

**Company Registration No. 3353751**

**Avalon Public Relations Limited**

**Report and Financial Statements**

**30 June 2011**



# **Avalon Public Relations Limited**

## **Report and financial statements 2011**

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# **Avalon Public Relations Limited**

## **Report and financial statements 2011**

### **Officers and professional advisers**

#### **Directors**

J Thoday  
R Allen-Turner  
J Gregory  
R Bennett  
G Perkins  
R Aslett  
J L Taylor

#### **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

# Avalon Public Relations 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 that of the provision of public relations and marketing services for products and artists of the Group.

### 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 the accounting policies note in the financial statements.

### Directors

The directors who served throughout the year were as follows:

J Thoday  
R Allen-Turner  
J Gregory  
R Bennett  
G Perkins  
R Aslett  
J L Taylor

### Directors' qualifying third party indemnity provisions

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

### 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 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

## **Avalon Public Relations 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 Avalon Public Relations Limited**

We have audited the financial statements of Avalon Public Relations Limited for the year ended 30 June 2011 which comprise the profit and loss account, the balance sheet and the related notes 1 to 10. 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 Avalon Public Relations 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,
- 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

## Avalon Public Relations Limited

### Profit and loss account Year ended 30 June 2011

	Notes	2011 £	2010 £
Turnover		2,012,908	1,914,155
Cost of sales		(828,354)	(910,548)
<b>Gross profit</b>		<u>1,184,554</u>	<u>1,003,607</u>
Administrative expenses		(1,005,501)	(680,184)
<b>Operating profit on ordinary activities before taxation</b>	2	179,053	323,423
Tax on profit on ordinary activities	3	(49,240)	(35,835)
<b>Profit for the financial year after taxation</b>		<u>129,813</u>	<u>287,588</u>

# Avalon Public Relations Limited

## Balance sheet 30 June 2011

	Notes	2011 £	2010 £
<b>Fixed assets</b>			
Investments	4	1	1
<b>Current assets</b>			
Debtors	5	2,495,681	1,133,130
Cash at bank		54	307,954
		<u>2,495,735</u>	<u>1,441,084</u>
<b>Creditors: amounts falling due within one year</b>	6	<u>(1,800,650)</u>	<u>(875,812)</u>
<b>Net current assets</b>		<u>695,085</u>	<u>565,272</u>
<b>Total assets less current liabilities</b>		<u>695,086</u>	<u>565,273</u>
<b>Capital and reserves</b>			
Called up share capital	7	100	100
Profit and loss account	8	<u>694,986</u>	<u>565,173</u>
<b>Total equity shareholders' funds</b>		<u>695,086</u>	<u>565,273</u>

The financial statements of Avalon Public Relations Limited, registered number 3353751 were approved by the Board of Directors on 2nd March 2012

Signed on behalf of the Board of Directors

J Thoday  
Director

# Avalon Public Relations Limited

## Notes to the accounts Year ended 30 June 2011

### 1. Accounting policies

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

#### Accounting convention

The financial statements are prepared under the historical cost convention.

#### Preparation of consolidated financial statements

The financial statements contain information about Avalon Public Relations Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Avalon Entertainment Limited, a Company incorporated in England and Wales.

#### Going Concern

In reaching their decision to prepare the accounts on a 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 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 fees receivable during the year stated net of value added tax.

#### 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.

#### Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

### 2. Operating profit

The operating profit is stated after charging

	2011 £	2010 £
Fees paid to the Company's auditors for the audit of the Company's annual accounts	4,595	3,190
Pension costs	6,447	5,208

The directors are remunerated by another Company within the Group.

# Avalon Public Relations Limited

## Notes to the accounts Year ended 30 June 2011

### 3. 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	49,240	90,798
Adjustments in respect of prior periods	-	(54,963)
	<u>49,240</u>	<u>35,835</u>
Tax on profit on ordinary activities	<u>49,240</u>	<u>35,835</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>179,053</u>	<u>323,423</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 27.5 % (2010: 28%)	49,240	90,798
Effects of Overprovision of corporation tax in previous years	-	(54,963)
Current tax charge	<u>49,240</u>	<u>35,835</u>

# Avalon Public Relations Limited

## Notes to the accounts Year ended 30 June 2011

### 4. Fixed asset investments

	Shares in group undertakings £
<b>Cost</b>	
At 1 July 2010	1
Additions	-
At 30 June 2011	1
<b>Net book value</b>	
At 30 June 2011	1
At 30 June 2010	1

The Company owns 100% of the issued ordinary share capital of TV Recordings Limited, a Company which has been dormant since incorporation

### 5. Debtors: amounts falling due within one year

	2011 £	2010 £
Trade debtors	92,380	572,762
Amounts owed by group undertakings	1,914,467	2,182
Tax receivable	32,351	-
Other debtors	456,483	558,186
	<u>2,495,681</u>	<u>1,133,130</u>

### 6. Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	8,658	50,591
Bank overdraft	19,115	-
Amounts owed to group undertakings	1,587,849	585,250
Taxation and social security	-	90,798
Corporation tax	14,240	-
Other creditors	170,788	149,173
	<u>1,800,650</u>	<u>875,812</u>

A cross guarantee and debenture exists between Avalon Management Limited, Avalon Promotions Limited, Avalon Television Limited, Funnyfriend Limited, Liberty Bell Productions Limited and the Company to secure bank overdraft and loan facilities available to these companies and their parent companies Avalon Entertainment Limited and Nolava Holdings Limited. The overdraft of £19,115 is offset by the net cash position of the Group of £7.3m

# Avalon Public Relations Limited

## Notes to the accounts Year ended 30 June 2011

### 7. Called up share capital

	2011 £	2010 £
<b>Allotted, issued and fully paid</b>		
Ordinary shares of £1 each	100	100

### 8. Reserves

	<b>Profit and loss account £</b>
At 1 July 2010	565,173
Profit for the year	129,813
At 30 June 2011	694,986

### 9. 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 including Avalon Public Relations Limited are publicly available

### 10. 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