Ravenscourt Services Limited

Directors' report and financial statements

for the year ended 31 August 2010
Registered number 3534197

Contents

Directors' report

The directors present their annual report and the audited financial statements of Ravenscourt Services Limited (the "company") for the year ended 31 August 2010

Principal activities 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The company's loss for the financial year was £545,752 (2009 £108,335) which will be withdrawn from reserves The directors do not recommend the payment of a dividend (2009 £nil)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 6 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 418 of the Companies Act 2006

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

Directors' report (continued)

Directors' indemnities

The company maintains liability insurance for its directors and officers Following shareholder approval the company has also provided an indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006

Statement of directors' responsibilities

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 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006 They are also responsible for safeguarding the assets of the company and the group 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

JC Pfeil .

J Pfeil
Company secretary
21 December 2010

Independent auditors' report to the members of Ravenscourt Services Limited

We have audited the financial statements (the "financial statements") of Ravenscourt Services Limited (the "company") for the year ended 31 August 2010 which comprise the profit and loss account, the reconciliation of movements in shareholders' deficit, the balance sheet and the related notes 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)

Respective responsibilities of directors and auditors
As explained more fully in the Statement of directors' responsibilities set out on page 2 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 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

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, 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

Scope of the audit of the 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 31 August 2010 and of its loss 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 other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

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 by the company, or returns adequate for our audit have not been received from branches not visited by us, or
- the company 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

Philip Stokes (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
21 December 2010

Profit and loss account for the year ended 31 August 2010

	Note	**2010**	2009
		£	£
Turnover	*1*	**4,745,530**	3,768,653
Cost of sales		**(3,039,899)**	(2,360,746)
Gross profit		**1,705,631**	1,407,907
Administrative expenses		**(2,136,074)**	(1,803,357)
Operating loss	*2*	**(430,443)**	(395,450)
Interest payable and similar charges	*5*	**(9,029)**	(2,692)
Loss on ordinary activities before taxation		**(439,472)**	(398,142)
Tax on loss on ordinary activities	*6*	**(106,280)**	289,807
Loss for the financial year		**(545,752)**	(108,335)

Amounts relating to turnover and operating loss 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 on ordinary activities before taxation and the loss for the financial year stated above and their historical costs equivalents

The notes on pages 7 to 14 form part of these financial statements

Reconciliation of movements in shareholders' deficit for the year ended 31 August 2010

	2010	2009
	£	£
Loss for the financial year	**(545,752)**	(108,335)
Opening shareholders' deficit	**(269,183)**	(160,848)
Closing shareholders' deficit	**(814,935)**	(269,183)

Balance sheet as at 31 August 2010

Registered number 3534197

	Note	2010		2009	
		£	£	£	£
Fixed assets					
Tangible assets	7		**61,811**		124,252
Current assets					
Debtors	8	**608,091**		398,145	
		608,091		398,145	
Creditors: amounts falling due within one year	9	**(1,484,837)**		(791,580)	
Net current liabilities			**(876,746)**		(393,435)
Total assets less current liabilities			**(814,935)**		(269,183)
Capital and reserves					
Called up share capital	10		**2**		2
Profit and loss account	12		**(814,937)**		(269,185)
Total shareholders' deficit			**(814,935)**		(269,183)

These financial statements were approved by the board of directors on 21 December 2010 and were signed on its behalf by

J Burns
Director

The notes on pages 7 to 14 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 2006 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 number 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 to the financial statements *(continued)*

1 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 underling 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 the average 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

	2010	2009
	£	£
This is stated after charging/(crediting)·		
Auditors' remuneration		
-Audit services	**7,000**	7,000
Depreciation and other amounts written off tangible fixed assets		
-Owned assets	**78,619**	80,785
(Profit)/loss on disposal of fixed assets	**-**	(15,705)
Operating lease charges		
– Land and buildings	**453,998**	429,663
– Equipment	**14,138**	17,446

Notes to the financial statements *(continued)*

3 Directors emoluments

	2010 £	2009 £
Directors' emoluments:		
Aggregate emoluments	**1,078,183**	880,245
Company pension contributions to money purchase schemes	**60,025**	60,025
	1,138,208	940,027

During the prior year shares in the immediate parent company were issued to 4 Directors under a long term incentive scheme

The total emoluments, including pension contributions of £15,925 (2009 £15,925) of the highest paid director were £318,192 (2009 £247,851) This highest paid director received shares in the immediate parent company under a long term incentive scheme during the prior year

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 (2009 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

By activity	2010 Number	2009 Number
Production	**16**	17
Administration	**39**	37
	55	54

The aggregate payroll costs of these persons were as follows

	2010 £	2009 £
Wages and salaries	**3,381,361**	2,627,874
Social security costs	**382,343**	354,669
Other pension costs	**87,239**	116,829
	3,850,943	3,099,372

Notes to the financial statements *(continued)*

5 Interest payable and similar charges

	2010 £	2009 £
Bank interest payable	**9,029**	774
Other interest payable	-	1,918
	9,029	2,692

6 Taxation

(a) Tax on loss on ordinary activities

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

	2010 £	2009 £
Current Tax		
UK corporation tax	**(139,366)**	(217,498)
Adjustments in respect of previous years	**214,482**	(204,031)
Total current tax charge/(credit) for the year	**75,116**	(421,529)
Deferred tax		
Originating on and reversal of timing difference	**31,164**	131,722
Tax on loss on ordinary activities	**106,280**	(289,807)

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

The tax charge/(credit) for the year is higher (2009 higher) than the standard rate of corporation tax in the UK of 28% (2009 28%) The differences are reconciled below

	2010 £	2009 £
Loss on ordinary activities before tax	**(439,472)**	(398,142)
Current tax at 28% (2009 28%)	**(123,052)**	(111,480)
Effects of		
Expenses not deductible for tax purposes	**6,421**	(2,668)
Short term timing difference	**(44,748)**	(125,970)
Capital allowances for the year in excess of depreciation	**22,013**	22,620
Adjustments in respect of previous years	**214,482**	(204,031)
Total current tax charge/(credit) for the year	**75,116**	(421,529)

Notes to the financial statements *(continued)*

6 Taxation *(continued)*

Factors that may affect future tax charges
A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement The Finance (No 2) Act 2010, which was substantively enacted on 20 July 2010, includes legislation reducing the main rate of corporation tax from 28% to 27% from 1 April 2011 The changes had been substantively enacted at the balance sheet date and, therefore, are included in these financial statements

c) Deferred taxation (note 8)
The deferred taxation included in the balance sheet is as follows

	2010	2009
	£	£
Included in debtors	**181,012**	212,176
Depreciation in advance of capital allowances	**181,012**	167,428
Short term timing difference	-	44,748
	181,012	212,176

	Deferred Tax
	£
At 1 September 2009	**212,176**
Deferred tax charge in profit and loss account for period (note 6(a))	**(31,164)**
At 31 August 2010	**181,012**

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements

Net deferred taxation not recognised in the accounts is as follows

	2010	2009
	£	£
Unutilised trading losses	**206,822**	-

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

Notes to the financial statements *(continued)*

7 Tangible assets

	Leasehold improvements £	Plant and machinery £	Total £
Cost			
At 1 September 2009	255,136	1,483,696	1,738,832
Additions	3,462	12,716	16,178
At 31 August 2010	**258,598**	**1,496,412**	**1,755,010**
Accumulated depreciation			
At 1 September 2009	246,046	1,368,534	1,614,580
Charge for the year	6,078	72,541	78,619
At 31 August 2010	**252,124**	**1,441,075**	**1,693,199**
Net book value			
At 31 August 2010	**6,474**	**55,337**	**61,811**
At 31 August 2009	9,090	115,162	124,252

There are no fixed assets held under finance leases included in the total net book value (2009 nil)

8 Debtors

	2010 £	2009 £
Trade debtors	**4,092**	-
Amounts owed by group companies	**166,554**	25
Amounts owed by group companies for group relief	-	4,485
Other debtors	**14,340**	20,545
Prepayments and accrued income	**242,093**	160,914
Deferred tax (note 6)	**181,012**	212,176
	608,091	398,145

Amounts owed by group companies are interest-free, unsecured and repayable on demand

Notes to the financial statements *(continued)*

9 Creditors: amounts falling due within one year

	2010	2009
	£	£
Bank overdraft	**805,139**	-
Trade creditors	**34,144**	16,818
Amounts owed to group companies	**-**	225,311
Amounts owed to group companies for group relief	**70,631**	-
Other taxes and social security costs	**106,584**	156,544
Other creditors	**4,594**	205,246
Accruals and deferred income	**463,745**	187,661
	1,484,837	791,580

Amounts owed to group companies and are interest-free, unsecured and repayable on demand

10 Called up share capital

	2010	2009
	£	£
Allotted, called up and fully paid		
2 ordinary shares of £1 each	**2**	2

11 Financial commitments

At 31 August 2010 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2010	2009	2010	2009
	£	£	£	£
Operating leases which expire				
Within one year	**-**	17,500	**-**	11,952
In two to five years	**494,670**	473,500	**13,618**	7,568
	494,670	491,000	**13,618**	19,520

Notes to the financial statements *(continued)*

12 Profit and loss account

	2010	2009
	£	£
At 1 September 2009	**(269,185)**	(160,850)
Loss for the financial year	**(545,752)**	(108,335)
At 31 August 2010	**(814,937)**	(269,185)

13 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

The company is a participant in a group banking arrangement under which all surplus cash balances are held as collateral for bank facilities advanced to group members In addition, the company has issued an unlimited guarantee to the bank to support these bank facilities Details of these facilities are disclosed in note 32 of the All3Media Intermediate Limited financial statements which are publicly available

14 Related party transactions

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

15 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 2010 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 at the balance sheet date was Permira Holdings Limited, a company which owns Permira Europe III G P Limited, the general partner of Permira Europe III