

Chorion Pacific Limited

(formerly known as Enid Blyton (Australia) Limited)

Directors' report and financial statements

Registered number 03381400

Year ended 31 December 2007

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Directors' report

The Directors present their report together with the financial statements for the year ended 31 December 2007.

Principal activity

The company's principal activity during the year was brand exploitation of certain children's literary works.

Results and dividends

The loss for the year after taxation amounted to £83,000 (*2006: profit £6,000*).

The Directors do not recommend the payment of a dividend for the year ended 31 December 2007 (*2006: Nil*).

Directors

The Directors who held office during the period were as follows:

N Williams	Resigned 27 July 2007
S Murphy	Resigned 26 January 2007
T Downing	Appointed 29 January 2007
J Turner	Appointed 27 July 2007; Resigned 3 November 2008
M White	Appointed 3 November 2008
P Beale	Appointed 3 November 2008

N Williams, S Murphy, T Downing and J Turner were also Directors of the ultimate parent company, Planet Acquisitions Holdings Limited (S Murphy resigned on 26 January 2007, N Williams resigned on 27 July 2007, and J Turner resigned on 3 November 2008).

Political and charitable donations

The Company made no political or charitable donations during the year (*2006: Nil*).

Basis of accounts preparation

Chorion Pacific Limited is a wholly-owned subsidiary undertaking of Planet Acquisitions Holdings Limited (the parent company of the Chorion group).

These accounts have been prepared on a going concern basis, having regard to the group's trading forecasts for the next twelve months.

These forecasts, which include detailed cash flow projections, comprise detailed assumptions as to sales and profit performance by month and take account of the normal seasonality profile of the business. These forecasts also include sensible tolerances that make allowance for the risk that the external trading environment may be worse than currently envisaged. Based on these forecasts, the directors of Planet Acquisitions Holdings Limited have confidence that the assumptions underlying their forecasts are reasonable and that the group will be able to operate within its banking covenants and available liquidity headroom for at least the next twelve months. Taking these forecasts into account, the directors of Chorion Pacific Limited consider that it is appropriate to prepare these accounts on a going concern basis.

Directors' report *(continued)*

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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



PA Beale
Company Secretary

4th Floor
Aldwych House
81 Aldwych
London
WC2B 4HN

29th January 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 Audit Plc

PO Box 695
8 Salisbury Square
London
EC4Y 8BB

Independent auditors' report to the members of Chorion Pacific Limited (formerly known as Enid Blyton (Australia) Limited)

We have audited the financial statements of Chorion Pacific Limited (formerly known as Enid Blyton (Australia) Limited) for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet 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 3.

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.

Independent auditors' report to the members of Chorion Pacific Limited (formerly known as Enid Blyton (Australia) Limited) (continued)

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 2007 and of its loss for the year 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 Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

29 January 2008

Profit and loss account

for the year ended 31 December 2007

	<i>Note</i>	2007 £000	2006 £000
Turnover		155	83
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		155	83
Administrative expenses		(269)	(77)
		<hr/>	<hr/>
Operating (loss)/profit		(114)	6
Interest payable	5	(1)	-
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(115)	6
Tax credit on loss on ordinary activities	6	32	-
		<hr/>	<hr/>
(Loss)/profit on ordinary activities after taxation		(83)	6
		<hr/>	<hr/>

The results for both years represent the continuing activities of the Company.

There are no other recognised gains or losses other than those reported above in the current or prior year. Consequently, a statement of total recognised gains and losses has not been prepared. There is no difference in the (loss)/profit for the financial year as reported compared to an historical cost basis in either the current or previous year.

Balance sheet

at 31 December 2007

	Note	2007 £000	2007 £000	2006 £000	2006 £000
Fixed assets					
Tangible assets	7		6		6
			<u>6</u>		<u>6</u>
Current assets					
Debtors	8	203		61	
		<u>203</u>		<u>61</u>	
Creditors: amounts falling due within one year	9	(286)		(61)	
		<u>(286)</u>		<u>(61)</u>	
Net current (liabilities)/assets			(83)		-
			<u>(83)</u>		<u>-</u>
Net (liabilities)/assets			(77)		6
			<u>(77)</u>		<u>6</u>
Capital and reserves					
Called up share capital	10		-		-
Profit and loss account	11		(77)		6
			<u>(77)</u>		<u>6</u>
Shareholders' deficit	12		(77)		6
			<u>(77)</u>		<u>6</u>

These financial statements were approved by the board of directors on 29th January 2009 and were signed on its behalf by:


Terry Downing
Director

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 financial statements.

Basis of preparation

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

Chorion Pacific Limited is a wholly-owned subsidiary undertaking of Planet Acquisitions Holdings Limited (the parent company of the Chorion group).

These accounts have been prepared on a going concern basis, having regard to the group's trading forecasts for the next twelve months.

These forecasts, which include detailed cash flow projections, comprise detailed assumptions as to sales and profit performance by month and take account of the normal seasonality profile of the business. These forecasts also include sensible tolerances that make allowance for the risk that the external trading environment may be worse than currently envisaged. Based on these forecasts, the directors of Planet Acquisitions Holdings Limited have confidence that the assumptions underlying their forecasts are reasonable and that the group will be able to operate within its banking covenants and available liquidity headroom for at least the next twelve months. Taking these forecasts into account, the directors of Chorion Pacific Limited consider that it is appropriate to prepare these accounts on a going concern basis.

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of a UK Company (note 15), which includes a consolidated cash flow statement in accordance with FRS 1 in its accounts.

As the Company is a wholly owned subsidiary of Planet Acquisitions Holdings Limited, a parent undertaking of the Company, the Company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Planet Acquisition Holdings Limited, within which the company is included, can be obtained from the address given in note 15.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the period. All other exchange differences are dealt with through the profit and loss account.

Notes (continued)

1 Accounting policies (continued)

Taxation

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

Turnover

Turnover represents commissions earned during the year (excluding VAT).

Licensing Agreements

The policy is to recognise revenue by spreading income over the term of the contract.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less depreciation. Depreciation is calculated so as to write off the costs, by equal instalments over their estimated useful lives. The only major category of tangible fixed assets is depreciated as follows:

Fixtures, fittings and office equipment - 2-5 years

2 (Loss)/profit on ordinary activities before taxation

The company's audit fee has been settled by a fellow group company.

	2007 £'000	2006 £'000
<i>(Loss)/profit on ordinary activities before taxation is stated after charging:</i>		
Exchange losses	3	-
Depreciation of tangible assets	1	-
	<u> </u>	<u> </u>

Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Planet Acquisitions Holdings Limited.

Notes (continued)

3 Staff numbers and costs

The average number of persons employed by the Company during the year was as follows:

	Number of employees	
	2007	2006
All staff	3	2

	2007	2006
	£000	£000

The aggregate payroll costs of these persons were as follows:

Wages and salaries	138	42
Social security costs	-	-
Pension costs	10	3
	148	45

The Company operates a Personal Pension Scheme. The charge for the year represents those contributions payable to this scheme.

4 Remuneration of directors

The aggregate emoluments of the highest paid director were £nil (2006: £nil).

No Director (2006: nil) received contributions to money purchase pension schemes during the year.

The emoluments of the Directors of Planet Acquisitions Holdings Limited are disclosed in the Planet Acquisitions Holdings Limited accounts.

5 Interest payable and similar charges

	2007	2006
	£000	£000
Interest payable	(1)	-

Notes (continued)

6 Taxation

(a) Analysis of credit in year:

	2007 £000	2006 £000
<i>UK corporation tax</i>		
UK corporation tax on income for year	(34)	-
Adjustment in respect of prior years	2	-
	<hr/>	<hr/>
Tax credit on loss on ordinary activities	(32)	-
	<hr/>	<hr/>

(b) Factors affecting tax credit for the year

The current tax credit for the year is lower than (2006: lower than) the standard rate of corporation tax in the UK of 30% (2006: 30%). The differences are explained below.

	2007 £000	2006 £000
Profit/(loss) on ordinary activities before tax	(112)	6
	<hr/>	<hr/>
Current tax at 30% (2006: 30%)	(34)	2
Effects of:		
Expenses not deductible for tax purpose	1	1
Capital allowances for period in excess of depreciation	-	(1)
Withholding tax expensed	(1)	-
Adjustments in respect of prior periods	2	-
Other timing differences	-	(2)
	<hr/>	<hr/>
Total current tax (credit)/charge	(32)	-
	<hr/>	<hr/>

(c) Factors affecting the future tax rate

The total tax rate in future years is anticipated to follow the standard rate of UK corporate taxation. The statutory rate of UK tax reduced to 28% with effect from 1 April 2008.

Notes (continued)

7 Tangible assets

	Fixtures, fittings & office equipment
	£000
Cost	
At beginning of year	6
Additions	1
	<hr/>
At end of year	7
	<hr/>
Depreciation	
At beginning of year	-
Charge for year	1
	<hr/>
At end of year	1
	<hr/>
<i>Net book value</i>	
At 31 December 2007	6
	<hr/>
At 31 December 2006	6
	<hr/>

8 Debtors

	2007 £000	2006 £000
Other debtors	40	-
Amount owed by group undertakings	163	61
	<hr/>	<hr/>
	203	61
	<hr/>	<hr/>

9 Creditors: amounts falling due within one year

	2007 £000	2006 £000
Trade creditors	1	3
Amounts owed to group undertakings	260	35
Accruals and deferred income	25	23
	<hr/>	<hr/>
	286	61
	<hr/>	<hr/>

Notes (continued)

10 Called up share capital

	2007 £	2006 £
<i>Authorised:</i>		
1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid:</i>		
2 ordinary shares of £1 each	2	2
	<hr/>	<hr/>

11 Reserves

	Profit and loss account £000
At beginning of the year	6
Loss for the year	(83)
	<hr/>
At end of year	(77)
	<hr/>

12 Reconciliation of movements in shareholders' funds

	2007 £000	2006 £000
(Loss)/profit for the year	(83)	6
Opening shareholders' funds	6	-
	<hr/>	<hr/>
Closing shareholders' funds	(77)	6
	<hr/>	<hr/>

13 Capital commitments

At 31 December 2007, the Company did not have any material capital commitments (2006: *Nil*).

14 Contingent liabilities

At 31 December 2007, the Company did not have any material contingent liabilities (2006: *Nil*).

Notes *(continued)*

15 Immediate and ultimate parent undertaking

The Company's immediate parent undertaking is Chorion Rights Limited (previously Enid Blyton Ltd).

The smallest and largest group in which the results of the Company are consolidated is that headed by Planet Acquisitions Holdings Limited. The consolidated accounts of Planet Acquisitions Holdings Limited are available to members of the public from 4th Floor, Aldwych House, 81 Aldwych, London WC2B 4HN.