The Copyrights Group Limited

Directors' report and financial statements
Registered number 1819018
Year ended 31 March 2009

Contents

Directors' report

The directors present their report together with the financial statements for the year ended 31 March 2009.

Principal activities

The principal activity of the Company in the year under review was that of merchandise agents for writers and artists.

Business review

The results for the year and the financial position of the Company are as shown in the financial statements.

The Company generated gross royalties on behalf of its clients which were spread across all major geographical markets taking into account the acceptability of brand and character licensing. The strongest market for the Company's key brands was Japan for Beatrix Potter and the UK for Paddington Bear where Paddington's 50th anniversary was celebrated throughout 2008.

The market globally remains challenging with uncertain economic conditions, continuing consolidation at retail and strong competition in the pre-school market. The business has commenced a rationalisation of its portfolio to concentrate on fewer children's properties and will continue to promote efficiency and control its direct overheads within this business environment.

Proposed dividends

The directors do not recommend a dividend for the year.

The total distribution of dividends for the year ended 31 March 2009 was £nil (2008: £ nil).

Directors

The directors who held office during the year were as follows:

N F Durbridge	
Mrs L J Durbridge	
Ms C S Jennings	(resigned 31 January 2009)
W Astor	
J Turner	(resigned 3 November 2008)
T Downing	
E Karp	(resigned 29 June 2009)

W Astor, J Turner and T Downing were also directors of the ultimate parent company Planet Acquisitions Holdings Limited (J Turner resigned on 1 December 2008).

Political and charitable contributions

The Company has not made any political or charitable donations during the year (2007: £nil).

Basis of accounts preparation

The Copyrights Group Limited is a wholly-owned subsidiary undertaking of Planet Acquisitions Holdings Limited (the parent company of the Chorion group).

These accounts have been prepared on a going concern basis, having regard to the group's trading forecasts for the next twelve months.

These forecasts, which include detailed cash flow projections, comprise detailed assumptions as to sales and profit performance by month and take account of the normal seasonality profile of the business. These forecasts also include sensible tolerances that make allowance for the risk that the external trading environment may be worse than currently envisaged. Based on these forecasts, the directors of Planet Acquisitions Holdings Limited have confidence that the assumptions underlying their forecasts are reasonable and that the group will be able to operate within its banking covenants and available liquidity headroom for at least the next twelve months. Taking these forecasts into account, the directors of The Copyrights Group Limited consider that it is appropriate to prepare these accounts on a going concern basis.

Directors' report *(continued)*

Statement as to disclosure of information to auditors

The directors who have held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

PBeale

PA Beale
Company Secretary

4th Floor
Aldwych House
81 Aldwych
London
WC2B 4HN

25th September 2009

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

KPMG Audit Plc
8 Salisbury Square
London
EC4Y 8BB

Independent auditors' report to the members of The Copyrights Group Limited

We have audited the financial statements of The Copyrights Group Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, the Balance Sheet, the statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

Independent auditors' report to the members of The Copyrights Group Limited *(continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

25 September 2009

Profit and loss account

for the year ended 31 March 2009

	Note	2009	2008
		£	£
Gross Income	1	**4,872,968**	8,684,944
Cost of Sales	1	**(3,941,813)**	(7,185,850)
Turnover		**931,155**	1,499,094
Expenses		**(3,003,491)**	(1,841,425)
		(2,072,336)	(342,331)
Other operating income		-	13,297
Operating loss		**(2,072,336)**	(329,034)
Interest receivable and similar income		**10,622**	31,177
Interest payable and similar charges	5	**(35,966)**	(1,922)
Loss on ordinary activities before taxation	4	**(2,097,680)**	(299,779)
Tax on loss on ordinary activities	6	-	(14,726)
Loss for the financial year after taxation		**(2,097,680)**	(314,505)

The results for both years represent the continuing activities of the Company.

Statement of Total Recognised Gains and Losses

for the year ended 31 March 2009

	2009	2008
	£	£
Loss for the financial year and total recognised loss for the year	**(2,097,680)**	(314,505)
Prior year adjustment (As explained in note 20)	-	(37,405)
Total losses recognised since last annual report	**(2,097,680)**	(351,910)

Balance sheet

at 31 March 2009

	Note	£	2009 £	£	2008 £
Fixed assets					
Intangible fixed assets	7		-		-
Tangible fixed assets	8		**3,291**		31,935
Investments	9		**25,071**		24,625
			28,362		56,560
Current assets					
Debtors: amounts falling due within one year	10	**2,972,302**		1,999,645	
Debtors: amounts falling due after more than one year	11	**3,238,594**		3,743,902	
Cash at bank and in hand		**1,487,480**		2,428,104	
		7,698,376		8,171,651	
Creditors: amounts falling due within one year	12	**(4,945,711)**		(3,349,504)	
Net current assets			**2,752,665**		4,822,147
Total assets less current liabilities			**2,781,027**		4,878,707
Creditors: amounts falling due after more than one year			-		-
Net assets			**2,781,027**		4,878,707
Capital and reserves					
Called up share capital	14		**1,003**		1,003
Share premium	15		**297**		297
Profit and loss account	15		**2,779,727**		4,877,407
Shareholders' funds	19		**2,781,027**		4,878,707

These financial statements were approved by the board of directors on 25 SEPTEMBER 2009 and were signed on its behalf by:

Terry Downing
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to financial statements.

The Company is a wholly-owned subsidiary undertaking of Planet Acquisitions Holdings Limited. On acquisition the Company has adopted the accounting policies of its parent, resulting in a change in income recognition for royalty revenue. The impact created a prior year adjustment in the comparatives to the 31 March 2008 accounts (see note 20), with restated comparative reserves in the profit and loss account, the balance sheet and the related notes.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The Copyrights Group Limited is a wholly-owned subsidiary undertaking of Planet Acquisitions Holdings Limited (the parent company of the Chorion group).

These accounts have been prepared on a going concern basis, having regard to the group's trading forecasts for the next twelve months.

These forecasts, which include detailed cash flow projections, comprise detailed assumptions as to sales and profit performance by month and take account of the normal seasonality profile of the business. These forecasts also include sensible tolerances that make allowance for the risk that the external trading environment may be worse than currently envisaged. Based on these forecasts, the directors of Planet Acquisitions Holdings Limited have confidence that the assumptions underlying their forecasts are reasonable and that the group will be able to operate within its banking covenants and available liquidity headroom for at least the next twelve months. Taking these forecasts into account, the directors of The Copyrights Group Limited consider that it is appropriate to prepare these accounts on a going concern basis.

As the Company is a wholly owned subsidiary of Planet Acquisitions Holdings Limited, the paren t undertaking of the Company, the Company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Planet Acquisition Holdings Limited, within which the company is included, can be obtained from the address given in note 20.

The directors have also received confirmation from Planet Acquisitions Holdings Limited of its intention to continue to support the company for at least 12 months.

Group accounts

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts since it is a wholly owned subsidiary of a UK Company (note 21) which prepares consolidated financial statements.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 10% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 20% on cost

Notes *(continued)*

1 Accounting policies *(continued)*

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling for the month of the transaction. Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the period. All other exchange differences are dealt with through the profit and loss account.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Fixed asset investments

Fixed asset investments in subsidiary undertakings are stated at cost less any provision for permanent diminution in value.

Turnover

Turnover represents royalties and other income earned during the year (excluding Value Added Tax), including commission earned where the Company acts as an agent. For licensing agreements, the policy is to recognise revenue by spreading income over the term of the contract.

Segmental information is presented in the consolidated accounts of the ultimate parent company, Planet Acquisition Holdings Limited.

Cost of Sales

Cost of sales include payments due to rights holders for which the Company acts as an agent.

2 Staff numbers and costs

	2009	2008
	£	£
Wages and salaries	**501,733**	860,196
Social security costs	**54,122**	99,465
Other pension costs	**22,096**	23,821
	577,951	983,482

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

	2009	2008
All staff	**9**	30

Notes *(continued)*

3 Remuneration of directors

	2009	2008
	£	£
Directors' emoluments	**238,881**	346,940

The number of directors to whom retirement benefits were accruing under money purchase schemes was 2 *(2008: 2)*.

Total emoluments paid to the highest paid director were £113,090.

4 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging/(crediting):	2009	2008
	£	£
Depreciation – owned assets	**14,256**	18,266
Loss on disposal of fixed assets	**25,001**	-
Auditors remuneration	**15,000**	40,000
Foreign exchange differences	**(209,319)**	6,117

Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Planet Acquisitions Holding Limited.

5 Interest payable and similar charges

	2009	2008
	£	£
Bank and loan interest	**35,966**	1,922
	35,966	1,922

Notes *(continued)*

6 Taxation

(a) Analysis of the tax charge in the year

The tax charge on the loss on ordinary activities for the year was as follows:

	2009	2008
	£	£
Current tax:		
UK corporation tax	-	-
Total current tax	-	-
Deferred taxation	-	14,726
Tax on loss on ordinary activities	-	14,726

(b) Factors affecting tax charge for the year

The current tax charge for the year is different from (*2008: different from*) the standard rate of corporation tax in the UK of 28% (*2008: 30%*). The differences are explained below.

	2009	2008
	£	£
Loss on ordinary activities before tax	**(2,097,680)**	(299,779)
Current tax at 28% (*2008: 30%*)	**(587,351)**	(89,934)
Effects of:		
Expenses not deductible for tax purposes	**3,455**	4,365
Capital allowances for period (in excess of) / less than depreciation	**7,831**	(640)
Other timing differences	**60**	(13,854)
Tax losses not utilised	**576,005**	100,063
Total current tax charge	-	-

Notes *(continued)*

7. Intangible fixed assets

	Patents and Licenses £
Cost	
At 1 April 2008	10,000
Disposals	(10,000)
At 31 March 2009	-
Amortisation	
At 1 April 2008	10,000
Disposals	(10,000)
At 31 March 2009	-
Net book value	
At 31 March 2009	-
At 31 March 2008	-

8. Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Character costumes £	Totals £
Cost					
At 1 April 2008	192,496	6,100	105,286	-	303,882
Additions	-	-	7,563	3,050	10,613
Disposals	(192,496)	-	(112,849)	-	(305,345)
At 31 March 2009	-	**6,100**	-	**3,050**	**9,150**
Depreciation					
At 1 April 2008	173,331	5,859	92,757	-	271,947
Charge for year	4,590	-	9,666	-	14,256
Eliminated on Disposal	(177,921)		(102,423)	-	(280,344)
At 31 March 2009	-	**5,859**	-	-	**5,859**
Net book value					
At 31 March 2009	-	**241**	-	**3,050**	**3,291**
At 31 March 2008	19,165	241	12,529	-	31,935

Notes *(continued)*

9. Fixed asset investments

	Unlisted investments £
Cost	
At 1 April 2008	24,625
Additions	446
At 31 March 2009	**25,071**
Net book value	
At 31 March 2009	**25,071**
At 31 March 2008	24,625

The company's investments at the balance sheet date include the following:

	Country of incorporation	Principal activity	Percentage of ordinary share capital held
Copyrights Europe Limited	England and Wales	Merchandise agents	100%
Copyrights Hamburg Limited	England and Wales	Merchandise agents	100%
MarketReach Licensing Services Limited	England and Wales	Retail	45%
Copyrights Australasia Pty. Limited	Australia	Merchandise agents	100%
Copyrights Asia Limited	Japan	Merchandise agents	10%

10 Debtors amounts falling due within one year

	2009 £	2008 £
Amounts falling due within one year:		
Trade debtors	**46,572**	6,498
Other debtors	**750**	45,275
Amount due by group undertakings	**106,786**	118,159
Prepayments and accrued income	**2,818,194**	1,829,713
	2,972,302	1,999,645

11 Debtors amounts falling due after more than one year

	2009 £	2008 £
Amounts falling due after one year:		
Amount due from group undertakings	**3,238,594**	3,743,902

Notes *(continued)*

12 Creditors amounts falling due within one year

	2009 £	2008 £
Trade creditors	**107,810**	156,773
Amounts due to rights holders	**1,149,268**	934,194
Other creditors	**179,712**	352,803
Amount due to group undertakings	**991,001**	793,451
Directors' loan accounts	**17,435**	17,435
Accruals and deferred income	**2,500,485**	1,094,848
	4,945,711	3,349,504

13 Commitments

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2009 £	2008 £	2009 £	2008 £
Expiring:				
Within one year	1,560	8,060	3,322	14,224
Between one and five years	127,000	120,500	5,077	-
In more than five years	-	-	-	8,399
	128,560	128,560	8,399	22,623

14 Called up share capital

Authorised Number:	Class	Nominal value:	2009 £	2008 £
1,994	Ordinary	£1	**1,994**	1,994
1	"A" Ordinary	£1	**1**	1
1	"B" Ordinary	£1	**1**	1
1	"C" Ordinary	£1	**1**	1
1	"D" Ordinary	£1	**1**	1
1	"E" Ordinary	£1	**1**	1
1	"F" Ordinary	£1	**1**	1
			2,000	2,000

Notes *(continued)*

14 Called up share capital *(continued)*

Allotted, issued and fully paid:

Number:	Class	Nominal value:	2009 £	2008 £
1002	Ordinary	£1	**1,002**	1,002
-	"A" Ordinary	£1	**0**	0
-	"B" Ordinary	£1	**0**	0
1	"C" Ordinary	£1	**1**	1
			1,003	1,003

15 Reserves

	Profit and loss account £	Share premium £	Total £
At the beginning of year	4,877,407	297	4,877,704
Loss for the year	(2,097,680)	-	(2,097,680)
At 31 March 2009	**2,779,727**	**297**	**2,780,024**

16 Pension commitments

The company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company in the independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £22,096 (*2008: £23,821*). There were outstanding contributions of £326 at the year end.

17 Contingent liabilities

The company has given undertakings to provide finds as and when required to enable its wholly owned subsidiary undertaking, Copyrights Europe Limited, to discharge their obligations as and when they fall due.

Notes *(continued)*

18 Related party disclosures

As the Company is a wholly owned subsidiary of Planet Acquisitions Holdings Limited, the Company is exempt from disclosing related party transactions or balances with entities which are over 90% owned by the group based on Financial Reporting Standard 8.

The Directors confirm that there are no other related party transactions to be disclosed in these financial statements.

19 Reconciliation of movements in shareholders' funds

	2009	2008
	£	£
Loss for the financial year	(2,097,680)	(314,505)
Prior year adjustment (note 20)	-	(37,405)
Net deduction to shareholders' funds	**(2,097,680)**	(351,910)
Opening shareholders' funds as previously stated	4,878,707	5,230,617
Closing shareholders' funds	**2,781,027**	4,878,707

20 Prior year adjustment

Following the acquisition of the Company by Planet Acquisitions Holdings Limited, a review of its accounting policies was performed and it was concluded that the group's revenue recognition policy is more appropriate. License fees were previously recognised as income when the cash is received. Under the revised policy, license fees are recognised on a straight line basis over the term of the license.

As a result, comparative figures for the year ended 31 March 2008 were adjusted as follows:

	Profit for the year after tax	Net Assets
	£	£
As previously reported	1,382,304	5,230,617
Effect of change in turnover	(37,405)	(37,405)
As restated	1,344,899	5,193,212

Notes *(continued)*

21 Immediate and ultimate parent undertaking

The smallest and largest group in which the results of the Company are consolidated is that headed by Planet Acquisitions Holdings Limited. The consolidated accounts of Planet Acquisitions Holdings Limited are available to members of the public from 4th Floor, Aldwych House, 81 Aldwych, London WC2B 4HN.