

Ravenscourt Services Limited

Directors' report and financial statements

for the year ended 31 August 2008

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 2008.

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The company's loss for the financial year was £818,907 (2007: Profit £397,316) which will be withdrawn from/transferred to reserves. The directors do not recommend the payment of a dividend (2007: £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 Holdings Limited (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 5 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

At 31 August 2008, J Burns, S Morrison and J Pfeil were also directors of ALL3MEDIA Holdings Limited

Director's indemnity

The Company maintains liability insurance for its directors and officers.

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). 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.

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 Pfeil

Company secretary

Date: 4 March 2009

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 2008 which comprise the profit and loss account, the reconciliation of movements in shareholders' funds, the balance sheet and the related notes 1 to 16. 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

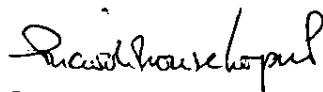
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2008 and of the company's 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.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
4 March 2009

Profit and loss account for the year ended 31 August 2008

	<i>Note</i>	2008 £	2007 £
Turnover	<i>1</i>	3,936,171	7,570,237
Cost of sales		(2,884,852)	(4,762,784)
		<hr/>	<hr/>
Gross profit		1,051,319	2,807,453
Administrative expenses		(1,924,128)	(1,993,589)
		<hr/>	<hr/>
Operating (loss)/profit	<i>2</i>	(872,809)	813,864
Interest receivable and similar income	<i>5</i>	-	10
Interest payable and similar charges	<i>6</i>	(1,404)	(130,842)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(874,213)	683,032
Taxation	<i>7</i>	55,306	(285,716)
		<hr/>	<hr/>
(Loss)/profit for the financial year		(818,907)	397,316
		<hr/>	<hr/>

Amounts relating to turnover and operating (loss)/profit in the current and previous year 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 (loss)/profit on ordinary activities before taxation and the (loss)/profit 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 2008

	2008	2007
	£	£
(Loss)/Profit for the financial year	(818,907)	397,316
Opening Shareholders' funds	658,059	260,743
Closing Shareholders' funds	(160,848)	658,059

Balance sheet as at 31 August 2008

	Note	2008 £	2007 £
Fixed assets			
Tangible assets	8	93,415	223,032
Current assets			
Debtors	9	1,199,431	3,013,921
Cash at bank and in hand		165,138	41,251
		<u>1,364,569</u>	<u>3,055,172</u>
Creditors: amounts falling due within one year	10	<u>(945,627)</u>	<u>(1,946,940)</u>
Net current assets		<u>418,942</u>	<u>1,108,232</u>
Total assets less current liabilities		<u>512,357</u>	<u>1,331,264</u>
Creditors: amounts falling due after one year	11	<u>(673,205)</u>	<u>(673,205)</u>
Net (liabilities)/assets		<u>(160,848)</u>	<u>658,059</u>
Capital and reserves			
Called up share capital	13	2	2
Profit and loss account		<u>(160,850)</u>	<u>658,057</u>
Total shareholders' funds		<u>(160,848)</u>	<u>658,059</u>

These financial statements were approved by the board of directors on 4 March 2009 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 'Cashflow Statements' (Revised 1996) 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.

Going concern

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued support of the ultimate parent company ALL3MEDIA Holdings Limited. The directors have received confirmation that ALL3MEDIA Holdings Limited intends to support the company for at least one year after these financial statements are signed.

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.

Tangible fixed assets and depreciation

Tangible fixed assets are initially stated at cost. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

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.

Notes (continued)

Accounting policies (continued)

Deferred 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 (loss)/profit

	2008 £	2007 £
<i>This is stated after charging/(crediting):</i>		
Auditors' remuneration:		
-Audit services	7,000	5,500
Depreciation and other amounts written off tangible fixed assets:		
-Owned assets	139,374	270,859
-Leased assets	-	346
Profit on disposal of fixed assets	3,742	(1,957)
Operating lease charges		
– Land and buildings	335,945	335,945
– Equipment	20,178	13,650
	<hr/>	<hr/>

Notes (continued)

3 Directors emoluments

	2008 £	2007 £
Directors' emoluments:		
Aggregate emoluments	877,921	1,082,411
Company pension contributions to money purchase schemes	58,030	55,300
	<u>935,951</u>	<u>1,137,711</u>

The total emoluments, including pension contributions of £15,400 (2007: £14,350) of the highest paid director were £269,203 (2007: £307,513)

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 (2007: 4) in the year.

4 Employee information

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

	2008 Number	2007 Number
By activity:		
Production	21	25
Administration	37	42
	<u>58</u>	<u>67</u>

The aggregate payroll costs of these persons were as follows:

	2008 £	2007 £
Wages and salaries	3,131,467	3,894,713
Social security costs	345,168	421,732
Other pension costs	111,366	85,095
	<u>3,588,001</u>	<u>4,401,540</u>

5 Interest receivable and similar income

	2008 £	2007 £
Bank interest receivable	-	10

Notes (continued)

6 Interest payable and similar charges

	2008 £	2007 £
Bank interest payable	1,404	5,459
Other interest payable	-	125,383
	<u>1,404</u>	<u>130,842</u>

7 Taxation

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

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

	2008 £	2007 £
Current Tax		
UK corporation tax	-	492,041
Adjustments in respect of previous years	17,121	-
	<u>17,121</u>	<u>492,041</u>
Total current tax charge for the year	17,121	492,041
Deferred tax	(72,427)	(206,325)
	<u>(55,306)</u>	<u>285,716</u>
Tax on (loss)/ profit on ordinary activities	(55,306)	285,716

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

The standard rate of Corporation Tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 29.165% and will be taxed at 28% in the future. The tax charge for the year is higher than the effective rate of corporation tax in the UK of 29.165%. The differences are reconciled below.

	2008 £	2007 £
(Loss)/Profit on ordinary activities before tax	(874,213)	683,032
	<u>(874,213)</u>	<u>683,032</u>
Current tax at 29.165 % (2007:30%)	(254,964)	204,910
Effects of:		
Expenses not deductible for tax purposes	1,236	234,597
Loss not utilised	214,043	-
Capital allowances for the year in excess of depreciation	39,685	34,010
Adjustments in respect of previous years	17,121	18,524
	<u>17,121</u>	<u>492,041</u>
Total current tax charge for the period	17,121	492,041

Notes (continued)

Taxation (continued)

c) Deferred taxation (note 9)

The deferred taxation included in the balance sheet is as follows:

	2008 £	2007 £
Included in debtors	343,898	271,471
Depreciation in advance of capital allowances	343,898	271,471
Net deferred taxation not recognised in the accounts is as follows:		
	2008 £	2007 £
Unutilised trading losses	205,493	-

No deferred tax asset relating to the above has been recognised on the basis that the recognition criteria set out in Financial Reporting Standard 19 have not been met.

8 Tangible assets

	Leasehold improvements £	Plant and machinery £	Total £
<i>Cost</i>			
At 1 September 2007	250,058	1,403,050	1,653,108
Additions	5,078	14,379	19,457
Disposals		(21,700)	(21,700)
At 31 August 2008	255,136	1,395,729	1,650,865
<i>Accumulated depreciation</i>			
At 1 September 2007	197,686	1,232,390	1,430,076
Charge for the year	37,065	102,309	139,374
Disposals	-	(12,000)	(12,000)
At 31 August 2008	234,751	1,322,699	1,557,450
<i>Net book value</i>			
At 31 August 2008	20,385	73,030	93,415
At 31 August 2007	52,372	170,660	223,032

There are no fixed assets held under finance leases included in the total net book value (2007: nil).

Notes (continued)

9 Debtors

	2008 £	2007 £
Trade debtors	5,076	3,624
Amounts owed by parent company	602,544	2,485,655
Amounts owed by group companies	122,840	78,141
Other debtors	20,168	11,325
Prepayments and accrued income	104,905	163,705
Deferred tax (note 7)	343,898	271,471
	<u>1,199,431</u>	<u>3,013,921</u>

Amounts owed by group companies and by parent company are interestfree, unsecured and repayable on demand.

10 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	24,039	85,574
UK Corporation tax	417,044	399,923
Other taxes and social security costs	72,591	107,753
Obligations under finance leases	4,634	-
Other creditors	-	389,163
Accruals and deferred income	427,319	964,527
	<u>945,627</u>	<u>1,946,940</u>

11 Creditors: amounts falling due after one year

	2008 £	2007 £
Other creditors	<u>673,205</u>	<u>673,205</u>

12 Called up share capital

	2008 £	2007 £
<i>Authorised</i>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

Notes (continued)

13 Financial commitments

At 31 August 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2008	2007	2008	2007
	£	£	£	£
Operating leases which expire:				
Within one year	17,500	-	16,490	12,474
In two to five years	-	17,500	-	1,176
After five years	318,445	318,445	-	-
	<u>335,945</u>	<u>335,945</u>	<u>16,490</u>	<u>13,650</u>

14 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.

15 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.

16 Ultimate and immediate parent undertaking and controlling party

The company's immediate parent undertaking is Lion Television Limited. In the directors' opinion, the company's ultimate parent undertaking is ALL3MEDIA Holdings Limited. ALL3MEDIA Holdings Limited is the parent undertaking of the smallest and largest group to consolidate these financial statements at 31 August 2008. Copies of its consolidated 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.