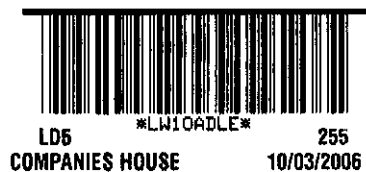


**Shed Productions (WR) Limited**  
(formerly Shed Productions (BG3) Limited)

**REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 August 2005

Company Registration No. 4034991



# Shed Productions (WR) Limited

## DIRECTORS AND OFFICERS

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### DIRECTORS

M Chadwick  
B Park  
E Gallagher  
A McManus  
J Kemp

### SECRETARY

J Kemp

### COMPANY NUMBER

4034991

### REGISTERED OFFICE AND BUSINESS ADDRESS

*Customs House*  
Three Mills Studios  
London E3 3DU

### AUDITORS

Baker Tilly  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

### BANKERS

Barclays Bank Plc  
27 Soho Square  
London W1D 3QR

### SOLICITORS

DLA Piper Rudnick Gray Cary UK LLP  
3 Noble Street  
London EC2V 7EE

# Shed Productions (WR) Limited

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of Shed Productions (WR) Limited for the year ended 31 August 2005.

The company changed its name from Shed Productions (BG3) Limited to Shed Productions (WR) Limited on 23 September 2005.

### PRINCIPAL ACTIVITIES

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

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The directors are satisfied with the results for the year.

### RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £4,439 (2004: loss of £10,512).

The directors do not recommend the payment of an ordinary dividend (2004: £Nil).

### DIRECTORS

The following directors have held office since 1 September 2004:

M Chadwick  
B Park  
E Gallagher  
A McManus  
J Kemp (appointed 27 January 2005)

### DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

None of the directors had any interest in the shares of the company.

The directors' interests in the shares of the parent company, Shed Productions plc, are shown in that company's financial statements.

### AUDITORS

A resolution to reappoint Baker Tilly as auditors will be put to the members at the annual general meeting.

By order of the board



E Gallagher  
Director

20 January 2006

# Shed Productions (WR) Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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Company law requires the directors to prepare financial statements for each financial year which 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 AUDITORS' REPORT TO THE MEMBERS OF SHED PRODUCTIONS (WR) LIMITED

We have audited the financial statements on pages 5 to 11.

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 auditors' 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 opinion 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 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 United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards 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 of the state of affairs of the company at 31 August 2005 and of the company's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
BAKER TILLY

Registered Auditor  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

20 January 2006

**Shed Productions (WR) Limited**  
**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 August 2005

	Notes	2005 £	2004 £
TURNOVER	1	2,649	4,292
Cost of sales		-	(786)
GROSS PROFIT		2,649	3,506
Other operating expenses (net)		(1,477)	(9,685)
OPERATING PROFIT/(LOSS)		1,172	(6,179)
Interest receivable	2	292	163
Interest payable and similar charges	3	-	(4,496)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4	1,464	(10,512)
Taxation	6	2,975	-
RETAINED PROFIT/(LOSS) FOR THE YEAR	12	4,439	(10,512)

The operating profit for the 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 (WR) Limited

## BALANCE SHEET

As at 31 August 2005

	Notes	2005 £	2004 £
<b>FIXED ASSETS</b>			
Tangible assets	7	165,162	165,162
<b>CURRENT ASSETS</b>			
Work in progress	8	198,080	-
Debtors	9	703,396	696,100
Cash at bank and in hand		40,309	24,762
		941,785	720,862
<b>CREDITORS: Amounts falling due within one year</b>	10	(1,011,110)	(794,626)
<b>NET CURRENT LIABILITIES</b>		(69,325)	(73,764)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		95,837	91,398
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	100	100
Profit and loss account	12	95,737	91,298
<b>SHAREHOLDERS' FUNDS</b>	13	95,837	91,398

Approved by the board on 20 January 2006



E Gallagher

Director

# Shed Productions (WR) Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

### TANGIBLE FIXED ASSETS - PROGRAMME ASSETS

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.

Programme assets are stated at cost less depreciation. Depreciation is provided on the programme asset 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.

### 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.

### WORK IN PROGRESS

Work in progress is stated at the lower of cost and net realisable value. Cost includes all direct cost incurred in bringing the television productions to their present stage of completion.

Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal.

### TURNOVER

Income is recognised on the basis set out in the television contracts.

Turnover represents the proportion of income due to the company from programme sales, net of Value Added Tax.



# Shed Productions (WR) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2005

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

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

### 2 INTEREST RECEIVABLE

	2005 £	2004 £
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Other interest	292	163
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### 3 INTEREST PAYABLE AND SIMILAR CHARGES

	2005 £	2004 £
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Other interest	-	4,496
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### 4 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2005 £	2004 £
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Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):

Depreciation and amounts written off tangible fixed assets:

Charge for the year

leased assets

Auditors' remuneration

-	-
1,250	1,000

### 5 EMPLOYEES

The only employees during the year were the directors, none of whom received any remuneration (2004: £8,000).

### 6 TAXATION

	2005 £	2004 £
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Based on the result for the period:

UK corporation tax at 19% (2004: 30%)

Adjustments in respect of previous periods

178	-
(3,153)	-

Total current tax

(2,975)	-
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# Shed Productions (WR) Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 August 2005

6	TAXATION ( <i>continued</i> )	2005	2004
	Factors affecting tax charge for period:	£	£
	Profit/(loss) on ordinary activities before tax	1,464	(10,512)
	Profit/(loss) on ordinary activities multiplied by standard rate of 19% (2004: 30%)	278	(3,154)
	Effects of:		
	Group relief	-	1,854
	Small companies relief	(100)	(49)
	Other tax adjustment	-	1,349
	Adjustments to tax charge in respect of previous periods	(3,153)	-
	Current tax charge for period	(2,975)	-

7	TANGIBLE FIXED ASSETS	Programme assets
		£
	Cost	
	1 September 2004 and 31 August 2005	8,419,546
	Depreciation	
	1 September 2004	8,254,384
	Charge for the year	-
	31 August 2005	8,254,384
	Net book value	
	31 August 2005	165,162
	31 August 2004	165,162

The programme assets represents rights, titles and interests to the programme Bad Girls (Series 3).

On 3 April 2001, the company sold production costs of episodes 1-7 totalling £3,645,576 and simultaneously leased them back for the same amount. In addition, on 3 August 2001, the company sold production costs of episodes 8-16 totalling £4,773,970 and simultaneously leased them back for the same amount. The programmes are held under finance leases.

The net book value of programme assets held under finance leases is £165,162 (2004: £165,162).

8	WORK IN PROGRESS	2005	2004
		£	£
	Production costs	198,080	-

**Shed Productions (WR) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2005**

9	DEBTORS	2005 £	2004 £
	Due from group undertakings	696,000	696,000
	Other debtors	7,396	100
		<u>703,396</u>	<u>696,100</u>
10	CREDITORS: Amounts falling due within one year	2005 £	2004 £
	Trade creditors	-	-
	Due to group undertakings	873,246	708,632
	Corporation tax	204	44,362
	Other taxes and social security	726	3,926
	Accruals and deferred income	136,934	37,706
		<u>1,011,110</u>	<u>794,626</u>
11	SHARE CAPITAL	2005 £	2004 £
	Authorised: 1,000 ordinary shares of £1 each	1,000	1,000
	Allotted, issued and fully paid: 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
12	PROFIT AND LOSS ACCOUNT	2005 £	2004 £
	1 September 2004	91,298	(1,702)
	Prior year adjustment	-	103,512
	1 September 2004	<u>91,298</u>	<u>101,810</u>
	Profit/(loss) for the financial year	4,439	(10,512)
	31 August 2005	<u>95,737</u>	<u>91,298</u>
13	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEBT	2005 £	2004 £
	Profit/(loss) for the financial year	4,439	(10,512)
	Net addition to/(reduction in) shareholders' funds	<u>4,439</u>	<u>(10,512)</u>
	Opening shareholders' funds	91,398	101,910
	Closing shareholders' funds	<u>95,837</u>	<u>91,398</u>

# Shed Productions (WR) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2005

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### 14 RELATED PARTY TRANSACTIONS

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

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

### 15 CONTROLLING PARTIES

The parent undertaking is Shed Productions plc, a company incorporated in England and Wales.

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

Customs House  
Three Mills Studios  
London E3 3DU

### 16 CONTINGENT LIABILITY

The company has entered into a sale and leaseback transaction on the television programmes, 'Bad Girls series 3'. Amounts are held in deposit accounts as a result of these transactions and comprise money to provide for the discharge of future leasing liabilities. The banks with which these sums are deposited have given guarantees to the lessors in respect of the lease liabilities. The contingent liability would only crystallise upon the failure of the bank holding the deposit. The amounts involved are as follows:

	2005 £	2004 £
Amounts held on deposit	8,124,023	8,739,163
Less: loans outstanding	(8,124,023)	(8,739,163)
	<u>-</u>	<u>-</u>
The maturity of the above amount is as follows:		
Less than one year	645,896	615,140
Two to five years	2,923,092	2,783,896
Over five years	4,555,035	5,340,127
	<u>8,124,023</u>	<u>8,739,163</u>