

Rivals Europe Limited

Directors' report and financial statements

31 August 2007

Registered number 3881642

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Directors' report and financial statements

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Directors' report

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

Principal activity and results

The company did not trade during the year and has therefore made neither a profit nor a loss. It is not anticipated that the company will commence trading during the forthcoming year.

Dividends

The directors do not recommend the payment of a dividend (2006 £nil)

Directors

The directors who held office during the year and to the date of this report were as follows

RNL Huntingford (resigned 24 September 2007)

MD Connole

J Lascelles (appointed 24 September 2007)

A Mollett (appointed 24 September 2007)

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

CR Potterell
Company Secretary



The Chrysalis Building
Bramley Road
London
W10 6SP

23 January 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RIVALS EUROPE LIMITED

We have audited the financial statements of Rivals Europe Limited for the year ended 31 August 2007 which comprise of the Profit and Loss Account and Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page three.

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 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 UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 August 2007 and of its result 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

KPMG Audit Plc

24 January 2008

KPMG Audit Plc

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

*Chartered Accountants
Registered Auditor*

Profit and loss account

for the year ended 31 August 2007

During the financial year and preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss.

The audit fee of £771 for this company was borne by the company's immediate parent company, Chrysalis Group PLC.

Balance sheet

at 31 August 2007

	<i>Note</i>	2007 £	2006 £
Current assets			
Debtors	3	-	1,194,261
Creditors: amounts falling due within one year	4	(51,042)	(1,245,303)
		<hr/>	<hr/>
Net liabilities		(51,042)	(51,042)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	5	6,401,150	6,401,150
Share premium account		3,638,715	3,638,715
Profit and loss account		(10,090,907)	(10,090,907)
		<hr/>	<hr/>
Shareholders' deficit		(51,042)	(51,042)
		<hr/>	<hr/>

These financial statements were approved by the Board of directors on *23 January 2008* and were signed on its behalf by



MD Connole
Director

The notes on pages 7 to 8 form part of these financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

Going concern

The accounts have been prepared on a going concern basis in view of the fact that Chrysalis Group PLC, has formally indicated that it will provide sufficient funding to the company to enable it to meet its liabilities as they fall due, for at least the next twelve months

Cash flow statement

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirements to prepare a cashflow statement on the grounds that Chrysalis Group PLC, its parent undertaking, includes the company in its own published consolidated accounts

2 Directors' and employees' remuneration

The directors of the company received no remuneration for services during the year (2006 £nil) The company did not have any other employees and as a result incurred no staff costs

RNL Huntingford and MD Connoles received remuneration from Chrysalis Group PLC, which is disclosed in the financial statements of that company

3 Debtors

	2007 £	2006 £
Amounts owed by group companies	-	1,194,261

4 Creditors amounts falling due within one year

	2007 £	2006 £
Amount owed to group companies	51,042	1,245,303

Notes (continued)

5 Called up share capital

	2007 £	2006 £
<i>Authorised, allotted, called up and fully paid</i>		
64,011,500 Ordinary shares of 10p each	<u>6,401,150</u>	<u>6,401,150</u>

6 Related party transactions

As the company is a wholly owned subsidiary of Chrysalis Group PLC, the company has taken advantage of the exemption contained in FRS 8 – Related Party Transactions, and therefore not disclosed transactions or balances with entities which form part of the group. The consolidated statements of Chrysalis Group PLC, within which the company is included, can be obtained from the address in note nine.

7 Contingent liabilities

The company has not adopted amendments to FRS 26 in relation to financial guarantee contracts which apply for periods commencing on or after 1 January 2007.

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements, and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee. The company does not expect the amendments to have any impact on the financial statements for the period commencing 1 September 2006.

8 Immediate and ultimate parent company

The immediate parent company is Chrysalis New Media Investments Ltd, and at the balance sheet date the ultimate parent company was Chrysalis Group PLC. Both companies are registered in England and Wales. Copies of the financial statements of Chrysalis Group PLC are available from its registered office at The Chrysalis Building, Bramley Road, London W10 6SP.

On 11/12/07, Chrysalis Group PLC returned £96.5m to shareholders. This was implemented by way of a scheme of arrangement under section 425 of the Companies Act pursuant to which Chrysalis Plc became the ultimate parent company.