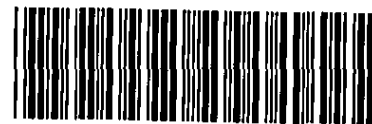


Company Registration No. 4166281 (England and Wales)

SCREENSTAGE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006

WEDNESDAY



ARB3FRJ4

A39

25/07/2007

227

COMPANIES HOUSE

Saffery Champness

CHARTERED ACCOUNTANTS

SCREENSTAGE LIMITED

COMPANY INFORMATION

Directors

H H Panter
R A Squire
C A G Elton
F W Cieslik
A R Gavin

R A Squire acts as an alternate for A R Gavin

Secretary

H J Enright

Company number

4166281

Registered office

The Ambassadors
Peacocks Centre
Woking
Surrey
GU21 6GQ

Auditors

Saffery Champness
Lion House
Red Lion Street
London
WC1R 4GB

SCREENSTAGE LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 10

SCREENSTAGE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2006

The directors present their report and financial statements for the year ended 30 September 2006

Principal activities

The principal activity of the company continued to be that of television and theatre productions

Directors

The following directors have held office since 1 October 2005

H H Panter
R A Squire
C A G Elton
F W Cieslik
A R Gavin

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Saffery Champness be reappointed as auditors of the company will be put to the Annual General Meeting

SCREENSTAGE LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2006

Directors' responsibilities

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

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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 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.

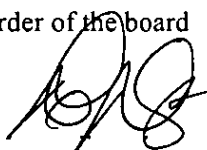
Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) 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 the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



H J Enright
Secretary

SCREENSTAGE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCREENSTAGE LIMITED

We have audited the financial statements of Screenstage Limited on pages 5 to 10 for the year ended 30 September 2006. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 opinions we have formed.

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. We also 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 transactions with the company 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.

SCREENSTAGE LIMITED

**INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF SCREENSTAGE LIMITED**

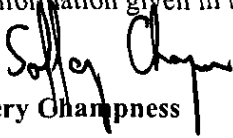
Opinion

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 as at 30 September 2006 and of its loss for the year 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



Saffery Champness

Chartered Accountants
Registered Auditors

4/4/07

Lion House
Red Lion Street
London
WC1R 4GB

SCREENSTAGE LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

	Notes	2006 £	2005 £
Turnover		202,160	167,477
Cost of sales		(61,871)	(149,468)
Gross profit		140,289	18,009
Administrative expenses		(184,210)	(172,329)
Operating loss	2	(43,921)	(154,320)
Other interest receivable and similar income		639	1,571
Interest payable and similar charges		(489)	-
Loss on ordinary activities before taxation		(43,771)	(152,749)
Tax on loss on ordinary activities	3	-	174
Loss on ordinary activities after taxation	9	(43,771)	(152,575)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

The notes on pages 7 to 10 form part of these financial statements

SCREENSTAGE LIMITED**BALANCE SHEET****AS AT 30 SEPTEMBER 2006**

	Notes	2006 £	£	2005 £	£
Current assets					
Stocks		21,618		65,974	
Debtors	5	3,176		19,068	
Cash at bank and in hand		3,285		1,089	
		<u>28,079</u>		<u>86,131</u>	
Creditors: amounts falling due within one year	6	<u>(125,149)</u>		<u>(139,430)</u>	
Total assets less current liabilities			<u>(97,070)</u>		<u>(53,299)</u>
Capital and reserves					
Called up share capital	8	500,000		500,000	
Profit and loss account	9	<u>(597,070)</u>		<u>(553,299)</u>	
Shareholders' funds - equity interests	10		<u>(97,070)</u>		<u>(53,299)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The notes on pages 7 to 10 form part of these financial statements

The financial statements were approved by the Board on 14/4/07


F. CIESLIK
Director


H H Panter
Director

SCREENSTAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Fixtures, fittings & equipment over 4 years

1.5 Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

2 Operating loss

	2006	2005
	£	£
Operating loss is stated after charging		
Depreciation of tangible assets	-	1,658
Auditors' remuneration - audit services	2,000	1,394
	<u>2,000</u>	<u>1,394</u>

SCREENSTAGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

3	Taxation	2006 £	2005 £
	Current tax charge	-	-
	Deferred tax		
	Deferred tax charge/credit current year	-	(174)
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(43,771)	(152,749)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2005: 19.00%)	(8,316)	(29,022)
	Effects of		
	Non deductible expenses	232	202
	Depreciation add back	-	315
	Capital allowances	(111)	(149)
	Tax losses utilised	8,195	28,952
	Other tax adjustments	-	(298)
		8,316	29,022
	Current tax charge	-	-
4	Tangible fixed assets		Plant and machinery etc £
	Cost		
	At 1 October 2005 & at 30 September 2006		6,629
	Depreciation		
	At 1 October 2005 & at 30 September 2006		6,629
	Net book value		
	At 30 September 2006		-

SCREENSTAGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

5 Debtors	2006	2005
	£	£
Trade debtors	-	15,000
Other debtors	2,472	3,364
Deferred tax asset	704	704
	<u>3,176</u>	<u>19,068</u>
Deferred tax	2006	
	£	
Balance at 1 October 2005 & at 30 September 2006	<u>704</u>	
	2006	2005
	£	£
Accelerated capital allowances	793	793
Other timing differences	(89)	(89)
	<u>704</u>	<u>704</u>
6 Creditors: amounts falling due within one year	2006	2005
	£	£
Bank loans and overdrafts	-	14,077
Trade creditors	51,185	36,281
Taxation and social security	6,060	8,325
Other creditors	67,904	80,747
	<u>125,149</u>	<u>139,430</u>
7 Pension costs		
Defined contribution	2006	2005
	£	£
Contributions payable by the company for the year	<u>3,034</u>	<u>2,945</u>

SCREENSTAGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

8	Share capital	2006	2005
		£	£
	Authorised		
	2,000,000 Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>
	Allotted, called up and fully paid		
	500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
9	Statement of movements on profit and loss account		Profit and loss account £
	Balance at 1 October 2005		(553,299)
	Retained loss for the year		<u>(43,771)</u>
	Balance at 30 September 2006		<u>(597,070)</u>
10	Reconciliation of movements in shareholders' funds	2006	2005
		£	£
	Loss for the financial year	(43,771)	(152,575)
	Opening shareholders' funds	<u>(53,299)</u>	<u>99,276</u>
	Closing shareholders' funds	<u>(97,070)</u>	<u>(53,299)</u>

11 Control

This company is a joint venture between The Ambassador Theatre Group Limited and Carlton Communications Plc. Neither party controls the company, although the day to day administration is undertaken by The Ambassador Theatre Group Limited.

12 Related party transactions

The company has a loan of £25,000 (2005 £25,000) from The Ambassador Theatre Group Limited. H H Panter, R A Squire and A R Gavin are directors of The Ambassador Theatre Group Limited. The company also has a loan of £25,000 (2005 £25,000) from Carlton Communications Plc. C A G Elton and F W Cieslik are directors of Carlton Communications Plc.