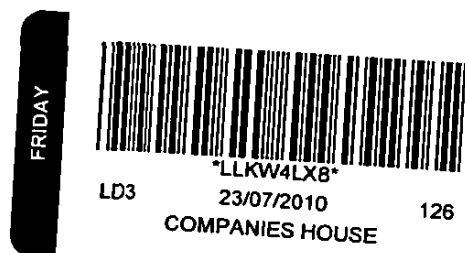


**Digital Interactive Studio Centre
Limited**

Report and Financial Statements

Year ended 31 March 2009

Company Registration No. 4234460



Digital Interactive Studio Centre Limited

Report and financial statements for the year ended 31 March 2009

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Digital Interactive Studio Centre Limited

Report and financial statements for the year ended 31 March 2009

Officers and professional advisers

Director

Jose-Luis Vazquez

Company Secretary

Graham Duncan

Registered Office

Units 6 & 7 Princes Court
Wapping Lane
London
E1W 2DA

Bankers

Barclays Bank plc
UK Banking
1 Churchill Place
London
E14 5HD

Solicitors

Finers Stephens Innocent
177 Great Portland Street
London
W1W 5LS

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Digital Interactive Studio Centre Limited

Director's report for the year ended 31 March 2009

The director presents the report and the audited financial statements for the year ended 31 March 2009

Principal activities, review of business and future developments

The principal activity of the company is to provide cost-effective digital studio facilities to broadcasters

Profit after taxation for the year was £1,544,114 (period ended 31 March 2008 loss £4,287,538)

The director has not declared a dividend for the year (period ended 31 March 2008 £Nil)

The director's report has been prepared in accordance with the special provisions applicable relating to small companies under section 246(4) of the Companies Act 1985

Director and his interests

The director who served during the year was

Jose-Luis Vazquez

The director had no beneficial interest in the share capital of the company

Jose-Luis Vazquez was also a director of the ultimate parent company, Mirada plc, and his interest in the share capital of that company is shown in its financial statements

Financial risk management

The director considered the risks attached to the company's financial instruments which principally comprise operating debtors, operating creditors and loans to and from other group companies. The director has taken a prudent approach in their consideration of the various risks attached to the financial instruments of the company. The company's exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of assets, liabilities and the financial statements

The company had no hedged transactions during the year

Digital Interactive Studio Centre Limited

Director's report for the year ended 31 March 2009 (continued)

Statement of director's responsibilities

The director is responsible for preparing the report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the director 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 of the company for that year. In preparing these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable 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 director is 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 the financial statements comply with the Companies Act 1985. The director is 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.

Auditors

The 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 auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

Approved and signed by the Director on behalf of the Board



Jose-Luis Vazquez
Director

22 July 2010

Digital Interactive Studio Centre Limited

Independent auditor's report to the members of Digital Interactive Studio Centre Limited

We have audited the financial statements of Digital Interactive Studio Centre Limited for the year ended 31 March 2009 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of director and auditors

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of director's responsibilities.

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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the director's report is consistent with those 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 other transactions is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 director 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.

Digital Interactive Studio Centre Limited

Independent auditor's report to the members of Digital Interactive Studio Centre Limited (continued)

Opinion

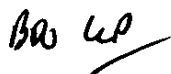
In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Company as at 31 March 2009 and of the profit 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 director's report is consistent with the financial statements

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company is reliant on the continuing support of its parent company, Mirada plc and its ability to secure additional banking facilities.

These conditions disclosed in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.



BDO LLP

Chartered Accountants and Registered Auditors
London
United Kingdom
22 July 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Digital Interactive Studio Centre Limited

Profit and loss account for the year ended 31 March 2009

	Notes	Year ended 31 March 2009 £	15 months ended 31 March 2008 £
Turnover	2	1,949,266	5,367,150
Cost of sales		(931,304)	(3,037,947)
Gross profit		1,017,962	2,329,203
Administrative expenses		(1,819,509)	(2,351,941)
Exceptional items	5	2,345,661	(4,263,058)
Total administrative expenses		526,152	(6,614,999)
Operating profit/(loss)	4	1,544,114	(4,285,796)
Interest payable and similar charges		-	(1,742)
Profit/(loss) on ordinary activities before taxation		1,544,114	(4,287,538)
Taxation	6	-	-
Profit/(loss) on ordinary activities after taxation		1,544,114	(4,287,538)

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account

The notes on pages 8 to 14 form part of these financial statements

Digital Interactive Studio Centre Limited

Balance sheet

As at 31 March 2009

Company number 4234460

	Notes	2009 £	2008 £
Fixed assets			
Tangible assets	7	715,800	636,850
		<u>715,800</u>	<u>636,850</u>
Current assets			
Debtors	8	374,638	707,198
Cash at bank and in hand		5,767	1,978
		<u>380,405</u>	<u>709,176</u>
Creditors: amounts falling due within one year	9	(1,457,443)	(3,251,378)
Net current liabilities		<u>(1,077,038)</u>	<u>(2,542,202)</u>
Net liabilities		<u>(361,238)</u>	<u>(1,905,352)</u>
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	(361,239)	(1,905,353)
Total shareholders' deficit	12	<u>(361,238)</u>	<u>(1,905,352)</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

These financial statements were approved by the Director and authorised for issue on 22 July 2010



Jose-Luis Vazquez

Director

The notes on pages 8 to 14 form part of these financial statements

Digital Interactive Studio Centre Limited

Notes to the accounts

Year ended 31 March 2009

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current year and the prior year, are described below.

Going Concern

The financial statements have been prepared on a going concern basis. The company is dependent upon the financial support of its ultimate parent undertaking, Mirada plc. From discussions held with Mirada plc the director is confident that Mirada plc will continue to support the company's working capital needs. Mirada plc has recently entered into secured convertible loan agreements of £1.2 million with the option to be increased up to £1.5 million, and Mirada plc has also entered into negotiations to secure additional bank facilities to provide for the general working capital requirements of the group. The directors of Mirada plc are confident that sufficient funds will be secured from the convertible loan agreement and the additional bank facilities to ensure that the general working capital requirements of the group will be met for a period of at least 12 months from the date of these accounts.

The director has concluded that a material uncertainty exists that casts significant doubt on the company's ability to continue to trade as a going concern. However, given the current opportunities available to secure additional financing for the group, the director continues to adopt the going concern basis of accounting.

Accounting convention

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

The company is exempt from the requirement of FRS 1 (revised) to present a cash flow statement because it is a wholly-owned subsidiary of Mirada plc which prepares consolidated accounts which are publicly available.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Land & buildings	10% per annum
Computer Hardware	33.3% per annum
Fixtures and fittings	33.3% per annum

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences which result from an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Turnover

Turnover, which excludes value added tax, comprises revenue from the provision of digital studio services to broadcasters and is recognised as these services are provided or in accordance with the contract.

Digital Interactive Studio Centre Limited

Notes to the accounts

Year ended 31 March 2009 (continued)

1. Accounting policies (continued)

Leases

Operating lease rentals are charged to income in equal annual amounts over the lease term

Pension costs

The company operates a defined contribution pension scheme. Contributions payable for the year are charged to the profit and loss account.

2. Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and Value Added Tax. The turnover arises in the United Kingdom and is attributable to the provision of digital studio facilities to broadcasters.

	Year ended 31 March 2009 £	15 months ended 31 March 2008 £
With third parties	1,949,266	3,837,251
Within the group	-	1,529,899
	<u>1,949,266</u>	<u>5,367,150</u>

3. Employees and directors

	Year ended 31 March 2009 Number	15 months ended 31 March 2008 Number
Average number of persons employed (including directors)		
Production	15	17
Administration	2	2
	<u>17</u>	<u>19</u>
	£	£
Staff costs, including directors, consist of		
Wages and salaries	626,307	806,893
Social security costs	70,319	84,118
Pension costs	8,768	11,286
	<u>705,394</u>	<u>902,297</u>

The director's emoluments were paid by Mirada plc, the company's ultimate parent, for services to group companies and it is not considered practical to allocate this cost to individual group companies.

Digital Interactive Studio Centre Limited

Notes to the accounts

Year ended 31 March 2009 (continued)

4. Operating profit/(loss)

	Year ended 31 March 2009 £	15 months ended 31 March 2008 £
Operating profit/(loss) is stated after charging		
Depreciation – owned assets	209,872	411,713
- leased assets	-	95,007
Rentals under operating leases – land & buildings	172,581	216,015

The auditors' remuneration for the year ended 31 March 2009 was £Nil (period ended 31 March 2008 £Nil) as it was borne by another group company

5. Exceptional items

	Year ended 31 March 2009 £	15 months ended 31 March 2008 £
Exceptional items credited/(charged) during the year/period are		
Inter-company balance written back	2,345,661	-
Inter-company balance written off	-	(4,263,058)
	<u>2,345,661</u>	<u>(4,263,058)</u>

The inter-company balances written off relate to amounts forgiven by Digital Interactive Studio Centre Limited in relation to amounts owed by fellow group companies

The inter-company balances written back relate to amounts forgiven by fellow group companies.

Digital Interactive Studio Centre Limited

Notes to the accounts

Year ended 31 March 2009 (continued)

6. Taxation

	Year ended 31 March 2009 £	15 months ended 31 March 2008 £
Profit/(loss) on ordinary activities before taxation	1,544,114	(4,287,538)
Profit/(loss) on ordinary activities at standard rate of corporation tax in the UK of 28% (2008 30%)	432,352	(1,286,261)
Explained by		
Non-deductible expenditure	117	480
Inter-company write off disallowed	-	1,284,191
Inter-company write back disallowed	(656,785)	-
Capital allowances in excess of depreciation	-	(93,898)
Depreciation in excess of capital allowances	58,764	-
Tax losses not utilised	165,552	132,988
Temporary differences	-	(37,500)
Current tax charge for the year/period	-	-

7. Tangible fixed assets

	Land and buildings £	Computer hardware £	Fixtures and fittings £	Total £
Cost				
At 1 April 2008	919,373	1,024,717	2,410,841	4,354,931
Additions	243,491	31,446	13,885	288,822
Disposals	-	(324,737)	(343,523)	(668,260)
At 31 March 2009	1,162,864	731,426	2,081,203	3,975,493
Depreciation				
At 1 April 2008	403,385	1,000,307	2,314,389	3,718,081
Disposals	-	(324,737)	(343,523)	(668,260)
Charge for the year	96,408	25,353	88,111	209,872
At 31 March 2009	499,793	700,923	2,058,977	3,259,693
Net book value				
At 31 March 2009	663,071	30,503	22,226	715,800
At 31 March 2008	515,988	24,410	96,452	636,850

Digital Interactive Studio Centre Limited

Notes to the accounts

Year ended 31 March 2009 (continued)

8 Debtors

	2009 £	2008 £
Trade debtors	112,585	321,079
Other debtors	119,750	119,750
Prepayments and accrued income	142,303	266,369
	<u>374,638</u>	<u>707,198</u>

All amounts shown under debtors fall due for payment within one year

9. Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors	247,203	550,213
Amounts owed to ultimate parent company	794,139	1,989,638
Amounts owed to group undertakings	118,319	563,105
Other taxes and social security	260,172	96,075
Accruals and deferred income	37,610	52,347
	<u>1,457,443</u>	<u>3,251,378</u>

10. Share capital

	2009 £	2008 £
Authorised:		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid:		
1 ordinary shares of £1 each	<u>1</u>	<u>1</u>

Digital Interactive Studio Centre Limited

Notes to the accounts

Year ended 31 March 2009 (continued)

11 Profit and loss account

	£
Balance at 1 April 2008	(1,905,353)
Profit for the year	1,544,114
Balance at 31 March 2009	<u>(361,239)</u>

12. Reconciliation of movements in shareholders' funds

	Year ended 31 March 2009 £	15 months ended 31 March 2008 £
Profit/(loss) for the year/period	1,544,114	(4,287,538)
Opening shareholders'(deficit)/funds	<u>(1,905,352)</u>	<u>2,382,186</u>
Closing shareholders' deficit	<u>(361,238)</u>	<u>(1,905,352)</u>

13. Operating lease commitments

At 31 March 2009 Digital Interactive Studio Centre Limited had annual commitments under non-cancellable operating leases as set out below

	2009 £	2008 £
Land & buildings		
Leases which expire		
More than 5 years	<u>177,000</u>	<u>80,520</u>

Digital Interactive Studio Centre Limited

Notes to the accounts

Year ended 31 March 2009 (continued)

14. Pension

The company provides pension arrangements to all full-time employees through a defined contribution scheme. The pension cost charge in the year was £8,768 (2008 £11,286).

15. Ultimate parent company

The company's ultimate parent is Mirada plc, a company incorporated in Great Britain. Mirada plc is the parent of the largest and smallest group of which the company is a member and for which consolidated group accounts are drawn up. Copies of the group financial statements are available from 6 & 7 Princes Court, Wapping Lane, London, E1W 2DA.

16. Related party transactions

The company has taken advantage of the exemption from related party disclosures available in Financial Reporting Standard No 8 Related Party Disclosures which allows it not to disclose transactions with other group companies that are 100% owned by the group, as the consolidated financial statements of the ultimate parent company are publicly available as noted in note 15.

17. Post balance sheet events

On 1 April 2009 the company's contract with NHS Direct for the provision of digital television services came to an end. The company recognised revenues of £1.5m in respect of this contract in the year ended 31 March 2009.