Registered number 01532805

Brookside Productions Limited

Annual report and financial statements

for the period ended 27 August 2005

Brookside Productions Limited

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Brookside Productions Limited

Directors' report for the period ended 27 August 2005

The directors present their annual report on the affairs of the company, together with the audited financial statements of the company for the 10 month period ended 27 August 2005. The company has changed its accounting reference date to 27 August from 31 October. The comparative period is the 12 months to 31 October 2004.

Principal activities
Brookside is not currently in production, but the company owns rights in the finished programmes, and future potential productions are under review.

Results and dividends
The audited financial statements for the period ended 27 August 2005 are set out on pages 3 to 13. The profit for the period after taxation was £82,250 (2004: profit £2,416,496).

The directors recommend a group dividend payment in the period of £2,500,000 (2004: £nil).

Directors and their interests
The directors who served during the period were as follows:

Phil Redmond	(resigned 21 June 2005)
Alexis Redmond	(resigned 21 June 2005)
Andrew Gossage	(resigned 21 June 2005)
Julian Burns	(appointed 21 June 2005)
Sean Marley	(appointed 21June 2005)
Stephen Morrison	*(appointed 21June 2005)*
John Pfeil	(appointed 21June 2005)
Carolyn Reynolds	(appointed 21June 2005)

No director has any direct interest in the shares of the company. The interests of the directors in the shares of All3Media Group Limited are shown in the financial statements of The Mersey Television Group Limited.

The directors have no other interests required to be disclosed under Schedule 7 of the Companies Act 1985.

Statement of directors' responsibilities
Company law requires the directors to prepare financial statements for each financial period that 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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 27 August 2005, that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Auditors
A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the Board

JC Pfeil

John Pfeil
Director
1 March 2006

Independent auditors' report to the members of Brookside Productions Limited

We have audited the financial statements which comprise the profit and loss account, the statement of total recognised gains and losses, the note of the historical cost profits and losses, the balance sheet, and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 27 August 2005 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Manchester
1 March 2006

Brookside Productions Limited

Profit and loss account for the period ended 27 August 2005

	Note	10 month period ended 27 August 2005 £	12 month period ended 31 October 2004 £
Turnover	2	**2,215**	2,528,914
Gross profit		**2,215**	2,528,914
Administrative expenses		**(68,732)**	(24,871)
Other operating income	3	**150,653**	897,215
Operating profit		**84,136**	3,401,258
Investment income	4	**28,506**	60,229
Profit on ordinary activities before taxation	5	**112,642**	3,461,487
Tax on profit on ordinary activities	6	**(30,392)**	(1,044,991)
Profit for the financial period after taxation		**82,250**	2,416,496
Dividends paid and proposed		**(2,500,000)**	-
(Loss)/profit for the financial period transferred (from)/to reserves	12	**(2,417,750)**	2,416,496

All activity has arisen from discontinued operations.

The accompanying notes are an integral part of this profit and loss account.

Brookside Productions Limited

Statement of total recognised gains and losses for the period ended 27 August 2005

	10 month period ended 27 August 2005	12 month period ended 31 October 2004
	£	£
(Loss)/profit for the financial period	**(2,417,750)**	2,416,496
Unrealised surplus on revaluation of freehold land and buildings	**-**	1,249,999
Total recognised gains and losses relating to the period	**(2,417,750)**	3,666,495

Brookside Productions Limited

Note of historical cost profits and losses for the period ended 27 August 2005

	10 month period ended 27 August 2005	12 month period ended 31 October 2004
	£	£
Reported profit on ordinary activities before taxation	**112,642**	3,461,487
Difference between a historical cost depreciation charge and the actual depreciation charge for the period	**22,467**	23,551
Historical cost profit on ordinary activities before taxation	**135,109**	3,485,038
Historical cost (loss)/profit for the period after taxation and dividends	**(2,395,283)**	2,440,047

Brookside Productions Limited

Balance sheet as at 27 August 2005

	Note	27 August 2005	31 October 2004
		£	£
Fixed assets			
Tangible assets	7	**1,406,219**	1,430,927
Current assets			
Debtors	8	**3,071,666**	4,009,432
Cash at bank and in hand		**586,155**	410,602
		3,657,821	4,420,034
Creditors - amounts falling due within one year	9	**(3,331,120)**	(1,700,291)
Net current assets		**326,701**	2,719,743
Net assets		**1,732,920**	4,150,670
Capital and reserves			
Called-up share capital	11	**10,000**	10,000
Revaluation reserve	12	**1,347,886**	1,370,353
Profit and loss account	12	**375,034**	2,770,317
Total equity shareholders' funds	13	**1,732,920**	4,150,670

The financial statements were approved by the Board of directors on 1 March 2006 and were signed on its behalf by:

Julian Burns
Director

Brookside Productions Limited

Notes to the financial statements for the period ended 27 August 2005

1 Accounting policies

The principal accounting policies are summarised below, they have all been applied consistently throughout the period and the preceding period.

Basis of accounting
The financial statements are prepared on the going concern basis, under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable United Kingdom accounting standards and the Companies Act 1985.

Tangible fixed assets
Tangible fixed assets are shown at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	50 years

Residual value is calculated on prices prevailing at the date of acquisition or valuation.

Revaluation of properties
Individual freehold properties are professionally revalued every three years with the surplus or deficit on book value being transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account.

Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement on reserves. On the disposal or recognition of a provision for impairment of a revalued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves.

Turnover
Turnover represents amounts receivable for goods and services provided in the normal course of business, net of VAT, and is recognised at the date the goods or services are provided to the customer.

Taxation
Current tax, including UK corporation 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 tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Notes to the financial statements for the period ended 27 August 2005 (continued)

Taxation (continued)

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

Cash flow statement

Under the provisions of Financial Reporting Standard No. 1 (1996 Revised) "Cash Flow Statement", the company has not prepared a cash flow statement because its ultimate parent undertaking, All3Media Group Limited, which is incorporated in England and Wales, has prepared consolidated financial statements which include the financial statements of the company for the period and which contain a consolidated cash flow statement.

2 Turnover

The turnover of the company during the period arose wholly in the United Kingdom and relates to the company's principal activity.

3 Net operating (expenses)/income

Other operating income relates to refunds of National Insurance contributions.

4 Investment income

	10 month period ended 27 August 2005 £	12 month period ended 31 October 2004 £
Interest receivable and similar charges	**13,131**	39,914
Rental income	**15,375**	20,315
	28,506	60,229

Notes to the financial statements for the period ended 27 August 2005 (continued)

5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	10 month period ended 27 August 2005 £	12 month period ended 31 October 2004 £
Depreciation of owned tangible fixed assets	**24,708**	24,873
Auditors' remuneration - audit services	-	8,500
- non-audit services	-	3,000

The company has no employees (2004: nil) and the directors received no remuneration during the period for services to the company (2004: nil).

Audit fees in 2005 were borne by another group company.

6 Tax on profit on ordinary activities

	10 month period ended 27 August 2005 £	12 month period ended 31 October 2004 £
Current tax		
UK corporation tax charge for the period	**58,406**	1,044,991
Adjustment in respect of prior periods	**(28,014)**	-
Total tax on profit on ordinary activities	**30,392**	1,044,991

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	10 month period ended 27 August 2005 £	12 month period ended 31 October 2004 £
Profit on ordinary activities before tax	**112,642**	3,461,487
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2004: 30%)	**33,792**	1,038,446
Effects of:		
Differences in tax rates	-	(9,529)
Expenses not deductible for tax purposes	**17,201**	7,462
Depreciation in excess of capital allowances	**7,413**	8,612
Adjustment in respect of prior periods	**(28,014)**	-
Current tax charge for period	**30,392**	1,044,991

Notes to the financial statements for the period ended 27 August 2005 (continued)

7 Tangible fixed assets

	Freehold buildings £
Cost or valuation	
At 1 November 2004 and 27 August 2005	**1,460,000**
Depreciation	
At 1 November 2004	29,073
Charge for the period	24,708
At 27 August 2005	**53,781**
Net book value	
At 27 August 2005	**1,406,219**
At 1 November 2004	1,430,927

Freehold buildings were professionally valued by GVA Grimley on an open market existing use basis on 15 October 2002.

Freehold buildings acquired subsequent to the 2002 valuation for £1 consideration were revalued by the directors in 2004 to £1,250,000. The directors performed the valuation on the basis of professional advice received.

If the buildings had not been revalued they would have been included at the following amounts:

	2005 £	2004 £
Cost	**112,022**	112,022
Depreciation	**(52,648)**	(50,407)
Net book value	**59,374**	61,615

Notes to the financial statements for the period ended 27 August 2005 (continued)

8 Debtors

	2005 £	2004 £
Amounts falling due within one year:		
Trade debtors	**652**	881
Amounts owed by group undertakings	**3,064,342**	3,927,235
Amounts owed by related parties	**-**	57,337
Other debtors and prepayments	**5,313**	-
VAT recoverable	**1,359**	23,979
	3,071,666	**4,009,432**

9 Creditors – Amounts falling due within one year

	2005 £	2004 £
Amounts owed to group undertakings	**2,972,054**	847,748
Corporation tax payable	**358,977**	808,453
Other taxation and social security	**-**	729
Accruals and deferred income	**89**	43,361
	3,331,120	**1,700,291**

Notes to the financial statements for the period ended 27 August 2005 (continued)

10 Provisions for liabilities and charges

At 27 August 2005 there was an unprovided deferred tax liability of £404,366 (2004: £411,106) relating to the revaluation surplus on the land and buildings. At the year end there was no binding agreement for the sale of these assets, and therefore the liability has not been provided.

11 Called up share capital

	2005 £	2004 £
Authorised, allotted and fully paid		
10,000 ordinary shares of £1 each	10,000	10,000

12 Reserves

	Revaluation reserve £	Profit and loss account £	Total £
At 1 November 2004	1,370,353	2,770,317	4,140,670
Transfer	(22,467)	22,467	-
Loss for the period	-	(2,417,750)	(2,417,750)
At 27 August 2005	**1,347,886**	**375,034**	**1,722,920**

13 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Profit for the financial period	**82,250**	2,416,496
Dividend	**(2,500,000)**	-
Other recognised gains and losses relating to the period	-	1,249,999
Net (decrease)/increase in shareholders' funds	**(2,417,750)**	3,666,495
Opening shareholders' funds	**4,150,670**	484,175
Closing Shareholders' funds	**1,732,920**	4,150,670

Brookside Productions Limited

Notes to the financial statements for the period ended 27 August 2005 (continued)

14 Ultimate parent company

On 21 June 2005 the ultimate parent company, The Mersey Television Group Limited, was acquired by Wrap Acquisitions Limited, whose ultimate parent company is All3Media Group Limited. As of this date, the directors regard All3Media Group Limited, a company incorporated in England and Wales, as the ultimate parent company and the ultimate controlling party.

All3Media Group Limited is the parent company of the largest and the smallest group of which the company is a member and for which group financial statements are drawn up.

15 Related party transactions

As a subsidiary undertaking of All3Media Group Limited, the company has taken advantage of the exemption in FRS 8 "Related Party Disclosures" from disclosing transactions with other members of the group headed by All3Media Group Limited.

The Publishing and Licensing Agency Limited and The Tirley Garth Company Limited were related parties by virtue of common ownership, until the change in ownership as mentioned in note 14 above.

Transactions during the period and balances with these related parties were as follows:

	The Tirley Garth Company Limited		**The Publishing and Licensing Agency Limited**	
	2005	2004	**2005**	2004
	£	£	**£**	£
Purchases from related party	-	13,720	-	-
Sales to related party	-	284	-	-
Amounts owing to related party	-	-	-	-
Amounts due from related party	-	37,161	-	12,524

As part of the transaction by which the Mersey Television group of companies was acquired by All3Media Group Limited, balances of £37,191 due from The Tirley Garth Company Limited and £20,144 due from The Publishing and Licensing Agency Limited were written off.