

Company Registration No. 3863614

Flame Television Production Limited

Report and Financial Statements

31 December 2011



Flame Television Production Limited

Report and financial statements 2011

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Flame Television Production Limited

Report and financial statements 2011

Officers and professional advisers

Directors

R Allen-Turner
B Altounyan
R Bennett
J Beresford
R Bolton
C Featherstone
J Gregory
J Isaacs
J Mowll
G Perkins
J Thoday

Secretary

R Allen-Turner

Registered Office

4a Exmoor Street
London
W10 6BD

Bankers

Royal Bank of Scotland Plc
62/63 Threadneedle Street
PO Box 412
London
EC2R 8LA

Auditor

Deloitte LLP
Chartered Accountants
London

Flame Television Production Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2011

This Directors' Report has been prepared in accordance with the special provisions relating to small companies regime under the Companies Act 2006

Principal activity

The principal activity of the company in the year under review was that of the production of television programmes

Business review

Profit for the year after taxation was £434,866 (2010 £324,661) Net assets at year ended 31 December 2011 were £705,024 (2010 £270,158) No dividends were paid during the year (2010 £nil)

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis in preparing the financial statements

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements

Directors

The directors who served throughout the year except as noted, were as follows

R Allen-Turner

B Altounyan

R Bennett

J Beresford (appointed on 1 February 2011)

R Bolton

C Featherstone

J Isaacs (appointed 1 March 2012)

J Mowll

J Gregory

G Perkins

J Thoday

Flame Television Production Limited

Directors' report

Auditor

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- 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 auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board

R Bolton
Director

 28th June
2012

Flame Television Production Limited

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). 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 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 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 Companies Act 2006. 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 are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Flame Television Production Limited

We have audited the financial statements of Flame Television Production Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor

As explained more fully in the Directors' Responsibilities Statement, 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 and express an opinion on 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.

Scope of the audit of 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on matters prescribed by the Companies Act 2006

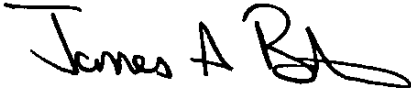
In our opinion the information in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Flame Television Production Limited (continued)

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report, or
- we have not received all the information and explanations we require for our audit



James Bates (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
28 June 2012

Flame Television Production Limited


Profit and loss account Year ended 31 December 2011

	Notes	2011 £	2010 £
Turnover	2	3,836,880	2,751,899
Cost of sales		(2,567,824)	(1,743,898)
Gross profit		<u>1,269,056</u>	<u>1,008,001</u>
Administrative expenses		(669,082)	(560,603)
Operating profit	3	599,974	477,398
Interest receivable and similar income		93	13
		<u>600,067</u>	<u>447,411</u>
Interest payable and similar charges		(917)	(15)
Profit on ordinary activities before taxation		<u>599,150</u>	<u>447,396</u>
Tax on profit on ordinary activities	4	(164,284)	(122,735)
Profit for the financial year		<u><u>434,866</u></u>	<u><u>324,661</u></u>

Flame Television Production Limited

Balance sheet 31 December 2011

	Notes	2011 £	2010 £
Fixed assets			
Tangible assets	5	68,982	64,862
Current assets			
Debtors	6	1,208,163	548,438
Cash at bank and in hand		936,039	818,254
		<u>2,144,202</u>	<u>1,366,692</u>
Creditors: amounts falling due within one year	7	<u>(1,508,160)</u>	<u>(1,161,396)</u>
Net current assets		<u>636,042</u>	<u>205,296</u>
Total assets less current liabilities		<u>705,024</u>	<u>270,158</u>
Capital and reserves			
Called up share capital	8	150	150
Profit and loss account	9	704,874	270,008
Total equity shareholders' funds		<u>705,024</u>	<u>270,158</u>

The financial statements of Flame Television Production Limited, registered number 3863614 were approved by the Board of Directors on  2012

Signed on behalf of the Board of Directors



J Gregory
Director

Flame Television Production Limited

Notes to the accounts

Year ended 31 December 2011

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards under the historical cost convention and in accordance with the Small Entities Regime. The particular accounting policies adopted are described below and have been applied consistently throughout the year and the preceding year.

Going Concern Basis

The company's business activities, together with performance and position are set out under the director's report.

The company meets its day to day working capital requirements through its cash reserves and generation of cash flow throughout the year. As at the year end the company had cash reserves of £936,039.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current and expected cash resources.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover is recognised on the basis of the proportion of the production which has been produced at the balance sheet date, provided principal photography had commenced, net of value added tax. Profit is recognised in accordance with the production schedule, provided that profits can be reasonably foreseen.

Tangible fixed assets

Fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful economic lives at the following annual rates:

Production equipment	-	25% on reducing balance
Fixtures and fittings	-	25% on reducing balance
Computer equipment	-	25% on reducing balance

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Advances

The company receives advances to finance specific projects which are treated as current liabilities. The company takes those advances to the credit of the profit and loss account when the project is taken into production or when it is not expected to progress to production within the foreseeable future.

Work in progress

When pre-production costs have been incurred prior to the main production process, these costs are carried as work in progress in the balance sheet to the extent that they are expected to be covered by a production contract or are recoverable from third parties.

Flame Television Production Limited

Notes to the accounts

Year ended 31 December 2011

2. Turnover

The turnover and profit (2010 profit) before taxation are attributable to the one principal activity of the company

An analysis of turnover by geographical market is given below

	2011 %	2010 %
UK	96.68	96.99
Europe	0.88	0.03
Asia	2.24	2.97
USA	0.20	0.00
	<u>100.00</u>	<u>100.00</u>

3. Operating profit

The operating profit is stated after charging

	2011 £	2010 £
Depreciation – owned assets	22,993	13,519
Loss on disposal of fixed assets	8,312	10,030
Fees payable to the Company's auditors for the audit of the Company's annual accounts	<u>4,000</u>	<u>4,500</u>
Directors' remuneration	<u>208,004</u>	<u>208,884</u>

4. Taxation

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2011 £	2010 £
Current tax		
UK corporation tax	162,126	127,086
Under/(over) provision of corporation tax in respect of prior years	<u>2,158</u>	<u>(4,351)</u>
Tax on profit/(loss) on ordinary activities	<u>164,284</u>	<u>122,735</u>

Flame Television Production Limited

Notes to the accounts

Year ended 31 December 2011

4 Taxation (continued)

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows,

	2011 £	2010 £
Profit before tax	599,151	447,396
Tax at 26.5% (2010 28%)	158,775	125,271
Effects of		
Expenses not deductible	396	353
Depreciation in excess of capital allowances	749	132
Timing differences	2,206	1,330
Current tax at 26.5%	162,126	127,086

5. Tangible fixed assets

	Production equipment £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2011	100,879	2,284	11,468	114,631
Additions	37,113	-	-	37,113
Disposals	(20,185)	-	-	(20,185)
At 31 December 2011	117,807	2,284	11,468	131,559
Depreciation				
At 1 January 2011	41,566	904	7,299	49,769
Charge for the year	21,584	345	1,064	22,993
Eliminated on disposal	(10,185)	0	0	(10,185)
At 31 December 2011	52,965	1,249	8,363	62,577
Net book value				
At 31 December 2011	64,842	1,035	3,105	68,982
At 31 December 2010	59,313	1,380	4,169	64,862

Flame Television Production Limited

Notes to the accounts

Year ended 31 December 2011

6. Debtors: amounts falling due within one year

	2011 £	2010 £
Trade debtors	534,483	102,802
Prepayments and Accrued income	673,680	445,636
	<u>1,208,163</u>	<u>548,438</u>

7. Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	274,134	73,362
Amounts owed to group undertakings	312,050	363,543
Taxation and social security	192,284	214,510
Accruals and deferred income	729,692	509,981
	<u>1,508,160</u>	<u>1,161,396</u>

A cross guarantee and debenture exists between Avalon Management Limited, Avalon Public Relations Limited, Funnyfriend Limited, Avalon Promotions Limited, Avalon Television Limited, Liberty Bell Productions Limited, Topical Television Limited and the company to secure bank overdraft and loan facilities available to these companies and their parent Avalon Entertainment Limited

8. Called up share capital

	2011 £	2010 £
Allotted, issued and fully paid		
1000 'A' Ordinary shares of £0.10 each	100	100
500 'B' Ordinary shares of £0.10 each	50	50
	<u>150</u>	<u>150</u>

9. Reserves

	Profit and loss account £
At 1 January 2010	270,008
Profit for the year	434,866
At 31 December 2011	<u>704,874</u>

10. Ultimate parent company

The ultimate parent company is Nolava Holdings Limited, a company incorporated in England and Wales. Jon Thoday is the ultimate controlling party by virtue of his majority shareholding in Nolava Holdings Limited.

Flame Television Production Limited

Notes to the accounts

Year ended 31 December 2011

11. Related party disclosures

From 1 July 2009 the company has taken advantage of the exemption available under FRS 8 not to disclose intra group transactions on the grounds that 100% of the voting rights are controlled within the group and consolidated financial statements containing Flame Television Production Limited are publicly available

During the year the company received invoices totalling £49,200 (2010 £45,000) from Yarker Productions Limited for the services of the director, R Bolton. At the balance sheet date, included in trade creditors, is an amount of £nil (2010 £4,500) due to Yarker Productions Limited