

Ravenscourt Services Limited

Directors' report and financial statements

for the year ended 31 August 2007

Registered number 3534197



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Directors' report

The directors present their annual report and the audited financial statements of the company for the year ended 31 August 2007

Principal activity and review of the business

The principal activity of the company is the provision of services to its immediate parent company, Lion Television Limited. The directors do not anticipate any changes in those activities over the coming year.

Results and dividends

The company's profit for the financial year was £397,316 (2006 £634,905 loss) which will be transferred to/withdrawn from reserves. The directors do not recommend the payment of a dividend (2006 £nil).

Future outlook

The directors believe that the company will continue as the provider of services to its immediate parent company, Lion Television Limited, in the future.

Principal risks and uncertainties

The key business risks and uncertainties affecting the company relate to the general economic environment, competition from other television producers and success of the parent company's programming. Further discussion of these risks and uncertainties, in the context of the ALL3MEDIA group (the "group") as a whole, is provided on page 4 of the group's annual report which does not form part of this report.

Key performance indicators ("KPIs")

The directors of ALL3MEDIA Holdings Limited manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Ravenscourt Services Limited. The development, performance and position of ALL3MEDIA Holdings Limited, which includes the company, is discussed on page 4 of the group's annual report which does not form part of this report.

Disclosure of information to auditors

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

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (2) 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 auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Directors

The directors who held office during the year and up to the date of signing the financial statements were as follows:

S Morrison
J Burns
J Pfeil
R Bradley
N Catliff
J Mills
S Meer

Director's indemnity

The Company maintains liability insurance for its directors and officers

Statement of directors' responsibilities in respect of the annual report and the financial statements

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). 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 those 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, 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 confirm that they have complied with the above requirements in preparing the financial statements.

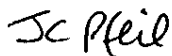
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

The directors confirm that they have complied with the above requirements in preparing the financial statements.

Independent auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be put to the members at the annual general meeting.

By order of the Board



J C Pfeil
Company secretary

10/04/08

Independent auditors' report to the members of Ravenscourt Services Limited

We have audited the financial statements of Ravenscourt Services Limited for the year ended 31 August 2007 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

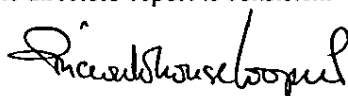
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 August 2007 and of the company's profit 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.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London



10 April 2008

Profit and loss account for the year ended 31 August 2007

	<i>Note</i>	2007 £	2006 £
Turnover	<i>1</i>	7,570,237	4,861,490
Cost of sales		(4,762,784)	(3,959,378)
Gross profit		2,807,453	902,112
Administrative expenses		(1,993,589)	(1,782,261)
Operating profit/(loss)	<i>2</i>	813,864	(880,149)
Interest receivable and similar income	<i>5</i>	10	734
Interest payable and similar charges	<i>6</i>	(130,842)	(4,891)
Profit/(loss) on ordinary activities before taxation		683,032	(884,306)
Taxation	<i>7</i>	(285,716)	249,401
Profit/(loss) for the year		397,316	(634,905)
Retained profit brought forward		260,741	895,646
Retained profit carried forward		658,057	260,741

Amounts relating to turnover and operating profit/(loss) in the current and previous period derive from continuing activities

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the year stated above and their historical costs equivalents

The notes on pages 7 to 13 form part of these financial statements

Reconciliation of movements in shareholders' funds for the year ended 31 August 2007

	2007 £	2006 £
Profit/(Loss) for the financial year	397,316	(634,905)
Shareholders' funds brought forward	260,743	895,648
Shareholders' funds carried forward	658,059	260,743

Balance sheet at 31 August 2007

	Note	2007 £	£	2006 £	£
Fixed assets					
Tangible assets	8		223,032		382,111
Current assets					
Debtors	9	3,013,921		1,162,950	
Cash at bank and in hand		41,251		1,685	
		<u>3,055,172</u>		<u>1,164,635</u>	
Creditors: amounts falling due within one year	10	<u>(1,946,940)</u>		<u>(1,286,003)</u>	
Net current assets/(liabilities)			1,108,232		(121,368)
Total assets less current liabilities			<u>1,331,264</u>		<u>260,743</u>
Creditors: amounts falling due outside one year	11		(673,205)		-
Net assets			<u>658,059</u>		<u>260,743</u>
Capital and reserves					
Called up share capital	13		2		2
Profit and loss account			658,057		260,741
Total shareholders' funds			<u>658,059</u>		<u>260,743</u>

These financial statements were approved by the board of directors on 10/04/08 and were signed on its behalf by



J Burns
Director

The notes on pages 7 to 13 form part of these financial statements

Notes to the financial statements

1 Accounting policies

The following accounting policies have been applied in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year are set out below

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group. Group financial statements are prepared and publicly available

Turnover and production costs

Turnover comprises the invoiced value of provision of services supplied by the company exclusive of value added tax

Turnover relates wholly to the company's principal activity in the UK

Fixed assets and depreciation

Depreciation is calculated to write off the cost of tangible assets evenly over their estimated useful lives at the following annual rates

Leasehold improvements	-	over the term of the lease
Plant and machinery	-	20% - 50%

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be in line with the remaining estimated useful life

Leases

Assets held under finance leases (excluding sale and leaseback transactions), which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rental payments are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Deferred tax assets are recognised only to the extent that the directors consider that it is probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Pensions

The company operates a defined contribution personal pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profit represents the contributions payable to the scheme in respect of the accounting period.

Translation of foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the date of the balance sheet or at the agreed contractual rate. Transactions in foreign currency are converted to sterling at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account.

2 Operating profit/(loss)

	2007 £	2006 £
<i>This is stated after charging/(crediting).</i>		
Auditors' remuneration		
-Audit services	5,500	6,500
Depreciation and other amounts written off tangible fixed assets		
-Owned assets	270,859	244,383
-Leased assets	346	4,185
Profit on disposal of fixed assets	(1,957)	(3,500)
Operating lease charges		
– Land and buildings	335,945	334,115
– Equipment	13,650	17,367
	<hr/> <hr/>	<hr/> <hr/>

3 Directors emoluments

	2007 £	2006 £
Directors' emoluments		
Aggregate emoluments	1,082,411	851,694
Company pension contributions to money purchase schemes	55,300	41,654
	<hr/> <hr/>	<hr/> <hr/>
	1,137,711	893,348

The total emoluments, including pension contributions of £14,350 (2006 £13,304) of the highest paid director were £307,513 (2006 £281,477).

Three of the directors are remunerated by All3Media Limited, and details are available in the financial statements of that company.

Payments were made to a personal pension scheme on a defined contribution basis for 4 directors (2006 4) in the year.

4 Staff numbers and costs

The average monthly number of persons employed by the company during the year, analysed by category, was as follows

By activity	2007 Number	2006 Number
Production	25	27
Administration	42	38
	<hr/>	<hr/>
	67	65
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows

	2007 £	2006 £
Wages and salaries	3,894,713	3,736,060
Social security costs	421,732	422,299
Other pension costs	85,095	80,866
	<hr/>	<hr/>
	4,401,540	4,239,225
	<hr/>	<hr/>

5 Interest receivable and similar income

	2007 £	2006 £
Bank interest receivable	10	734
	<hr/>	<hr/>

6 Interest payable and similar charges

	2007 £	2006 £
Bank interest payable	5,459	4,891
Other interest payable	125,383	-
	<hr/>	<hr/>
	130,842	4,894
	<hr/>	<hr/>

7 Taxation

(a) Tax on profit/(loss) on ordinary activities

The tax charge/ (credit) is made up as follows

	2007 £	2006 £
Current Tax		
UK corporation tax	492,041	(242,073)
Adjustments in respect of previous years	-	(1,062)
Total current tax charge/(credit) for the year	492,041	(243,135)
Deferred Tax	(206,325)	(6,266)
Tax on profit/(loss) on ordinary activities	285,716	(249,401)

(b) Factors affecting the tax charge for the current year

The tax assessed for the year is the same as (2006 higher) than the standard rate of corporation tax in the UK at 30 % (2006 30%). The differences are reconciled below

	2007 £	2006 £
Profit/(loss) on ordinary activities before tax	683,032	(884,306)
Current tax at 30 % (2006 30%)	204,910	(265,292)
<i>Effects of</i>		
Expenses not deductible for tax purposes	234,597	-
Income not chargeable for tax purposes		(573)
Capital allowances for the year in excess of depreciation	34,010	23,792
Adjustments in respect of previous years	18,524	(1,062)
Total current tax charge/(credit) for the period	492,041	(243,135)

c) Deferred taxation

The deferred taxation included in the balance sheet is as follows

	2007 £	2006 £
Included in debtors	271,471	65,146
Depreciation in advance of capital allowances (note 9)	271,471	65,146

A number of changes to the UK corporation tax system were announced in the March 2007 Budget Statement and are expected to be enacted in the 2007 and 2008 Finance Acts. The changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The directors confirm that the effect of the changes to be enacted would not be material to the financial statements.

8 Tangible assets

	Leasehold improvements £	Plant and machinery £	Total £
<i>Cost</i>			
At 1 September 2006	247,955	1,294,827	1,542,782
Additions	2,103	114,703	116,806
Disposals	-	(6,480)	(6,480)
At 31 August 2007	250,058	1,403,050	1,653,108
<i>Accumulated depreciation</i>			
At 1 September 2006	147,920	1,012,751	1,160,671
Charge for year	49,766	221,439	271,205
Disposals	-	(1,800)	(1,800)
At 31 August 2007	197,686	1,232,390	1,430,076
<i>Net book amount</i>			
At 31 August 2007	52,372	170,660	223,032
At 31 August 2006	100,035	282,076	382,111

There are no fixed assets held under finance leases included in the total net book value (2006 £4,573)

9 Debtors

	2007 £	2006 £
Trade debtors	3,624	25,028
Amounts owed by parent company	2,485,655	649,866
Amounts owed by group companies	78,141	12,466
Other debtors	11,325	35,556
Prepayments and accrued income	163,705	282,770
Deferred tax (note 7)	271,471	65,146
UK corporation tax	-	92,118
	3,013,921	1,162,950

10 Creditors' amounts falling due within one year

	2007 £	2006 £
Trade creditors	85,574	209,577
UK Corporation tax	399,923	-
Other taxes and social security costs	107,753	112,664
Obligations under finance leases	-	4,493
Other creditors	389,163	5,413
Accruals and deferred income	964,527	953,856
	<u>1,946,940</u>	<u>1,286,003</u>

11 Creditors: amounts falling due outside one year

	2007 £	2006 £
Other creditors	673,205	-
	<u>673,205</u>	<u>-</u>

12 Obligations under finance leases and hire purchases contracts

The maturity of obligations under finance leases and hire purchase contracts is as follows

	2007 £	2006 £
Within one year	-	4,493
	<u>-</u>	<u>4,493</u>

13 Called up share capital

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

14 Financial commitments

At 31 August 2007 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings			Other
	2007	2006	2007	2006
	£	£	£	£
Operating leases which expire				
Within one year	-	-	12,474	-
In two to five years	17,500	17,500	1,176	11,953
In over five years	318,445	318,445	-	-
	<u>335,945</u>	<u>335,945</u>	<u>13,650</u>	<u>11,953</u>

15 Contingent liabilities

On 17 June 2004 the company was acquired by All3Media Limited, a wholly owned subsidiary of ALL3MEDIA Holdings Limited. As part of the acquisition arrangements the shares and assets of the company were charged to The Royal Bank of Scotland plc who provided bank finance for the acquisition.

16 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

17 Ultimate parent company

The company's immediate parent undertaking is Lion Television Limited. In the directors' opinion, the company's ultimate parent undertaking is ALL3MEDIA Holdings Limited. Copies of its group financial statements, which include the company, are available from Berkshire House, 168-173 High Holborn, London, WC1V 7AA.

The ultimate controlling party is Permira Holdings Limited, a company which owns Permira Europe III G P Limited, the general partner of Permira Europe III.