

Company Registration No. 02657408

Topical Television Limited

Report and Financial Statements

30 June 2011

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Topical Television Limited

Report and financial statements 2011

Contents	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditor's report	5
Profit and loss account	7
Balance sheet	8
Notes to the accounts	9

Topical Television Limited

Report and financial statements 2011

Officers and professional advisers

Directors

M J Fuller
P Hayton
C C Riley
J M Thoday
R Allen-Turner
J R Gregory
R J J Bennett
G Perkins
J Mowll
JL Beresford

Secretary

R Allen-Turner

Registered Office

4a Exmoor Street
London
W10 6BD

Bankers

The Royal Bank of Scotland Plc
62/63 Threadneedle Street
PO Box 412
London
EC2R 8LA

Auditor

Deloitte LLP
Chartered Accountants
London

Topical Television Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2011

This Directors' Report has been prepared in accordance with the special provisions relating to small companies under s418 of the Companies Act 2006

Principal activity

The principal activity of the company in the year under review was media and television production

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements

Further details regarding the adoption of the going concern basis can be found in Note 1 to the financial statements

Research and development

Research and development expenditure is written off to the profit and loss account in the period in which it is incurred

Events since the end of the year

Information relating to events since the end of the year is given in the notes to the financial statements

Directors

The directors who served throughout the year were as follows

M J Fuller
P Hayton
C C Riley
J M Thoday
R Allen-Turner
J R Gregory
S C Prebble (resigned 27 July 2010)
R J J Bennett
G Perkins
J Mowll
JL Beresford (appointed 1 February 2011)

Topical Television Limited

Directors' report (continued)

Auditor

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

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

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

Deloitte LLP were appointed as auditors to the company following the resignation of the previous auditors, and have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board


J. Gregory
Director

 2nd March 2012

Topical Television Limited

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 elected to prepare 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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 with reasonable accuracy at any time the financial position of the company and to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Topical Television Limited

We have audited the financial statements of Topical Television Limited for the year ended 30 June 2011 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of 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.

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 30 June 2011 and of its profit for the year 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 matters prescribed by the Companies Act 2006

In our opinion the information in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Topical Television Limited (continued)

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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report



James Bates (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

2 March 2012

Topical Television Limited

Profit and loss account Year ended 30 June 2011

	Notes	2011 £	2010 £
Turnover		1,924,718	2,075,631
Cost of sales		(1,338,555)	(1,466,010)
Gross profit		586,163	609,621
Administrative expenses		(405,941)	(393,824)
Operating profit	2	180,222	215,797
Interest receivable and similar income	3	141	439
Profit on ordinary activities before taxation		180,363	216,236
Tax on profit on ordinary activities	4	(14,255)	(57,643)
Profit for the financial year after taxation		166,108	158,593

Topical Television Limited

Balance sheet 30 June 2011

	Notes	2011 £	2010 £
Fixed assets			
Intangible assets	6	-	-
Tangible assets	7	17,457	32,915
		<u>17,457</u>	<u>32,915</u>
Current assets			
Debtors	8	346,807	287,803
Cash at bank and in hand		371,442	697,854
		<u>718,249</u>	<u>985,657</u>
Creditors: amounts falling due within one year	9	(346,553)	(795,527)
Net current assets		<u>371,696</u>	<u>190,130</u>
Total assets less current liabilities and net assets		<u>389,153</u>	<u>223,045</u>
Capital and reserves			
Called up share capital	11	99	99
Profit and loss account	12	389,054	222,946
Total equity shareholders' funds		<u>389,153</u>	<u>223,045</u>

The financial statements of Topical Television Limited, registered number 02657408 were approved by the Board of Directors on 2nd March 2012

Signed on behalf of the Board of Directors

J Thoday
Director

Topical Television Limited

Notes to the accounts Year ended 30 June 2011

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accepted accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Going Concern

In reaching their decision to prepare the accounts on the going concern basis, the Directors have considered the impact of the current economic climate on both the company and the group of which it is a member.

Having given due consideration to the above factors and the anticipated future performance of the Company, taking into account reasonably possible changes in trading performance in light of uncertainty related to current unfavourable economic conditions, the Directors have been able to form a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they adopt the going concern basis in preparing the accounts.

Turnover

Turnover represents amounts receivable for services provided in the normal course of business, net of value added tax.

Profit is recognised on long-term contracts if the total outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is recognised on the basis of the proportion of the contract which has been undertaken at the balance sheet date.

Intangible assets

The intangible assets relate to costs associated with the generation of programme rights. The costs were capitalised and were fully amortised over what the directors deemed to be the expected life of the asset which was five years.

Tangible fixed assets

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

Short leasehold property	-	over the term of the lease
Camera equipment	-	33% on cost
Office equipment	-	33% on cost
Motor vehicles	-	25% on reducing balance

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Topical Television Limited

Notes to the accounts Year ended 30 June 2011

2. Operating profit

The operating profit is stated after charging

	2011 £	2010 £
Depreciation – owned assets	16,523	9,209
Pension costs	14,891	15,000
Operating lease rentals	25,761	28,942
Fees paid to the Company's auditors for the audit of the Company's annual accounts	3,700	5,250
Directors' remuneration and other benefits etc	<u>210,000</u>	<u>225,000</u>

The highest paid director was remunerated £70,000 (2010 £70,000) during the year with £4,964 of this being paid into a money purchase pension scheme

The number of directors to whom retirement benefits were accruing was as follows

	2011 No.	2010 No.
Money purchase schemes	<u>3</u>	<u>3</u>

3. Interest receivable and similar income

	2011 £	2010 £
Deposit account interest	141	434
Interest received from Inland Revenue	-	5
	<u>141</u>	<u>439</u>

Topical Television Limited

Notes to the accounts Year ended 30 June 2011

4. Taxation

Analysis of the tax charge

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

	2011 £	2010 £
Current tax		
UK corporation tax	51,563	90,559
Over provision in prior year	(37,408)	(32,916)
	<u>14,255</u>	<u>57,643</u>
Tax on profit on ordinary activities		
	<u>14,255</u>	<u>57,643</u>

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2011 £	2010 £
Profit on ordinary activities before tax	<u>180,363</u>	<u>216,236</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 27.5 % (2010: 28%)	49,600	59,465
Effects of		
Excess of depreciation over capital allowances	2,063	2,873
Overprovision of corporation tax in previous years	(37,408)	(4,695)
	<u>14,255</u>	<u>57,643</u>
Current tax charge		
	<u>14,255</u>	<u>57,643</u>

Topical Television Limited

Notes to the accounts Year ended 30 June 2011

5. Dividends

	2011 £	2010 £
Ordinary share capital shares of £1 each		
Ordinary - paid	-	1,000,000

6. Intangible fixed assets

	Other intangible assets £
Cost	
At 1 July 2010	31,446
Additions	-
At 30 June 2011	31,446
Amortisation	
At 1 July 2010	31,446
Charge for the year	-
At 30 June 2011	31,446
Net book value	
At 30 June 2011	-
At 30 June 2010	-

Topical Television Limited

Notes to the accounts Year ended 30 June 2011

7. Tangible fixed assets

	Improve- ments to property £	Camera equipment £	Office equipment £	Motor vehicles £	Total £
Cost					
At 1 July 2010	7,268	218,707	72,186	14,495	312,656
Additions	-	1,065	-	-	1,065
Disposals	-	-	-	-	-
At 30 June 2011	<u>7,268</u>	<u>219,772</u>	<u>72,186</u>	<u>14,495</u>	<u>313,721</u>
Depreciation					
At 1 July 2010	5,191	191,212	72,186	11,152	279,741
Charge for the year	1,038	14,648	-	837	16,523
Eliminated on disposal	-	-	-	-	-
At 30 June 2011	<u>6,229</u>	<u>205,860</u>	<u>72,186</u>	<u>11,989</u>	<u>296,264</u>
Net book value					
At 30 June 2011	<u>1,039</u>	<u>13,912</u>	<u>-</u>	<u>2,506</u>	<u>17,457</u>
At 30 June 2010	<u>2,077</u>	<u>27,495</u>	<u>-</u>	<u>3,343</u>	<u>32,915</u>

8. Debtors' amounts falling due within one year

	2011 £	2010 £
Trade debtors – production	151,586	122,800
Other debtors	-	25,000
Prepayments and accrued income	195,221	140,003
	<u>346,807</u>	<u>287,803</u>

There were no amounts falling due after more than one year

Topical Television Limited

Notes to the accounts Year ended 30 June 2011

9. Creditors: amounts falling due within one year

	2011 £	2010 £
Trade Creditors	3,466	42,890
Corporation tax	51,663	57,643
Social security and other taxes	40,508	162,078
Other creditors	1,140	1,052
Amounts owed to fellow Group undertakings	75,000	75,000
Accruals and deferred income	174,776	456,864
	<u>346,553</u>	<u>795,527</u>

There were no amounts falling due after more than one year

A cross guarantee and debenture exists between Avalon Public Relations Limited, Funnyfriend Limited, Avalon Promotions Limited, Avalon Television Limited, Liberty Bell Productions Limited, Avalon Management Group Limited, Flame Television Limited, Tinderbox Television Limited, Avalon Distribution Limited and the company to secure bank overdraft and loan facilities available to these companies and their parents Avalon Entertainment Limited and Nolava Holdings Limited. The overdraft is netted off against the total group cash position which was £7.3m at the balance sheet date.

10. Operating lease commitments

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

	2011 £	2010 £
Expiring		
Within one year	-	24,750
Between one and five years	737	738
	<u>737</u>	<u>25,488</u>

11. Called up share capital

	2011 £	2010 £
Allotted, issued and fully paid ordinary shares of £1 each	99	99
	<u>99</u>	<u>99</u>

Topical Television Limited

Notes to the accounts Year ended 30 June 2011

12. Reserves

	Profit and loss account £
At 1 July 2010	222,946
Profit for the year	166,108
Dividends	-
At 30 June 2011	<u>389,054</u>

13. Pension commitments

The company operates a defined contribution pension scheme for its directors and senior employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

14. Related party disclosures

The company has taken advantage of the exemption available under FRS 8 not to disclose intra group transactions on the grounds that 100% of the voting rights are controlled within the group and consolidated financial statements containing Topical Television Limited are publicly available.

15. Ultimate controlling party

The ultimate controlling party is JM Thoday.

The parent company of the largest and smallest group in which this company's financial statements are consolidated are Nolava Holdings Limited and Avalon Entertainment respectively. Copies of consolidated financial statements of the company can be obtained from Companies House, Crown Way, Mandy, Cardiff CF14 3UZ.