

Shed Productions (Jailbirds) Limited

REPORT AND FINANCIAL STATEMENTS

For the period ended 31 December 2007



Company Registration Number 3613050

Shed Productions (Jailbirds) Limited

DIRECTORS

M Chadwick
B Park
E Gallagher
A McManus
J Kemp

SECRETARY

J Kemp

COMPANY NUMBER

3613050

REGISTERED OFFICE AND BUSINESS ADDRESS

2 Holford Yard
London
WC1X 9HD

AUDITORS

Baker Tilly UK Audit LLP
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

BANKERS

Barclays Bank Plc
27 Soho Square
London W1D 3QR

Shed Productions (Jailbirds) Limited

DIRECTORS' REPORT

The directors present their report and financial statements of Shed Productions (Jailbirds) Limited for the 16 month period ended 31 December 2007

PRINCIPAL ACTIVITIES

The principal activity of the company during the period was the production and exploitation of television programmes

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Business review

The loss for the period after taxation amounted to £4,975 (year ended 31 August 2006 profit £1,987)

In the current period the company received receipts from international and DVD sales of Bad Girls Series 1 and had costs associated with the depreciation of the film asset

Future Outlook

In future periods the company will continue to receive receipts from international and DVD sales and is likely to produce additional television programming

Principal risks

The directors of Shed Media plc manage the group's risks at a group level, rather than at an individual business unit level. For this reason, the directors believe that a discussion of the company's risks would not be appropriate for an understanding of the development, performance and position of Shed Productions (Jailbirds) Limited's business. The principal risks and uncertainties of Shed Media plc, which include those of the company, are discussed on page 14 of the group's annual report, which does not form part of this report.

Key performance indicators

The directors of Shed Media plc manage the group's operations at a group level, rather than at an individual business unit level. For this reason, the directors believe that an analysis of the key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance and position of the business of Shed Productions (Jailbirds) Limited. The development, performance and position of Shed Media plc, which include those of the company, are discussed on pages 13 and 14 of the group's annual report, which does not form part of this report.

Change of accounting period

The Company has changed its final reporting date to 31 December, this is in line with Group policy as discussed on page 12 of the group's annual report, which does not form part of this report.

DIVIDENDS

The directors do not recommend the payment of an ordinary dividend (2006 £Nil)

Shed Productions (Jailbirds) Limited

DIRECTORS' REPORT

DIRECTORS

The following directors have held office since 1 September 2006

M Chadwick
B Park
E Gallagher
A McManus
J Kemp

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITORS

A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountant as auditors will be put to the members at the next annual general meeting.

On behalf of the Board



J Kemp
Director

27th October 2008

Shed Productions (Jailbirds) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF 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

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c 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 which disclose 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 requirements of 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 AUDITOR'S REPORT TO THE MEMBERS OF SHED PRODUCTIONS
(JAILBIRDS) LIMITED**

We have audited the financial statements on pages 6 to 12

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 Annual Report and 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).

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 judgements 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 at 31 December 2007 and of its loss for the period then ended and 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.

Baker Tilly UK Audit LLP

BAKER TILLY UK AUDIT LLP
Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

27 October 2008

Shed Productions (Jailbirds) Limited

PROFIT AND LOSS ACCOUNT

For the period ended 31 December 2007

	Notes	16 months ended 31 December 2007 £	Year ended 31 August 2006 £
TURNOVER	1	8,059	8,134
Cost of sales		(47,855)	(26,269)
GROSS LOSS		(39,796)	(18,135)
Other operating expenses		(6,915)	(7,030)
OPERATING LOSS		(46,711)	(25,165)
Interest receivable	2	236,827	197,971
Interest payable	3	(200,675)	(168,731)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(10,559)	4,075
Taxation	6	5,584	(2,088)
(LOSS)/PROFIT FOR THE PERIOD/YEAR	12	(4,975)	1,987

The operating (loss)/profit for the period/year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account

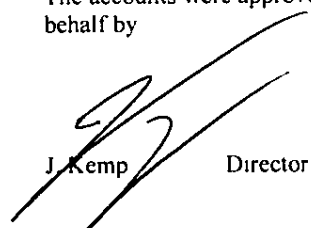
Shed Productions (Jailbirds) Limited

BALANCE SHEET

As at 31 December 2007

	Notes	31 December 2007 £	31 August 2006 £
FIXED ASSETS			
Tangible assets	7	155,271	203,125
CURRENT ASSETS			
Debtors	8	277,903	228,036
Cash at bank and in hand		5,321	15,578
		283,224	243,614
CREDITORS amounts falling due within one year	9	(286,150)	(256,096)
NET CURRENT LIABILITIES		(2,926)	(12,482)
TOTAL ASSETS LESS CURRENT LIABILITIES		152,345	190,643
CREDITORS amounts falling due after more than one year	10	(69,263)	(102,586)
NET ASSETS		83,082	88,057
CAPITAL AND RESERVES			
Called up share capital	11	300	300
Profit and loss account	12	82,782	87,757
EQUITY SHAREHOLDERS' FUNDS	13	83,082	88,057

The accounts were approved by the Board and authorised for issue on 27th October 2008 and are signed on its behalf by


J. Kemp Director

Shed Productions (Jailbirds) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2007

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

TURNOVER

Turnover represents amounts receivable for work carried out in producing television programmes and is recognised over the period of the production or as per the contract where payments is dependent on materials delivery. Gross profit on production activity is recognised over the period of the production or in accordance with the underlying contract and where there is certainty of this being realised, overages on productions are recognised as they arise and underages are recognised on completion of the productions. Distribution income is recognised when invoiced, by the distributor, as per the contract.

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are 'operating leases' and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on the programme assets in accordance with the income forecast method whereby depreciation is taken to the profit and loss account on the same pro rata basis as the income received in the accounting period bears to the expected revenue over the life of the programme.

PROGRAMME ASSETS HELD UNDER FINANCE LEASES

Programme assets held under finance leases are treated as if they had been purchased outright at the present value of the rentals payable, less finance charges, over the primary period of the agreements. Any surplus generated from the excess of interest due from the sale proceeds held on deposit as compared with the interest payable under the lease agreement is recognised as profit in the period of initial contract, after accounting for related costs.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

CASHFLOW STATEMENT EXEMPTION

The company is exempt under the terms of FRS1 (Revised 1996) Cash Flow Statements' from the requirement to publish its own cash flow statement, as its cash flows are included within the consolidated cash flow statement of the Group.

Shed Productions (Jailbirds) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2007

1 TURNOVER AND (LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and (loss) / profit before taxation were all derived from its principal activity wholly undertaken in the United Kingdom

2	INTEREST RECEIVABLE	16 months ended 31 December 2007 £	Year ended 31 August 2006 £
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Other interest receivable	236,827	197,971
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3	INTEREST PAYABLE	16 months ended 31 December 2007 £	Year ended 31 August 2006 £
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Interest payable on Finance lease and hire purchase contracts	200,675	168,731
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4	(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	16 months ended 31 December 2007 £	Year ended 31 August 2006 £
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(Loss) / profit on ordinary activities before taxation is stated after

charging

Depreciation and amounts written off tangible fixed assets

Charge for the period/year

Film assets

Auditor's remuneration

47,854	26,269
-	1,018

Auditor's remuneration in 2007 was borne by the parent company, Shed Media plc

5 EMPLOYEES

The only employees during the year were the directors none of whom received any remuneration as directors of this company (2006 £nil)

Shed Productions (Jailbirds) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2007

6	TAX ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES	16 months ended 31 December 2007 £	Year ended 31 August 2006 £
	Based on the result for the period / year		
	UK corporation tax on profit of period/year	-	774
	Adjustment in respect of prior periods	(5,584)	1,314
	Total current tax (credit) / charge	(5,584)	2,088
		2007 £	2006 £
	Factors affecting tax (credit) / charge for period / year		
	Profit on ordinary activities before tax	(10,559)	4,075
	Profit on ordinary activities multiplied by standard rate of 30% (2006 30%)	(3,168)	1,223
	Effects of		
	Group relief not paid for	3,168	-
	Beneficial Marginal Rate	-	(449)
	Adjustments in respect of previous periods	(5,584)	1,314
	Current tax (credit) / charge for period / year	(5,584)	2,088
7	TANGIBLE FIXED ASSETS		Programme assets £
	Cost		
	At 31 August 2006 and 31 December 2007		747,880
	Depreciation		
	At 31 August 2006		544,755
	Charge for the period		47,854
	At 31 December 2007		592,609
	Net book value		
	At 31 December 2007		155,271
	At 31 August 2006		203,125

The net book value of programme assets held under finance leases is £155,271 (31 August 2006 £203,125) The related depreciation charge for the period in respect of those assets is 47,854 (year ended 31 August 2006 £26,269)

Shed Productions (Jailbirds) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2007

8	DEBTORS	31 December 2007	31 August 2006
		£	£
	Amounts owed by group undertakings	190,000	190,000
	Corporation tax	2,499	-
	Prepayments and accrued income	85,404	38,036
		<u>277 903</u>	<u>228,036</u>
9	CREDITORS Amounts falling due within one year	31 December 2007	31 August 2006
		£	£
	Net obligations under finance lease and hire purchase contracts	33,322	27,501
	Amounts owed to group undertakings	186,735	201,590
	Corporation tax	-	6,159
	Accruals and deferred income	66,093	20,846
		<u>286,150</u>	<u>256,096</u>
10	CREDITORS Amounts falling due after more than one year	31 December 2007	31 August 2006
		£	£
	Net obligations under finance lease and hire purchase contracts	69,263	102,586
	Net obligations under finance leases and hire purchase contracts		
	Repayable within one year	33,322	27,501
	Repayable between two and five years	35,941	84 679
	Repayable after five years	-	17,907
		<u>69,263</u>	<u>130,087</u>
	Included in liabilities falling due within one year	(33,322)	(27,501)
		<u>35,941</u>	<u>102 586</u>
11	SHARE CAPITAL	31 December 2007	31 August 2006
		£	£
	Authorised		
	10,000 ordinary shares of £1 each	10,000	10,000
	Allotted, called up and fully paid		
	300 ordinary share of £1 each	300	300
12	PROFIT AND LOSS ACCOUNT	31 December 2007	
		£	
	1 September 2006		87,757
	Loss for the financial period		(4,975)
	31 December 2007		<u>82,782</u>

Shed Productions (Jailbirds) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2007

13	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	31 December 2007 £	31 August 2006 £
	(Loss) / profit for the financial period/year	(4,975)	1,987
	Net (reduction in) addition to shareholders' funds	(4,975)	1,987
	Opening shareholders' funds	88,057	86,070
	Closing shareholders' funds	83,082	88,057

14 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption conferred by Financial Reporting Standard No 8 from the requirements to disclose details of transactions with group companies

Other than the transactions with group companies, there were no related party transactions during the period

15 CONTROLLING PARTIES

The immediate parent undertaking is Shed Media plc, a company incorporated in England and Wales

Consolidated accounts have been drawn up for Shed Media plc and are available from the following address

2 Holford Yard
London
WC1X 9HD

The ultimate controlling party is Shed Media plc, which is the only parent company to have prepared consolidated financial statements