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REG'D NUMBER

**BANDLER LIMITED**

**Financial Statements**

**Year ended  
30 April 2005**



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# **BANDLER LIMITED**

## **Annual report and financial statements for the year ended 30 April 2005**

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#### **DIRECTOR**

S.G.P. Bowen

#### **COMPANY SECRETARY AND REGISTERED OFFICE**

Secretarial Services Limited  
Emerald House  
East Street  
Epsom  
Surrey  
KT17 1HS

#### **COMPANY NUMBER**

2980523

#### **BANKERS**

Barclays Bank Plc  
27 Soho Square  
London  
W14 4WA

#### **AUDITORS**

BDO Stoy Hayward LLP  
Emerald House  
East Street  
Epsom  
Surrey  
KT17 1HS

## **BANDLER LIMITED**

### **DIRECTORS' REPORT**

**Year ended 30 April 2005**

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The director submits his report and financial statements for the year ended 30 April 2005.

#### **RESULTS**

The profit of the company for the year is shown in the profit and loss account on page 4 and the related notes. The directors' do not recommend the payment of a dividend.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company is that of holding and managing investments in two trading subsidiary companies: a satellite television transmission facility and a television production facility.

#### **REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

The company's own performance was a profit of £203,091 (2004: loss of £286,182) primarily due to the sale of Cable & Satellite Transmissions (cast) Limited.

The company's investments performance in the year ending 30 April 2005 was not as anticipated. The performance of Teddington Studios Limited has deteriorated to such a degree that the sale of Cable & Satellite Transmissions (cast) Limited was approved in December 2004. The cash inflow that the sale brought in allowed the company to continue to support Teddington Studios Limited in the short term. Unfortunately a substantial revenue stream at Teddington Studios Limited was lost around the same time and the decision to place that company into administration was made in March 2005.

The company has now rationalised all activities and is taking stock of its current position with the intention of seeking out opportunities for new investments.

#### **DIRECTORS**

The directors of the company during the year were:

S.G.P.Bowen.

P. Darbyshire (Resigned 30 March 2005)

M. Singfield (Resigned 15 October 2004)

At 1 May 2004 and 30 April 2005, S. Bowen had an interest, as a beneficiary of a family trust, in The Barnes Trust Limited, the ultimate parent company, which has an effective holding of 56% in the company.

## **BANDLER LIMITED**

### **DIRECTOR'S REPORT (continued)**

**Year ended 30 April 2005**

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#### **DIRECTOR'S RESPONSIBILITIES**

Company law requires the director to prepare financial statements for each financial year which 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 year. In preparing those financial statements the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

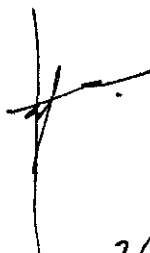
#### **AUDITORS**

BDO Stoy Hayward LLP have expressed a willingness to continue in office and a resolution to reappoint them as auditors will be proposed at the next annual general meeting.

On behalf of the board

**S.G.P. Bowen**  
Director

Date:



26.10.06

# BANDLER LIMITED

## REPORT OF THE INDEPENDENT AUDITORS

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### Independent Auditors' Report to the Shareholders of Bandler Limited

We have audited the financial statements of Bandler Limited for the year ended 30 April 2005 on pages 4 to 11. These financial statements have been prepared under the accounting policies set out therein.

#### Respective responsibilities of the director and auditors

The director's responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *Basis of audit opinion*

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

We planned 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. However, the evidence available to us was limited as a result of a breakdown in accounting procedures and controls as explained in note 14. There were no other satisfactory audit procedures that we could adopt to gain sufficient appropriate audit evidence. We are unable to quantify the impact on these financial statements resulting from the breakdown in systems and controls.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### *Opinion: disclaimer on view given by financial statements*

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2005 and of its profit for the year then ended or whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We have not received all the information and explanations that we considered necessary for the purposes of our audit and the company has not maintained proper accounting records.



**BDO STOY HAYWARD LLP**

*Chartered Accountants and Registered Auditors*

**EPSOM, SURREY**

Date: 26 April 2006

**BANDLER LIMITED****PROFIT AND LOSS ACCOUNT****Year ended 30 April 2005**

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	<b>Note</b>	<b>2005 £</b>	<b>2004 £</b>
Administrative expenses		<b>(88,227)</b>	(286,182)
Profit on disposal of investments	3	<b>291,308</b>	-
		<hr/>	<hr/>
<b>OPERATING PROFIT/(LOSS)</b>	4	<b>203,081</b>	(286,182)
Bank interest receivable		<b>10</b>	-
		<hr/>	<hr/>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>203,091</b>	(286,182)
Taxation on profit/(loss) on ordinary activities	5	-	-
		<hr/>	<hr/>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>203,091</b>	(286,182)
Retained loss brought forward		<b>(539,667)</b>	(253,485)
		<hr/>	<hr/>
<b>RETAINED LOSS CARRIED FORWARD</b>		<b>(336,576)</b>	(539,667)
		<hr/>	<hr/>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

There are no movements in shareholders' funds in the current year apart from the profit for the year.

The notes on pages 7 to 11 form part of these financial statements.

**BANDLER LIMITED****BALANCE SHEET****30 April 2005**

	Note	2005	2004
		£	£
<b>FIXED ASSETS</b>			
Investments	6	-	1,380,300
<b>CURRENT ASSETS</b>			
Debtors	7	579,258	-
Cash at Bank and in Hand		175,004	781
		<u>754,262</u>	<u>781</u>
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(299,969)</u>	<u>(1,129,879)</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>454,293</u>	<u>(1,129,098)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>454,293</u>	<u>251,202</u>
<b>CREDITORS: amounts falling due after more than one year</b>	9	<u>(34,990)</u>	<u>(34,990)</u>
		<u>419,303</u>	<u>216,212</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	755,879	755,879
Profit and loss account		(336,576)	(539,667)
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>419,303</u>	<u>216,212</u>

These financial statements were approved by the board and signed on its behalf by:

**S.G.P. BOWEN**  
Director

Date of approval:

  
26.10.06

The notes on pages 7 to 11 form part of these financial statements.

**BANDLER LIMITED**

**CASH FLOW STATEMENT**

**30 April 2005**

	Note	2005 £	2004 £
Net cash (outflow)/inflow from operating activities	I	(937,900)	(4)
Returns on investments and servicing of finance			
Bank interest received		10	-
Capital expenditure and financial investment			
Proceeds on disposal of investment		1,112,113	-
(Decrease)/increase in cash		174,223	(4)

**I Reconciliation of operating profit to net cash inflow from operating activities**

Operating (loss)	203,081	(286,182)
Decrease/(increase) in operating debtors	(19,763)	281
(Decrease)/increase in operating creditors	(829,910)	(7,383)
Impairment of fixed asset investments	-	293,280
Profit on disposal of investments	(291,308)	-
Net cash inflow from operating activities	(937,900)	(4)

**II Reconciliation of net cash inflow to movement in net funds**

Increase/(decrease) in cash in the year	174,223	(4)
Movement in net funds in the year	174,223	(4)
Opening net funds	781	785
Closing net funds	175,004	781

**III Analysis of net funds**

	At 1 May 2004 £	Cash flow £	Other non-cash changes £	At 30 April 2005 £
Cash in hand and at bank	781	174,223	-	175,004

The notes on pages 7 to 11 form part of these financial statements.



# **BANDLER LIMITED**

## **NOTES ON THE FINANCIAL STATEMENTS**

**Year ended 30 April 2005**

### **1 ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention. The following principal accounting policies have been applied:

#### **Consolidation**

The company is exempt from the requirement to prepare consolidated financial statements by virtue of s248 of the Companies Act 1985 as the group it leads qualifies as a medium group. These financial statements therefore present information about the company as an individual undertaking and not about its group.

#### **Investments**

Fixed asset investments are shown at cost less any provision for impairment.

#### **Impairment of fixed assets**

The need for any fixed asset impairment write downs is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use.

### **2 DIRECTORS AND EMPLOYEES**

The directors received no emoluments from the company in the current or the preceding financial period. Other than the directors, the company has no employees.

### **3 PROFIT ON DISPOSAL OF FIXED ASSET INVESTMENTS**

Disposal of the issued share capital of Cable & Satellite Transmissions (cast) Limited:

	£	£
Initial consideration received:		
Cash	1,123,983	
Settlement of group lease obligations	85,017	
Earn out consideration	559,495	
Total consideration		1,768,495
Less: Legal and professional fees		(96,887)
Less: Carrying value of investments		(1,380,300)
Profit on disposal		<u>291,308</u>

### **4 OPERATING PROFIT/(LOSS)**

	2005 £	2004 £
This is arrived at after charging:		
Write off of intercompany debt	(67,094)	-
Impairment of fixed asset investments	-	(293,280)

The auditor's remuneration for the current year was borne by the immediate holding company.

**BANDLER LIMITED****NOTES ON THE FINANCIAL STATEMENTS (continued)****Year ended 30 April 2005****5 TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES**

	2005 £	2004 £
Taxation on profit/(loss) on ordinary activities	-	-
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:		
	2005 £	2004 £
Profit/(loss) on ordinary activities before tax	203,091	(286,182)
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 19% (2004: 19%)	38,587	(54,374)
Effects of:		
Expenses not deductible for tax purposes	-	55,723
Group relief	-	(1,337)
Non-taxable income	(55,348)	-
Losses carried forward	16,761	(12)
Current tax charge for the year	-	-

**BANDLER LIMITED****NOTES ON THE FINANCIAL STATEMENTS (continued)****Year ended 30 April 2005****6 FIXED ASSET INVESTMENTS**

	£
Balance as at 1 May 2004	1,380,300
Disposal	(1,380,300)
Balance as at 30 April 2005	-

The above investment relates to three wholly owned subsidiaries, all registered in England and Wales, as follows:

	Share Capital £	Profit/(loss) for the year ended 30 April 2003 £	Net assets at 30 April 2003 £	Activity	Proportion Of ordinary Shares held Directly
Arena Transmission Facilities Limited*	2	9,909	1,961	Property management for group	100%
Teddington Studios Limited*	2	964,044	1,768,305	Television production studios	100%

\*The results for Arena Transmissions Facilities Limited and Teddington Studios Limited are for the year ended 30 April 2003 as these were the latest available audited financial statements.

During the year the company sold its 100% interest in Cable & Satellite Transmissions (cast) Limited for a consideration in excess of book value.

Arena Transmission Facilities Limited was not purchased as part of this transaction and the shares were transferred to Bandler Limited. Arena Transmission Facilities Limited discontinued trading upon the disposal of its immediate parent company, Cable & Satellite Transmissions (cast) Limited.

Teddington Studios Limited was placed in administration and its business and assets were sold to Waterways Limited in a deal that secured the continuation of television production at Teddington Studios. Following this transaction, Teddington Studios Limited changed its name to Bandler (TSL) Limited and in since the year end was in the process of being liquidated.

Bandler Limited is taking advantage of the exemption for small and medium groups not to prepare group financial statements. No other company in the group prepares consolidated financial statements.

**7 DEBTORS**

Amounts receivable within one year:	2005 £	2004 £
VAT debtor	19,763	-
Other debtors	559,495	-
	<u>579,258</u>	<u>-</u>

All amounts shown under debtors fall due for payment within one year.

**BANDLER LIMITED****NOTES ON THE FINANCIAL STATEMENTS (continued)**

Year ended 30 April 2005

**8 CREDITORS****Amounts falling due within one year:**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Amounts due to parent undertaking	<b>162,271</b>	1,129,879
Accruals	<b>137,698</b>	-
	<b>299,969</b>	<b>1,129,879</b>

**9 CREDITORS****Amounts falling due after more than one year:**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Amounts owed to a director's family trust	<b>34,990</b>	34,990

There are no scheduled repayment terms for this loan.

**10 SHARE CAPITAL**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
1,000,000 ordinary shares of £1 each	<b>1,000,000</b>	1,000,000
<b>Called up, allotted and fully paid</b>		
755,879 ordinary shares of £1 each	<b>755,879</b>	755,879

**11 IMMEDIATE AND ULTIMATE PARENT COMPANIES**

The immediate parent company is Barnes Trust Television Limited, a company registered in England and Wales. The company's ultimate parent company is The Barnes Trust Limited, a company incorporated in the Isle of Man. The company's ultimate controlling entity is The Barnes Trust.

The financial statements of Barnes Trust Television Limited are available from Emerald House, East Street, Epsom, Surrey KT17 1HS.

**12 RELATED PARTY TRANSACTIONS**

At the year end the company has a balance of £34,990 (2004: £34,990) due to a director's family trust.

At the year end the company has a balance of £92,271 (2004: £1,129,879) due to Barnes Trust Television Limited. S.G.P. Bowen, P. Darbyshire and M. Singfield were all directors of Barnes Trust Television Limited during the year.

During the year an inter-company debt of £67,094 due from Teddington Studios Limited has been written off due to that company entering into administration in March 2005. S.G.P. Bowen, P. Darbyshire and M. Singfield were all directors of Teddington Studios Limited during the year.

**NOTES ON THE FINANCIAL STATEMENTS (continued)**

**Year ended 30 April 2005**

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**13 COMMITMENTS AND CONTINGENCIES**

The company and its fellow group undertakings have entered into an agreement with its bankers to cross-guarantee the bank overdrafts of Barnes Trust Television Limited and its subsidiaries ("the group"). Companies in the group have overdrafts, at 30 April 2005, amounting to £40,089. The guarantee at 30 April 2004 related to the group overdraft of £386,372.

**14 ACCOUNTS**

As a result of the company's trading subsidiary, Teddington Studios Limited, entering into administration in March 2005 the group undertook a restructuring. As part of the restructuring the company underwent a number of significant changes in its accounting systems and finance personnel. At the time of and subsequent to implementation of these changes appropriate procedures and controls were not put in place to ensure proper accounting records were maintained. As a result some significant accounting records could not be located or recreated.