

## **Optomen Television Limited**

### **Directors' report and financial statements**

For the 17 month period ended 31 August 2011

Registered number 02280184

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## **Directors' report for the 17 month period ended 31 August 2011**

The directors present their report and the audited financial statements of the company for the 17 month period ended 31 August 2011

### **Principal activities and review of the business**

The principal activity of the company is the production and distribution of television programmes. The directors do not anticipate any changes in those activities over the coming year.

### **Results and dividends**

The profit for the financial period amounted to £590,764 (2010 Restated £4,309,225). A dividend of £2,000,000 (year to 31 March 2010 £2,600,000) was paid on 25 August 2011.

### **Future outlook**

The commercial environment in which the company operates remains competitive, but the directors believe that the company's position as one of the leading television production and distribution companies will enable it to maintain its current position in the future.

### **Principal risks and uncertainties**

The key business risks and uncertainties affecting the company relate to the general economic environment, competition from other television producers and success of the company's programming. Further discussion of these risks and uncertainties, in the context of the ALL3MEDIA Holdings Limited (the "group") as a whole, is provided on page 6 of the group's annual report which does not form part of this report.

### **Key performance indicators ("KPIs")**

The directors of ALL3MEDIA Holdings Limited manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Optomen Television Limited. The development, performance and position of the ALL3MEDIA Holdings Limited, which includes the company, is discussed on page 5 of the group's financial statements which do not form part of this report.

### **Disclosure of information to auditors**

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

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (2) 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 auditors are aware of that information.

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

### **Directors**

The directors who held office during the period and up to the date of signing the financial statements were as follows:

P W Llewellyn	C Stephenson	(appointed 1 April 2010)
B Adler	S Morrison	(appointed 14 September 2010)
N Moody	J Burns	(appointed 14 September 2010)
N Wisnevit	V Turton	(appointed 14 September 2010)
J McGregor	A Jones	(appointed 10 January 2011)
H L Manley		
J Pfeil	(appointed 14 September 2010 and resigned 10 January 2011)	

At 31 August 2011, J Burns, S Morrison, V Turton and A Jones were also directors of ALL3MEDIA Holdings Limited.

## **Directors' report (continued)**

### **Directors' indemnities**

The Company maintains liability insurance for its directors and officers. Following shareholders' approval, ALL3MEDIA Holdings Limited, the Company's ultimate parent undertaking, has also provided an indemnity for the Company's directors and officers, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

### **Statement of directors' responsibilities**

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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

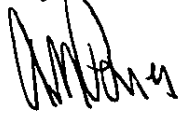
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 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**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and are deemed reappointed in accordance with Section 487(2) of the Companies Act 2006.

By order of the Board



A Jones

**Company secretary**

Date 15 February 2012

Berkshire House  
168-173 High Holborn  
London  
WC1V 7AA

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OPTOMEN TELEVISION LIMITED**

We have audited the financial statements of Optomen Television Limited ("the company") for the 17 month period ended 31 August 2011 which comprise the profit and loss account, the balance sheet 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 Statement of Directors' Responsibilities set out on page 3 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 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 company's affairs as at 31 August 2011 and of its profit for the 17 month period 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 period 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

  
Philip Stokes (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
16 February 2012

## Profit and loss account for the 17 month period ended 31 August 2011

	Note	17 month period ended 31 August 2011	Year ended 31 March 2010 Restated £
<b>Turnover</b>	1, 2	<b>26,628,118</b>	26,005,943
Cost of sales		<u>(15,425,730)</u>	<u>(15,531,540)</u>
<b>Gross profit</b>		<b>11,202,388</b>	10,474,403
Administrative expenses		<b>(10,172,255)</b>	(4,325,568)
Other operating income		-	6,288
<b>Operating profit</b>	5	<u><b>1,030,133</b></u>	<u>6,155,123</u>
Interest receivable and similar income	4	<b>2,525</b>	9,153
Interest payable and similar charges	8	<u><b>(240,797)</b></u>	<u>(144,323)</u>
<b>Profit on ordinary activities before taxation</b>		<b>791,861</b>	6,019,953
Tax on profit on ordinary activities	9	<u><b>(201,097)</b></u>	<u>(1,710,728)</u>
<b>Profit / (Loss) for the financial period/year</b>		<u><u><b>590,764</b></u></u>	<u><u>4,309,225</u></u>

Amounts relating to turnover and operating profit in the current period and previous financial year derive from continuing activities

Turnover and cost of sales for the prior year have been restated in respect of a change in accounting policy for finished programmes and formats distributed, as explained in note 1

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial period/year stated above and their historical costs equivalents

The notes on pages 7 to 19 form part of these financial statements

## Balance sheet as at 31 August 2011

Registered Number 02280184

	Note	31 August 2011		31 March 2010	
		£	£	Restated	£
<b>Fixed assets</b>					
Tangible assets	10		4,185,947		4,502,064
Fixed asset investments	11		50,063		50,063
			<u>4,236,010</u>		<u>4,552,127</u>
<b>Current assets</b>					
Stocks	12	14,822		1,902	
Debtors	13	3,546,276		7,482,979	
Cash at bank and in hand	14	712,313		1,460,556	
		<u>4,273,411</u>		<u>8,945,437</u>	
<b>Creditors: amounts falling due within one year</b>	15	(3,659,383)		(7,473,052)	
<b>Net current assets/(liabilities)</b>			<u>614,028</u>		<u>1,472,385</u>
<b>Total assets less current liabilities</b>			<u>4,850,038</u>		<u>6,024,512</u>
<b>Creditors: amounts falling due after more than one year</b>	16		-		(2,233,015)
<b>Provisions for liabilities</b>	17		-		(635,276)
<b>Net assets</b>			<u>4,850,038</u>		<u>3,156,221</u>
<b>Capital and reserves</b>					
Called up share capital	18		1,614		1,614
Profit and loss account	19		4,848,424		3,154,607
<b>Total shareholders' funds</b>			<u>4,850,038</u>		<u>3,156,221</u>

Debtors and profit and loss account for the prior year have been restated in respect of a change in accounting policy for finished programmes and formats distributed, as explained in note 1

These financial statements were approved by the board of directors on 15 February 2012 and were signed on its behalf by

  
**J Burns**  
 Director

The notes on pages 7 to 19 form part of these financial statements

## **Notes to the financial statements for the 17 month period ended 31 August 2011**

### **1 Accounting policies**

The following accounting policies have been applied in dealing with items which are considered material in relation to the company's financial statements

#### ***Basis of preparation***

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the period unless otherwise stated, are set out below

The financial statements present information about the company as an individual undertaking and not about its group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent undertaking, All3MEDIA Holdings Limited

#### ***Changes in accounting policies***

The revenue recognition policy has changed so as to conform with the ALL3MEDIA Holdings Limited group

For finished programmes and formats distributed by the company, revenue is recognised once contracted and invoiced provided that the product is available for delivery

Royalties payable to producers or rights holders are recognised as cost of sales on an accruals basis in accordance with the turnover recognised

The change in accounting policy has decreased turnover by £593,855, decreased gross profit by £611,057, decreased debtors by £593,855, and decreased creditors by £17,202 for the 17 months ended 31 August 2011. The prior year 12 month period ending 31 March 2010 has been restated, resulting in increased turnover of £3,662,579, increased gross profit of £2,216,731, increased debtors by £3,662,579, and increased creditors by £1,445,848

#### ***Cash flow statement***

The company is a wholly owned subsidiary of All3Media Holdings Limited and is included in the consolidated financial statements of All3Media Holdings Limited which are publicly available. The All3Media Holdings Limited consolidated financial statements for the year ended 31 August 2011 contain a consolidated statement of cash flows. Consequently, the company has taken advantage of the exemption available under Financial Reporting Standard 1 (revised 1996) 'Cash flow statements' from preparing its own statement of cash flows

#### ***Turnover***

Turnover and attributable profit are recognised in accordance with the company's right to receive revenue based on the contracted position. The principal revenue recognition bases for commissioned TV programmes are

- Factual/factual entertainment programmes – turnover and attributable profit are recognised in proportion to the stage of completion of the production at the relevant date unless the contractual position with the broadcaster does not entitle the company to recognise revenue until the final product is available for delivery
- Provision is made for any overspends and losses as soon as identified. Any underspends are recognised once the programme has been completed and all related costs have been identified



## **Notes to the financial statements for the 17 month period ended 31 August 2011 (continued)**

### **1 Accounting policies (continued)**

For finished programmes and formats distributed by the company, revenue is recognised once contracted and invoiced provided that the product is available for delivery

Royalties payable to producers or rights holders are recognised as cost of sales on an accruals basis in accordance with the turnover recognised

Book advance turnover and attributable profit is recognised when Optomen Television Limited has fulfilled its contractual obligations and is therefore entitled to amounts receivable, rather than in accordance with a schedule of stage payments specified in any contract. If Optomen Television Limited have partially performed its contractual obligations, revenue and attributable profit is recognised to the extent that it has obtained the right to consideration through its performance

#### ***Tangible fixed assets and depreciation***

Tangible fixed assets are initially stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use

Depreciation is calculated to write off the cost of tangible fixed assets evenly over their estimated useful lives at the following annual rates

Freehold property	-	Over 50 years
Leasehold land and buildings	-	Over the life of the lease
Fixtures and fittings	-	20%
Computer equipment	-	33 33%

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be in line with the remaining estimated useful life

#### ***Fixed asset investments***

Investments held as fixed assets are shown at cost less provision for impairment. The carrying values of fixed asset investments are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable

#### ***Leases***

Sale and leaseback transactions relate to master negatives for films as a result of the company entering into sale and leaseback transactions for such films. Part of the cash received is put on deposit, and this cash together with any accrued interest thereon should be sufficient to meet the lease capital and interest payment. Cash received on inception of the transaction over and above that required for future rental payments is recognised as profit immediately. Such transactions are shown as a contingent liability in the notes to the financial statements

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

#### ***Stocks and work in progress***

Stocks and work in progress is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion

#### ***Taxation***

Corporation tax is payable on taxable profits at amounts expected to be paid, or recovered, under the tax rates and laws that have been enacted or substantially enacted at 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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

## Notes to the financial statements for the 17 month period ended 31 August 2011 (continued)

### *Taxation (continued)*

1 Deferred tax assets are recognised only to the extent that the directors consider that it is probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

2 Provision is made for deferred tax that would arise on remittance of retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future periods has been entered into by the subsidiary

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

### *Provisions*

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation

### *Translation of foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account

### *Pensions*

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge disclosed in note 7 represents contributions payable by the company to the fund

## 2 Turnover (by destination)

	<b>17 month period ended 31 August 2011</b>	<b>Year ended 31 March 2010 Restated</b>
UK	<b>15,710,590</b>	20,596,707
Rest of World	<b>10,917,528</b>	5,409,236
	<hr/> <b>26,628,118</b> <hr/>	<hr/> 26,005,943 <hr/>

## 3 Other operating income

	<b>17 month period ended 31 August 2011 £</b>	<b>Year ended 31 March 2010 £</b>
Rent receivable	-	6,288
	<hr/>	<hr/>

**Notes to the financial statements for the 17 month period ended 31 August 2011 (continued)**

**4 Interest receivable and similar income**

	<b>17 month period ended 31 August 2011 £</b>	<b>Year ended 31 March 2010 £</b>
Bank interest receivable	<b>2,525</b>	<b>9,153</b>

**5 Operating profit**

	<b>17 month period ended 31 August 2011 £</b>	<b>Year ended 31 March 2010 £</b>
Operating profit is stated after charging		
Auditors' remuneration		
Audit services	<b>28,000</b>	<b>20,000</b>
Depreciation of tangible fixed assets		
- Owned by the company	<b>525,042</b>	<b>298,500</b>
Operating lease charges – land and buildings	<b>327,250</b>	<b>376,894</b>
Loss on foreign exchange	<b>15,856</b>	<b>14,513</b>

**6 Directors emoluments**

	<b>17 month period ended 31 August 2011 £</b>	<b>Year ended 31 March 2010 £</b>
Emoluments	<b>1,217,328</b>	<b>837,388</b>
Company pension contributions to money purchase pension schemes	<b>30,119</b>	<b>17,582</b>

During the period retirement benefits were accruing to 6 directors (2010 5) in respect of money purchase pension schemes

The total emoluments, including pension contributions of £nil (2010 £nil), of the highest paid director were £235,316 (2010 £166,722)

S Morrison, V Turton, A Jones, J Pfiel and J Burns are remunerated by ALL3MEDIA Limited, and details of their emoluments and pension payments are available in the financial statements of that company

**Notes to the financial statements for the 17 month period ended 31 August 2011 (continued)**

**7 Employee information**

The average monthly number of employees, including directors, during the period was made up as follows

	<b>17 month period ended 31 August 2011 Number</b>	<b>Year ended 31 March 2010 Number</b>
Administration	30	25
Development	7	6
Sales	6	6
	<hr/> 43	<hr/> 37
	<hr/> <hr/>	<hr/> <hr/>

The aggregate payroll costs of these persons were as follows

	<b>17 month period ended 31 August 2011 £</b>	<b>Year ended 31 March 2010 £</b>
Wages and salaries	4,002,341	2,033,105
Social security costs	454,931	242,072
Other pension costs	73,397	42,116
	<hr/> 4,530,669	<hr/> 2,317,293
	<hr/> <hr/>	<hr/> <hr/>

**8 Interest payable and similar charges**

	<b>17 month period ended 31 August 2011 £</b>	<b>Year ended 31 March 2010 £</b>
Bank loans and overdrafts	240,797	144,323
	<hr/> 240,797	<hr/> 144,323
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the financial statements for the 17 month period ended 31 August 2011 (continued)**

**9 Taxation**

**a) Taxation on profit on ordinary activities**

The tax charge is made up as follows

	<b>17 month period ended 31 August 2011 £</b>	<b>Year ended 31 March 2010 Restated £</b>
<b>Current tax</b>		
UK Corporation tax at 27.41% (2010: 28%)	656,157	1,096,481
Foreign tax – current tax on income for the period/year	259,480	-
<b>Total current tax charge</b>	<b>915,637</b>	<b>1,096,481</b>
<b>Deferred tax (note 17)</b>		
Origination and reversal of timing differences	(103,969)	6,641
Effect of accounting policy change (note 1)	(607,606)	607,606
Effect of changes in tax rates	(2,965)	-
<b>Tax on profit on ordinary activities</b>	<b>201,097</b>	<b>1,710,728</b>

**b) Factors affecting the tax charge for the current year**

The tax charge for the period is higher (2010: higher) than the standard rate of corporation tax in the UK of 27.41% (2010: 28%). The differences are reconciled below

	<b>17 month period ended 31 August 2011 £</b>	<b>Year ended 31 March 2010 Restated £</b>
<b>Profit on ordinary activities before taxation</b>	<b>791,861</b>	<b>6,019,953</b>
<b>Current tax at 27.41% (2010: 28%)</b>	<b>217,049</b>	<b>1,685,587</b>
Effects of		
Expenses not deductible for tax purposes	26,782	40,890
Depreciation for the period/year in excess of capital allowances	64,200	(9,311)
Effect of accounting policy change (note 1)	607,606	(620,685)
<b>Total current tax charge for the year</b>	<b>915,637</b>	<b>1,096,481</b>

**c) Factors affecting the tax charge for the future years**

During the year, as a result of the changes in the UK main corporation tax rate to 26% that was substantively enacted on 29 March 2011 and that will be effective from 1 April 2011, and to 25% that was substantively enacted on 5 July 2011 and that will be effective from 1 April 2012, the relevant deferred tax balances have been re-measured

## Notes to the financial statements for the 17 month period ended 31 August 2011 (continued)

### 9 Taxation (continued)

Further reductions to the UK corporation tax rate were announced in the March 2011 Budget. The changes, which are expected to be enacted separately each year, propose to reduce the rate by 1% per annum to 23 % by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements.

#### (d) Deferred taxation

The deferred taxation included in the balance sheet is as follows

	17 month period ended 31 August 2011 £	Year ended 31 March 2010 Restated £
Included in debtors (note 13)	79,264	-
Included in provisions for liabilities (note 17)	-	(635,276)
	<u>79,264</u>	<u>(635,276)</u>

It is expected that the present level of business activity will be sustained for the foreseeable future, producing future profits against which the deferred tax asset can be recovered.

	Deferred tax asset £
<b>Movement in deferred tax asset balances</b>	
At 1 April 2010	-
Deferred tax credit in profit and loss account for the period (note 9(a))	79,264
<b>At 31 August 2011</b>	<u>79,264</u>

#### Provisions for liabilities

	Deferred tax liability £
<b>Movement in deferred tax liability balances</b>	
At 1 April 2010	635,276
Profit and loss charge in profit and loss account for the period (note 9(a))	(635,276)
<b>At 31 August 2011</b>	<u>-</u>

**Notes to the financial statements for the 17 month period ended 31 August 2011(continued)**

**10 Tangible fixed assets**

	Land and buildings £	Furniture, fittings and equipment £	Total £
<b>Cost</b>			
At 1 April 2010	3,959,109	1,274,725	5,233,834
Additions	38,520	170,405	208,925
	<hr/>	<hr/>	<hr/>
<b>At 31 August 2011</b>	<b>3,997,629</b>	<b>1,445,130</b>	<b>5,442,759</b>
	<hr/>	<hr/>	<hr/>
<b>Accumulated depreciation</b>			
At 1 April 2010	167,980	563,790	731,770
Charge for the period	175,726	349,316	525,042
	<hr/>	<hr/>	<hr/>
<b>At 31 August 2011</b>	<b>343,706</b>	<b>913,106</b>	<b>1,256,812</b>
	<hr/>	<hr/>	<hr/>
<b>Net book amount</b>			
<b>At 31 August 2011</b>	<b>3,653,923</b>	<b>532,024</b>	<b>4,185,947</b>
	<hr/>	<hr/>	<hr/>
At 31 March 2010	3,791,129	710,935	4,502,064
	<hr/>	<hr/>	<hr/>

**11 Fixed asset investments**

	£
<b>Cost</b>	
At 1 April 2010 and 31 August 2011	50,063
	<hr/>

Details of the company's fixed asset investments are set out below. All investments are unlisted and stated at cost.

Subsidiary undertakings	Country of Incorporation	Equity Holding	Nature of Business
One Potato Two Potato Inc	USA	100%	Television production
Rumpole Inc	USA	100%	Television production

**12 Stocks**

	31 August 2011 £	31 March 2010 £
Work in progress	14,822	1,902
	<hr/>	<hr/>

**Notes to the financial statements for the 17 month period ended 31 August 2011 (continued)**

**13 Debtors**

	<b>31 August 2011</b>	31 March 2010
	<b>£</b>	Restated £
Trade debtors	902,770	451,834
Amounts owed from group undertakings	6,745	327,976
Other debtors	35,509	2,298,753
Prepayments and accrued income	2,521,988	4,404,416
Deferred tax (note 17)	79,264	-
	<hr/>	<hr/>
	<b>3,546,276</b>	<b>7,482,979</b>
	<hr/>	<hr/>

Amounts owed from subsidiaries and fellow subsidiary group undertakings are interest-free, unsecured and repayable on demand

**14 Cash at bank and in hand**

Included within the balance sheet figure of £712,313 (2010 £1,460,556) are sums amounting to £36,659 (2010 £169,891) held in trust bank accounts on behalf of television companies which have commissioned work and advanced funds to cover future production costs

**15 Creditors: amounts falling due within one year**

	<b>31 August 2011</b>	31 March 2010
	<b>£</b>	Restated £
Bank loans and overdrafts	-	1,038,445
Net obligations under finance leases	-	61,046
Trade creditors	1,122,168	1,377,330
Amounts owed to group undertakings	971	1,099,238
Corporation tax	230,949	670,066
Other taxation and social security	351,221	247,824
Other creditors	1,404,442	1,612,636
Accruals and deferred income	549,632	1,366,467
	<hr/>	<hr/>
	<b>3,659,383</b>	<b>7,473,052</b>
	<hr/>	<hr/>

Included in bank loans and overdrafts is £0 (2010 £937,502) secured by a charge over the rights to and interest in the programme 'Heston's Feasts 2'

Amounts owed by subsidiaries and fellow subsidiary group undertakings are interest-free, unsecured and repayable on demand



**Notes to the financial statements for the 17 month period ended 31 August 2011(continued)**

**16 Creditors: amounts falling due after more than one year**

	<b>31 August 2011</b>	<b>31 March 2010</b>
	<b>£</b>	<b>£</b>
Bank loans	-	1,685,849
Net obligations under finance leases	-	547,166
	<u>-</u>	<u>2,233,015</u>

Included within the above are amounts falling due as follows

	<b>31 August 2011</b>	<b>31 March 2010</b>
	<b>£</b>	<b>£</b>
<b>Between one and two years</b>		
Bank loans	-	107,194
Net obligations under finance leases	-	68,454
	<u>-</u>	<u>-</u>
<b>Between two and five years</b>		
Bank loans	-	375,097
Net obligations under finance leases	-	255,406
	<u>-</u>	<u>-</u>
<b>Over five years</b>		
Bank loans	-	1,203,559
Net obligations under finance leases	-	223,305
	<u>-</u>	<u>-</u>

Creditors include amounts not wholly repayable within 5 years as follows

	<b>31 August 2011</b>	<b>31 March 2010</b>
	<b>£</b>	<b>£</b>
Repayable by instalments	-	1,426,864
	<u>-</u>	<u>-</u>

In December 2010, the company repaid in full (and early) a mortgage that they held on their leasehold property (Hampshire Street Studio)

The company's bank facilities are secured by a debenture over the freehold property of the company

**Notes to the financial statements for the 17 month period ended 31 August 2011 (continued)**

**17 Deferred taxation**

	<b>17 month period ended 31 August 2011</b>	<b>Year ended 31 March 2010</b>
	<b>£</b>	<b>£</b>
At beginning of period/year	(635,276)	(21,029)
Charge for (released during) the period/year	<b>714,540</b>	(614,247)
	<hr/>	<hr/>
At end of period/year	<b>79,264</b>	(635,276)
	<hr/>	<hr/>

**18 Called up share capital**

	<b>31 August 2011</b>	<b>31 March 2010</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
1,614 (2010 1,614) ordinary shares of £1 each	<b>1,614</b>	1,614
	<hr/>	<hr/>

**19 Profit and loss account**

	<b>£</b>
At 1 April 2010 Restated	3,154,607
Profit for the period	590,764
Share based payment charge	3,103,053
Dividends	(2,000,000)
	<hr/>
At 31 August 2011	<b>4,848,424</b>
	<hr/>

**Notes to the financial statements for the 17 month period ended 31 August (continued)**

**20 Reconciliation of movement in shareholders' funds**

	31 August 2011	31 March 2010
	£	Restated £
Opening shareholders' funds	3,156,221	1,446,996
Profit for the period/year	590,764	4,309,225
Share based payment charge	3,103,053	-
Dividends	(2,000,000)	(2,600,000)
Closing shareholders' funds	<u>4,850,038</u>	<u>3,156,221</u>

**21 Dividends**

	17 month period ended 31 August 2011	Year ended 31 March 2010
	£	£
Dividends paid	<u>2,000,000</u>	<u>2,600,000</u>

**22 Pension commitments**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £73,397 (2010 £42,116). No contributions were payable to the fund at the balance sheet date.

**23 Operating lease commitments**

As at 31 August 2011 the company had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings		Other	
	2011	2010	2011	2010
	£	£	£	£
<b>Expiry date:</b>				
Within 1 year	-	-	-	12,268
After more than 5 years	231,000	231,000	-	-
	<u>231,000</u>	<u>231,000</u>	<u>-</u>	<u>-</u>

## Notes to the financial statements for the 17 month period ended 31 August (continued)

### 24 Directors' benefits: advances, credit and guarantees

During the period the company paid rent amounting to £327,250 (2010 £231,000) to P M Llewellyn

### 25 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 "related party transactions" from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company. There were no other related party transactions in the period.

### 26 Ultimate and immediate parent undertaking and controlling party

The company's immediate parent undertaking is Tidy Television Limited. In the directors' opinion, the company's ultimate parent undertaking is ALL3MEDIA Holdings Limited. ALL3MEDIA Holdings Limited is the parent undertaking of the smallest and largest group to consolidate these financial statements at 31 August 2011. Copies of its group financial statements, which include the company, are available from Berkshire House, 168-173 High Holborn, London, WC1V 7AA.

The ultimate controlling party at the balance sheet date was Permira Holdings Limited, a company which owns Permira Europe III G P Limited, the general partner of Permira Europe III.

### 27 Contingent liabilities

The company has entered into certain sale and leaseback transactions for television programme rights. Amounts are held in deposit accounts as a result of these transactions and comprise monies to provide for the discharge of future leasing liabilities. The contingent liability would only crystallise upon the failure of the bank holding the deposit. The amounts involved are as follows:

	31 August 2011 £'000	31 March 2010 £'000
Amounts held on deposit	480,595	608,212
Less: loans outstanding	(480,595)	(608,212)
	<hr/> -	<hr/> -
	<hr/>	<hr/>
The maturity of the above amounts is as follows:		
Less than one year	75,584	58,598
Two to five years	405,011	430,679
Over five years	-	118,935
	<hr/> 480,595	<hr/> 608,212
	<hr/>	<hr/>

The company is a participant in a group banking arrangement under which all surplus cash balances are held as collateral for bank facilities advanced to group members. In addition, the company has issued an unlimited guarantee to the bank to support these bank facilities. Details of these facilities are disclosed in note 32 of the All3Media Intermediate Limited financial statements which are publicly available.

The company no longer provides a guarantee in respect of banking facilities provided to P M Llewellyn, a director of the company. Therefore the potential liability in respect of this guarantee as at the balance sheet date amounted to £nil (2010 £700,000).