNERATION AND TRANSACTIONS

The directors of the Company did not receive any remuneration in respect of qualifying services to the Company during the year ended 31 December 2014 (2013: \$nil). The company does not have any employees.

**6 INCOME TAX BENEFIT**

	31 December 2014 \$'000	31 December 2013 \$'000
The tax benefit comprises:		
Current tax	831	306
<b>Total tax benefit on profit on ordinary activities</b>	<b>831</b>	<b>306</b>
 <b>Company profit on ordinary activities before tax</b>	 <b>8,044</b>	 <b>29,986</b>
Tax on Company profit on ordinary activities at standard UK corporation tax rate of 21.5% (year ended 31 December 2013: 23.25%)	(1,729)	(6,897)
Dividend income from subsidiaries not subject to tax	1,870	7,199
Adjustment in respect of change in UK tax rate 21.5% (2013: 23.25%)	-	4
Prior year tax true-up	890	-
<b>Company tax benefit for year</b>	<b>831</b>	<b>306</b>

The standard rate of corporation tax in the UK changed from 23% to 21% with effect from 1 April 2014. Accordingly, the company's profits for this accounting year are taxed at an effective rate of 21.50%.  
If the tax rate had remained at 23%, the tax benefit at 31 December 2014 would have been \$889,000.

**7 DEFERRED TAX ASSETS**

	31 December 2014 \$'000	31 December 2013 \$'000
Future income tax benefit		
Carry forward tax losses	831	-
	<b>831</b>	<b>-</b>

The carry forward tax losses are expected to be utilised by Nova Entertainment Investments Limited more than twelve months after the reporting period.

In 2013 the tax benefit in Nova Entertainment Investments Limited was utilised against taxable profit in Nova Entertainment (UK Radio 2) Pty Ltd. In 2014 the tax benefit was reassigned back to Nova Entertainment Investments Limited following the incorrect application of group relief in prior years.

**8 RELATED PARTY RECEIVABLES**

	31 December 2014 \$'000	31 December 2013 \$'000
<b>Related party receivables</b>		
Nova Entertainment (UK Radio 2) Pty Ltd	-	235
	<b>-</b>	<b>235</b>

**NOVA ENTERTAINMENT INVESTMENTS LIMITED**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2014**  
**(continued)**

**9 TRADE AND OTHER PAYABLES**

	<b>31 December 2014 \$'000</b>	<b>31 December 2013 \$'000</b>
Trade Creditors	13	5
	<u>13</u>	<u>5</u>

**10 RELATED PARTY PAYABLES**

	<b>31 December 2014 \$'000</b>	<b>31 December 2013 \$'000</b>
Nova Entertainment (UK Radio 1) Pty Ltd	503	91
Nova Entertainment (UK Radio 2) Pty Ltd	3,620	-
Nova Entertainment (UK Radio 3) Pty Ltd	432	34
	<u>4,555</u>	<u>125</u>

**11 BORROWINGS**

	<b>31 December 2014 \$'000</b>	<b>31 December 2013 \$'000</b>
<b>Borrowings from subsidiaries</b>		
Nova Entertainment (Australia) Pty Ltd	2,740	15,509
Nova Entertainment Pty Ltd	52	-
	<u>2,792</u>	<u>15,509</u>

**12 CALLED UP SHARE CAPITAL**

	<b>31 December 2014 \$'000</b>	<b>31 December 2013 \$'000</b>
<b>Authorised</b>		
100,000,000 (2013: 100,000,000) ordinary shares of £1 each	181,822	181,822
<b>Allotted, called-up and fully-paid</b>		
75,004 (2013: 75,004) ordinary shares of £1 each	136	136
	<u>136</u>	<u>136</u>

The ordinary shares have the rights and restrictions as set out in the amended Articles of Association of the Company.

**13 RETAINED EARNINGS**

	31 December 2014 \$'000	31 December 2013 \$'000
Balance at beginning of period	47,784	17,492
Profit for the year	8,875	30,292
Balance at end of period	<u>56,659</u>	<u>47,784</u>

**14 ASSETS CLASSIFIED AS HELD FOR SALE**

On 1 January 2015, Nova Entertainment Investments Limited (NEIL) disposed of its shares in its wholly owned subsidiary Nova Entertainment (Australia) Pty Limited to a related Australian incorporated entity for a sale price which is higher than the carrying value of the investment.

There were no profit/loss or cash flow items related to Nova Entertainment (Australia) Pty Limited in the financial statements of Nova Entertainment Investments Limited for 2014 or 2013.

**15 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTIES**

The immediate parent undertaking is Illyria Radio Investments Limited.

The ultimate parent undertaking and controlling party is Illyria Nominees Pty Limited, a company incorporated in Australia.

Illyria Investments Pty Limited is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2014. The consolidated financial statements of Illyria Investments Pty Limited are available from 33 Nickson Street, Surry Hills, NSW, 2010.

**16 CONTINGENCIES**

There are no known contingencies which existed at year end or at the date of this report.

**17 RELATED PARTY TRANSACTIONS**

Nova Entertainment Investments Limited has undertaken commercial transactions at arms-length with related parties. The balances outstanding as at 31 December 2014 are listed in notes 8 and 10.

**18 EVENTS AFTER BALANCE DATE**

On 1 January 2015, Nova Entertainment Investments Limited (NEIL) disposed of its shares in its wholly owned subsidiary Nova Entertainment (Australia) Pty Limited to a related Australian incorporated entity. On the same date, NEIL was acquired by another related entity within the group. Refer to note 14 for further details.

On 1 January 2015, Nova Entertainment Licensing Pty Limited became the immediate parent company and Illyria Nominees Television Pty Limited became the ultimate parent and controlling party of Nova Entertainment Investments Limited due to a group restructure.

There have been no other significant events occurring after the balance date which may affect either the Company's operations or results of those operations or the Company's state of affairs.

**NOVA ENTERTAINMENT INVESTMENTS LIMITED**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2014**  
**(continued)**

**19 SUBSIDIARIES**

	31 December 2014 \$'000	31 December 2013 \$'000
Balance at beginning of period	63,324	63,324
Reclassified to assets held for sale	(36,324)	-
Balance at end of period	27,000	63,324

The subsidiaries held at 31 December 2014 are listed below:

Name	Place of Incorporation or registration	Proportion of ordinary shares held (%)	Method used to account investment
Nova Entertainment (UK Radio 1) Pty Ltd	Australia	100	Cost
Nova Entertainment (UK Radio 2) Pty Ltd	Australia	100	Cost
Nova Entertainment (UK Radio 3) Pty Ltd	Australia	100	Cost
Nova Entertainment (Australia) Pty Ltd *	Australia	100	Cost
Nova Entertainment Pty Ltd	Australia	100	Cost
Nova 96.9 Pty Ltd	Australia	100	Cost
Nova 100 Pty Ltd	Australia	100	Cost
Nova 93.7 Pty Ltd	Australia	100	Cost
Nova Entertainment (Adelaide) Pty Ltd	Australia	100	Cost
Nova 91.9 Pty Ltd	Australia	100	Cost
Festival City Broadcasters Pty Ltd	Australia	100	Cost
Nova Entertainment (Brisbane) Pty Ltd	Australia	100	Cost
Festival City Research Pty Ltd	Australia	100	Cost
Nova Entertainment (Coastal) Pty Ltd	Australia	100	Cost
STAR 104.5 Pty Ltd	Australia	100	Cost
Smoothfm 95.3 Pty Ltd	Australia	100	Cost
Nova 106.9 Pty Ltd	Australia	100	Cost
Melbourne Radio Company Pty Ltd	Australia	100	Cost
Smoothfm 91.5 Pty Ltd	Australia	100	Cost
Nova 100.3 Pty Ltd	Australia	100	Cost
Nova Entertainment Digital Pty Ltd	Australia	100	Cost

\*Reclassified during the year to Assets classified as held for sale. See Note 14.

Subsidiaries disclosed above operate in Australia except for Nova Entertainment (UK Radio 1) Pty Ltd, Nova Entertainment (UK Radio 2) Pty Ltd and Nova Entertainment (UK Radio 3) Pty Ltd which operate in Great Britain.