

**Company Pictures North Limited**

**Directors' report and financial statements**

For the year ended 31 August 2009  
Registered number 3952900

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## **Directors' report**

The directors present their annual report and the audited financial statements for Company Pictures North Limited ("the company") for the year ended 31 August 2009

### **Principal activities and review of the business**

The principal activity of the company is the production of television programmes. The directors do not anticipate any changes in those activities over the coming year.

### **Results and dividends**

The profit for the financial year, after taxation, amounted to £nil (2008 £nil)

The directors do not recommend the payment of a dividend for the year (2008 £nil)

### **Future outlook**

The commercial environment in which the company operates remains competitive, but the directors believe that the company's position as one of the leading television production companies will enable it to maintain its current position 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 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 Company Pictures North Limited. The development, performance and position of the 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 s418 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

## **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 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

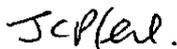
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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



J Pfeil

Company secretary

22 December 2009

Berkshire House  
168-173 High Holborn  
London  
WC1V 7AA

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMPANY PICTURES NORTH LIMITED**

We have audited the financial statements of Company Pictures North Limited for the year ended 31 August 2009 which comprise the profit and loss account, the reconciliation of movements in shareholders' funds, the balance sheet, the cash flow statement 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 Directors' Responsibilities Statement set out on page 3 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 Sections 495 and 496 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 2009 and of the company's result 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**

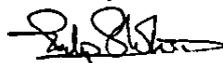
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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



23 December 2009

**Profit and loss account for the year ended 31 August 2009**

	Note	2009 £	2008 £
Turnover	2	-	1
Cost of sales		-	-
<b>Gross profit</b>		<u>-</u>	<u>1</u>
Administrative expenses		-	(1)
<b>Operating profit</b>	3	<u>-</u>	<u>-</u>
Other interest receivable and similar income		-	-
<b>Profit on ordinary activities before taxation</b>		<u>-</u>	<u>-</u>
Taxation	6	-	-
<b>Profit for the financial year</b>	10	<u>-</u>	<u>-</u>

The turnover and operating profit for the year arises from the company's continuing operations

The company has no recognised gains or losses other than those included in the profit above, and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

The notes on pages 8 to 11 form part of these financial statements

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**Reconciliation of movements in shareholders' funds for the year ended 31 August 2009**

	2009 £	2008 £
Profit for the financial year	-	-
Net change in shareholders' funds	-	-
Opening Shareholders' funds	4,921	4,921
<b>Closing Shareholders' funds</b>	<b>4,921</b>	<b>4,921</b>

**Balance sheet at 31 August 2009**

	Note	2009 £	2008 £
<b>Current assets</b>			
Debtors	7	2,849	3,656
Cash at bank and in hand		2,082	9,036
		<u>4,931</u>	<u>12,692</u>
<b>Creditors: amounts falling due within one year</b>	8	(10)	(7,771)
<b>Net current assets</b>		<u>4,921</u>	<u>4,921</u>
<b>Net assets</b>		<u>4,921</u>	<u>4,921</u>
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Profit and loss account	10	4,920	4,920
<b>Total shareholders' funds</b>		<u>4,921</u>	<u>4,921</u>

These financial statements were approved by the board of directors on 22 December 2009 and were signed on its behalf by

  
J Burns  
Director

The notes on pages 8 to 11 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**

The financial statements have been 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 Standards number 1 'cash flow statements (revised 1996)' from the requirement to present a cash flow statement on the grounds that it is a small company

#### **Turnover**

Turnover and attributable profits are recognised in accordance with the company's right to receive revenue based on the contracted position. The principal revenue recognition bases for commissioned TV programmes are

- Series drama productions - revenue and attributable profit are recognised on an episodic basis
- *One-off single broadcaster drama productions* - turnover and attributable profit are recognised in proportion to the stage of completion of the production at the relevant date unless the contractual position with the broadcaster does not entitle the company to recognise revenue until the final product is available for delivery

Provision is made for any overspends and losses as soon as identified. Any underspends are recognised once the programme has been completed and all related costs have been identified

#### **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 more likely than not 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

#### **Deferred production expenditure**

Pre-contract production expenditure is written off in the year in which it is incurred except where it is related to a clearly defined contract, the outcome of which has been assessed with reasonable certainty as to its success and commercial viability. In such cases the expenditure is deferred to the extent that its recovery can be reasonably regarded as assured and the cost is written off against revenue over the period of the contract. The costs of abortive productions are taken directly to the profit and loss account

**Notes to the financial statements(continued)**

**Accounting policies (continued)**

**Leases**

Sale and leaseback transactions relate to master negatives for films as a result of the company entering into sale and leaseback transactions for such films. Part of the cash received is put on deposit, and this cash together with any accrued interest thereon should be sufficient to meet the lease capital and interest payment. Cash received on inception of the transaction over and above that required for future rental payments is recognised as profit immediately. Such transactions are shown as a contingent liability in the notes to the accounts.

**2 Turnover**

The company's turnover was derived from its principal activity. All sales were made in the United Kingdom.

**3 Operating profit**

Company Television Limited has borne the cost of the company's audit for the year and in the previous year. Company Television Limited is the company's immediate parent undertaking.

**4 Directors' emoluments**

Directors' remuneration in 2009 was £nil (2008: £nil).

The directors are remunerated by ALL3MEDIA Limited, and details of their emoluments and pension payments are available in the financial statements of that company.

**5 Employee information**

The company had no employees and incurred no staff costs during the current or previous year.

**Notes to the financial statements (continued)**

**6 Taxation**

The company did not incur a profit chargeable to the UK corporation tax and there were no tax losses carried forward or unprovided deferred tax asset/liability at 31 August 2009 (2008 £nil)

**7 Debtors**

	2009 £	2008 £
Amounts owed by group undertakings	1,938	3,652
Other debtors	911	4
	2,849	3,656

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

**8 Creditors: amounts falling due within one year**

	2009 £	2008 £
Trade creditors	-	7,761
Corporation tax	10	10
	10	7,771

**9 Called up share capital**

	2009 £	2008 £
<b>Authorised</b> 1,000 ordinary shares of £1 each	1,000	1,000
<b>Allotted, and fully paid:</b> 1 ordinary share of £1	1	1

**10 Profit and loss account**

	£
At 1 September 2008	4,920
Profit for the financial year	-
At 31 August 2009	4,920

## Notes to the financial statements (continued)

### 11 Contingent liabilities

The company has entered into certain sale and leaseback transactions for television programme rights. Amounts are held in deposit accounts as a result of these transactions and comprise monies to provide for the discharge of future leasing liabilities. The contingent liability would only crystallise upon the failure of the bank holding the deposit. The amounts involved are as follows:

	2009	2008
	£	£
Amounts held on deposit	1,885,898	2,090,294
Less: loans outstanding	(1,885,898)	(2,090,294)
	-	-
The maturity of the above amounts is as follows:		
Less than one year	231,969	204,396
Two to five years	1,247,638	1,113,991
Over five years	406,291	771,907
	1,885,898	2,090,294

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 31 of the All3Media Intermediate Limited financial statements which are publicly available.

### 12 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.

### 13 Ultimate and immediate parent undertaking and controlling party

At 31 August 2009, the company's immediate parent undertaking is Company Television Limited.

The entire share capital of Company Television Limited is owned by All3Media 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 2009. Copies of its group 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 Pemira Europe III.