BOX TELEVISION LIMITED

Directors' report and financial statements

Registered number 2643552

For the 14 month period ended 31 December 2008

Contents

Directors' report

The directors present their report and the financial statements of Box Television Limited ("the Company") for the 14 month period ended 31 December 2008.

On 13th August 2009 the Company changed its accounting reference date to 31 December.

Ownership

The Company is a joint venture owned equally by Bauer Consumer Media Limited and 4Ventures Limited. Until 31 January 2008, the joint venture was equally owned by Emap Consumer Media Limited and 4Ventures Limited. On 31 January 2008, Emap plc (now known as Emap International Limited "Emap"), then the ultimate parent company of Emap Consumer Media Limited, sold its Consumer Media division, which included its share in the Company, to Heinrich Bauer Verlag KG. Heinrich Bauer Verlag KG is the ultimate parent company of Bauer Consumer Media Limited. 4Ventures Limited is a wholly owned subsidiary of Channel Four Television Corporation.

Business review

The Company's principal activity is to produce music and commercial content and to operate seven music television channels and their ancillary services (predominantly in the United Kingdom and the Republic of Ireland), known as '4Music', 'The Box', 'Kiss TV', 'Q TV', 'Kerrang TV', 'Magic TV', and 'Smash Hits TV'. All seven channels are available on Satellite and Cable platforms and 4Music is also available on Freeview.

'4Music' was formerly known as 'The Hits' and was relaunched in August 2008 in order to exploit the synergies of the '4' brand and to raise the profile of the channel amongst its key 16-34 age group. 4Music is currently the UK's most watched music channel.

Financial performance and key performance indicators

The company generated an operating profit of £6.0 million in the period (7 months ended 31 October 2007: £2.6 million).

Revenues grew from £14.0 million in the 7 months ended 31 October 2007 to £31.7 million in the 14 months ended 31 December 2008 (an annual growth rate of 13%).

Revenues grew in the period on a like-for-like basis in six of the seven channels, despite a 5% year on year decline in the UK TV advertising market. This was driven by an increase in commercial advertising across all seven channels, reflecting increased investment in programming and cross promotion, inventory optimisation and growth of the Freeview platform.

Key risks

Revenue is derived from the selling of advertising slots before and during programmes and sponsorship campaigns associated with programmes and subscription services.

The majority of the Company's revenue is derived from advertising. The dependency upon advertising revenue means that the Company is susceptible to cyclical fluctuations as well as structural changes in the advertising market. Advertising income is extremely variable and has the potential to change significantly during the course of the year as a result of changes in audience share or broader market and economic conditions. A large proportion of the Company's costs are fixed within a year which means that the Company has limited ability to respond to short term downturns in advertising income. In order to mitigate this risk the Company monitors the advertising market and its share of the market very closely to identify trends and to allow time to respond. As far as possible, the Company maintains a flexible cost base.

Following recent experience, internal expectations and industry forecasts, our provisional 2009 and 2010 revenue assumptions assume significant market decline in TV advertising. This decline has implications for the future cost base, which is continually monitored in order to maintain profitability.

The Company's operations expose it to a variety of financial risks, including the effects of changes in interest rates and credit risk. The management of these risks is controlled through the financial risk management policies of the Company and of Channel Four Television Corporation.

Results and dividends

The Company generated a profit after tax in the 14 month period of £4.3 million (7 months ended 31 October 2007: £2.0 million).

An interim dividend of £3.5 million was paid in the period (7 months ended 31 October 2007: £0.7 million). The directors do not recommend the payment of a final dividend for the period (7 months ended 31 October 2007: £nil).

Policy and practice on payment of creditors

The company understands the benefits to be derived from maintaining good relationships with its suppliers and accordingly the Company ensures that, wherever possible, its payment to suppliers for goods and services are made in accordance with the suppliers' terms and conditions. The company had trade creditors of £323,000 at 31 December 2008 (31 October 2007: £nil. Trade creditors were paid by Emap Consumer Media Limited who administered all of the cash transactions of the Company).

Directors

The directors who held office during the period and to the date of this report were as follows:

Andy Barnes	(appointed 20 December 2007)
Scott Monks	(appointed 20 December 2007)
David Young	(appointed 20 December 2007)
Rod Henwood	(resigned 18 February 2008)
Kevin Lygo	(resigned 18 February 2008)
Gidon Katz	(appointed 18 February 2008)
Sarah Rose	(appointed 18 February 2008)
Nathalie Schwarz	(appointed 18 February 2008)
Dharmash Mistry	(resigned 2 April 2008)
Paul Keenan	(appointed 2 April 2008)
Matthew Stanton	(resigned 18 August 2008)
Chris Evans	(appointed 18 August 2008)
Jules Oldroyd	(appointed 30 October 2008)
Dee Ford	(appointed 25 February 2009)

The directors are employees either of the Company, Channel Four Television Corporation, or the Bauer Group.

Employment Policy

Box Television Limited is an equal opportunities employer and does not discriminate on grounds of sex, sexual orientation, marital status, race, colour, ethnic origin, disability, age or political or religious belief in its recruitment or other employment policies.

Political and charitable contributions

The Company made no political or charitable donations or incurred any political expenditure during the current or prior period.

Disclosure of information to auditors

The directors who 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 he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

KPMG LLP were appointed auditors of the Company on 18 December 2008. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

Sarah Rose
Director

124 Horseferry Road
London SW1P 2TX

28 October 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 LLP

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Independent auditors' report to the members of Box Television Limited

We have audited the financial statements of Box Television Limited for the 14 month period ended 31 December 2008 which comprise the Profit and Loss Account, Balance Sheet, Cashflow statement 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 6.

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.

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 December 2008 and of its profit for the period 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 LLP KPMG LLP

Chartered Accountants
Registered Auditor

30 October 2009

Profit and Loss Account
for the 14 months period ended 31 December 2008

	Note	14 months period ended 31 December 2008 £'000	7 months period ended 31 October 2007 £'000
Turnover	2	**31,667**	**13,962**
Cost of transmission and sales		(18,847)	(8,872)
Gross profit		**12,820**	**5,090**
Administrative expenses		(6,869)	(2,532)
Other operating income		-	20
Operating profit	3	**5,951**	**2,578**
Interest receivable	6	77	237
Profit on ordinary activities before taxation		**6,028**	**2,815**
Tax on ordinary activities	7	(1,737)	(857)
Profit for the financial period		**4,291**	**1,958**

The company has no recognised gains and losses other than those stated above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the reported profits and the historical cost profits on ordinary activities before taxation for both periods being reported.

All results relate to continuing operations.

The notes on pages 11 to 20 are an integral part of these financial statements.

The directors have taken the decision to reclassify certain costs presented in Cost of transmission and sales and Administrative expenses in the prior year, for comparability purposes.

Balance Sheet
as at 31 December 2008

	Note	31 December 2008 £'000	31 October 2007 £'000
Fixed assets			
Tangible fixed assets	10	**691**	**309**
Current assets			
Stock	11	**144**	-
Debtors	12	**4,859**	7,301
Cash at bank and in hand		**4,463**	-
Total current assets		**9,466**	**7,301**
Creditors: amounts falling due within one year	13	**(5,352)**	**(4,649)**
Net current assets		**4,114**	**2,652**
Net assets		**4,805**	**2,961**
Capital and reserves			
Called up share capital	14	**1**	1
Share premium account	15	**1,713**	1,713
Profit and loss account	15	**2,038**	1,247
Other reserves	15	**1,053**	-
Shareholders' funds		**4,805**	**2,961**

These financial statements were approved by the Board of directors on 28 October 2009 and were signed on its behalf by:

Sarah Rose
Director
SRose

Registered number 2643552

Cashflow Statement
for the 14 months period ended 31 December 2008

	Note	14 months period ended 31 December 2008 £'000	7 months period ended 31 October 2007 £'000
Reconciliation of operating profit to net cash flow from operating activities			
Operating profit		5,951	2,578
Depreciation charges	10	178	57
Increase in stock	11	(144)	-
Decrease/(increase) in debtors	12	2,386	(4,144)
Increase in creditors	13	532	1,509
Net cash inflow from operating activities		8,903	-
Cash flow statement			
Cash flow from operating activities		8,903	-
Returns on investments and servicing of finance	6	77	-
Taxation paid		(1,510)	-
Capital expenditure	10	(560)	-
Dividends paid on shares classified in shareholders' funds	9	(3,500)	-
Cash inflow before financing		3,410	-
Financing	15	1,053	-
Increase in cash in the period		4,463	-
Cash at bank and in hand at 1 November 2007		-	-
Cash at bank and in hand at 31 December 2007		4,463	-

A cash flow statement is not presented for the 7 months period ended 31 October 2007, as Emap International Limited administered all the cash transactions of the Company. As a consequence the Company had no cash transactions in the period.

There were no movements in net funds in the period other than the increase in cash stated above and consequently no reconciliation of net cash flow to movement in net funds has been presented.

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 the financial statements.

Basis of preparation

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

Following recent experience, internal expectations and industry forecasts, our provisional 2009 and 2010 revenue assumptions assume significant market decline in TV advertising. This has implications to the future cost base, however the directors consider that, based on normal planning and control procedures, the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

At 31 December 2008 the Company had net assets of £4.8m (31 October 2007: £3.0m).

Revenue Recognition

All revenues have been stated net of advertising agency commissions where these are borne and paid by advertisers, and value added tax. Revenues are recognised when services are performed, persuasive evidence of an arrangement exists and when collectability is reasonably assured.

Television advertising revenue is recognised on transmission of the advertisement.

Revenues from sponsorship of the Company's programmes are recognised on transmission of the programme.

Subscription fee revenue is recognised over the period of the subscription.

Tangible fixed assets and depreciation

The cost of tangible fixed assets net of any estimated residual value on disposal is written down evenly over their expected useful lives as follows:

Plant and machinery	3-5 years
Fixtures, fittings and equipment	3 years

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Rental costs under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Post- retirement benefits

Employees of the Company are eligible to join the Channel Four Television Corporation defined contribution pension plan. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of each accounting period.

Notes (continued)

1. Accounting policies (continued)

Stock

Stock is valued at the lower of cost and net realisable value. Programme rights are stated at direct cost incurred up to the balance sheet date after making provision for programmes which are unlikely to be transmitted or sold. Direct cost is defined as payments made or due to programme suppliers, including Channel Four Television Corporation.

The cost of programme rights is wholly written off on first transmission of the programme.

Taxation

The charge for taxation is based on the profit for the period 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.

Cash

Cash, for the purpose of the cash flow statement, comprises cash in hand and cash deposits repayable on demand, less overdrafts payable on demand.

2 Analysis of turnover

	14 months period ended 31 December 2008	7 months period ended 31 October 2007
	£'000	£'000
By activity		
Advertising, sponsorship, promotions and production	**26,157**	11,462
Other	**5,510**	2,500
	31,667	13,962
	£'000	£'000
By geographical area		
United Kingdom	**31,117**	13,767
Rest of World	**550**	195
	31,667	13,962

Notes (continued)

3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	14 months period ended 31 December 2008 £'000	7 months period ended 31 October 2007 £'000
Operating lease rentals	**5,831**	2,660
Depreciation	**178**	57
Research and development costs	**81**	28

Auditors' Remuneration	**£'000**	£'000
Audit of these financial statements	**10**	7

No other services were provided to the Company by the auditors in the period.

4. Remuneration of directors

	14 months period ended 31 December 2008 £'000	7 months period ended 31 October 2007 £'000
Directors' emoluments	**411**	-

The aggregate of emoluments of the highest paid director was £143,000 (2007: £nil). The costs of the directors were borne by the Company, Channel Four Television Corporation, Bauer Consumer Media Limited and Emap Consumer Media Limited.

5 Staff numbers and costs

The average number of persons employed by the Company (including directors), during the period was as follows:

	14 months period ended 31 December 2008	7 months period ended 31 October 2007
Programming, Production and Operations	**42**	32
Sales, Marketing and Administration	**10**	8
	52	**40**

The average number of persons employed by the Company does not include temporary members of staff. 12 members of temporary staff in 2007 have since been made permanent in 2008 and are included in the average number of persons employed in the period.

Notes (continued)

5 Staff numbers and costs (continued)

Aggregate payroll costs of these persons were as follows:

	14 months period ended 31 December 2008 £'000	7 months period ended 31 October 2007 £'000
Wages and salaries	2,413	792
Social security costs	309	100
Other pension costs	67	15
	2,789	907

2007 figures exclude temporary staff costs for staff who have since been made permanent. Aggregate payroll costs in respect of these employees in 2007 amounted to £148,000.

6 Interest receivable and similar income

	14 months period ended 31 December 2008 £'000	7 months period ended 31 October 2007 £'000
Interest receivable from parent undertakings	-	237
Bank interest receivable	77	-
	77	237

7 Taxation

	14 months period ended 31 December 2008 £'000	7 months period ended 31 October 2007 £'000
UK corporation tax		
Current tax	1,682	814
Total current tax charge	1,682	814
Deferred tax		
Current year	55	30
Prior year	-	13
Total deferred tax	55	43
Tax on profit on ordinary activities	1,737	857

Notes (continued)

7 Taxation (continued)

Factors affecting the tax charge for the period

The current average tax charge for the period is lower (2007: lower) than the average standard rate of corporation tax in the UK during the period 28.7% (2007: 30.0%). The differences are explained below:

	14 months period ended 31 December 2008 £'000	7 months period ended 31 October 2007 £'000
Current tax reconciliation		
Profit on ordinary activities	**6,028**	2,815
Current tax at 28.7% (2007: 30%)	**1,730**	844
Effects of:		
Non-deductible expenditure	**7**	2
Capital allowances for period in excess of depreciation	**(55)**	(32)
Total current charge (see above)	**1,682**	814

8 Deferred Tax

The movement on deferred tax is:

	31 December 2008 £'000
At 1 November 2007	183
Transferred from profit and loss account	(55)
At 31 December 2008	**128**

The elements of recognised deferred taxation assets are as follows:

	31 December 2008 £'000	31 October 2007 £'000
Depreciation in advance of capital allowances	**128**	183

There is no unrecognised deferred taxation (31 October 2007: £Nil).

Notes (continued)

9 Dividends

	14 months period ended 31 December 2008 £'000	7 months period ended 31 October 2007 £'000
Final dividends paid in respect of prior period but not recognised as liabilities in that period	-	11,685
Interim dividends paid in respect of the current period	3,500	711
Total dividends paid in the financial period	3,500	12,396

10 Tangible fixed assets

	Plant and equipment £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 1 November 2007	3,698	141	3,839
Additions	557	3	560
At 31 December 2008	4,255	144	4,399
Depreciation			
At 1 November 2007	3,416	114	3,530
Charge for Period	168	10	178
At 31 December 2008	3,584	124	3,708
Net Book Value			
At 1 November 2007	282	27	309
At 31 December 2008	**671**	**20**	**691**

11 Stock

	31 December 2008 £'000	31 October 2007 £'000
Programme rights	144	-

Programme rights represent costs incurred for programmes which had not been transmitted at the balance sheet date. Costs are usually incurred between one and three months before transmission.

Notes (continued)

12 Debtors

	31 December 2008 £'000	31 October 2007 £'000
Trade debtors	1,175	528
Amounts receivable from parent undertakings (see note 18)	3,200	3,658
Prepayments and accrued income	356	2,932
Deferred tax (Note 8)	128	183
	4,859	7,301

No interest is charged on amounts receivable from parent undertakings.

13 Creditors: amounts falling due within one year

	31 December 2008 £'000	31 October 2007 £'000
Trade creditors	323	-
Corporation tax payable	671	499
Amounts owed to parent undertakings (see note 18)	2,403	708
Taxation and social security	116	265
Other creditors	77	1,069
Accruals and deferred income	1,762	2,108
	5,352	4,649

The number of days taken to pay suppliers of services other than programmes and related parties in the period, as calculated using year end creditor balances, was 36 (7 months period ended 31 October 2007: trade creditors were paid by Emap Consumer Media Limited).

No interest is charged on these balances, including amounts owed to parent undertakings.

14 Called-up share capital

	31 December 2008 £	31 October 2007 £
Authorised		
500 A shares of £1 each	500	500
500 B shares of £1 each	500	500
101 deferred Shares of £1 each	101	101
	1,101	1,101

Notes (continued)

14 Called-up share capital (continued)

	31 December 2008	31 October 2007
Allotted, called up and fully paid	**£**	£
500 A shares of £1 each	**500**	500
500 B shares of £1 each	**500**	500
	1,000	1,000

On 31 July 2007, 63 ordinary shares were issued at par.

On 31 July 2007, the Company's authorised share capital was increased by the creation of 101 deferred shares of £1 each. These shares rank pari passu with the ordinary shares but carry no voting rights and are not entitled to any dividend payments. On 31 July 2007, 1 deferred share with a nominal value of £1 was issued at par.

On 31 July 2007, 1,000 ordinary shares were reissued as 500 A ordinary shares and 500 B ordinary shares. The A and B shares each carry the respective voting rights and right to appoint and remove directors set out in the articles, but in all other respects rank pari passu and are identical as one class of shares.

On 24 September 2007, the Company bought back the 1 deferred share issued on 31 July 2007 for total consideration of £789,000.

500 A Ordinary shares of £1 each are held by Bauer Consumer Media Limited, and 500 B Ordinary shares are held by 4Ventures Limited.

	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Other reserves £'000	Shareholders funds £'000
At 1 November 2007	1	1,714	1,247	-	**2,961**
Profit for the financial period	-	-	4,291	-	**4,291**
Dividends paid	-	-	(3,500)	-	**(3,500)**
Reserves adjustment	-	-	-	1,053	1,053
At 31 December 2008	**1**	**1,714**	**2,038**	**1,053**	**4,805**

15 Reconciliation of profit and loss account and shareholders' funds

The Other Reserves adjustment is a distributable cash contribution from Bauer Consumer Media Limited, payable to the Company on demand, in order for the Company to achieve the target working capital value at the date the joint venture was formed.

Notes (continued)

16 Commitments

a) Operating Lease Commitments

The Company had annual commitments under non-cancellable operating leases expiring as follows:

	31 December 2008 £'000	31 October 2007 £'000
Within one year	-	3,401
Within two to five years	2,030	1,540
Over five years	4,038	-
	6,068	4,941

The Company had no significant capital commitments at the Balance Sheet date.

2007 commitments have been restated for the purpose of comparability to include the same commitments reported in the current period.

b) Programme Commitments

At 31 December 2008, the company had committed future expenditure for programmes due for payment, as follows:

	31 December 2008 £'000	31 October 2007 £'000
Within one year	225	-
	225	-

17 Pension scheme

Channel Four Television Corporation operates a defined contribution pension scheme on behalf of the Company. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £67,000 (7 months ended 31 October 2007: £15,000).

Notes (continued)

18 Related party transactions

During the period, the Company received £21.2m from Bauer Consumer Media Limited ('Bauer') in advertising, sponsorship and promotions, commercial production and subscription revenues collected on its behalf. No amounts were received from Emap Consumer Media Limited ('Emap') in respect of interest in the period (2007: £0.2m).

Bauer owed the Company £3.1m at 31 December 2008 in respect of these revenues (31 October 2007: Emap owed the Company £3.4m, and Bauer Digital Radio Limited owed the Company £0.3m).

The Company made payments of £4.8m during the period to Bauer for costs settled on its behalf relating to transmission agreements, rights fees, brand royalties, commissions, facilities management and information systems services. No payments were made in the period to Emap Consumer Media Limited or Emap Support Services Limited for administrative support services (2007: £1.0m) or to Bauer Digital Radio Limited for transponder fees paid on the Company's behalf (2007: £0.5m). The Company made payments of £1.1m to Emap Digital Limited in the period for payments made on behalf of the Company under certain transmission agreements. In respect of these services the Company owed Bauer £0.8m at 31 December 2008 (31 October 2007: £0.3m)

Also during the period, the Company paid £1.7m to Channel Four Television Corporation ('Channel 4') for marketing, finance and other administrative support services (2007: £0.4m). In respect of these services and for programme costs the Company owed Channel Four Television Corporation £1.6m at 31 December 2008 (31 October 2007: £0.4m), and Channel Four Television Corporation owed the Company £0.1m for marketing costs settled on its behalf (31 October 2007: nil).

19 Ultimate Controlling Parties

With effect from 1 August 2007 Emap Consumer Media Limited (the Company's then immediate parent company) sold 50% of its holdings in the Company's shares to 4Ventures Limited, a subsidiary of Channel Four Television Corporation, making the company a joint venture from this date.

On 31 January 2008, Emap plc (now known as Emap International Limited, "Emap") completed the sale of its Consumer Media division (now Bauer Consumer Media Limited), which includes the Company, to Heinrich Bauer Verlag KG. As a result, with effect from 31 January 2008, the joint venture was owned equally by Bauer Consumer Media Limited and 4Ventures Limited.

Channel Four Television Corporation is the immediate and ultimate parent company and controlling party of 4Ventures Limited. Copies of Channel Four Television Corporation consolidated financial statements may be obtained from the secretary at the registered office at124 Horseferry Road, London, SW1P 2TX.

The only parent undertaking within the Bauer Group for which Group accounts are drawn up is Heinrich Bauer Verlag Beteiligungs GmbH, registered in Germany. Copies of Heinrich Bauer Verlag Beteiligungs GmbH accounts are publicly available.