

Company Registration No. 4377175 (England and Wales)

PARTHENON ENTERTAINMENT LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2006

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PARTHENON ENTERTAINMENT LIMITED

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PARTHENON ENTERTAINMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO PARTHENON ENTERTAINMENT LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985 UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 5, together with the financial statements of Parthenon Entertainment Limited for the year ended 31 March 2006 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditors

The director is responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of audit opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

Nunn Hayward

Nunn Hayward

Chartered Accountants
Registered Auditor

26 January 2007

Sterling House
20 Station Road
Gerrards Cross
Buckinghamshire
SL9 8EL

PARTHENON ENTERTAINMENT LIMITED

ABBREVIATED BALANCE SHEET

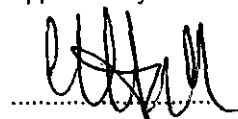
AS AT 31 MARCH 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Intangible assets	2	2,627,935		1,497,459	
Tangible assets	2	482,765		182,784	
		<u>3,110,700</u>		<u>1,680,243</u>	
Current assets					
Debtors		1,178,874		1,068,982	
Cash at bank and in hand		34,636		85,923	
		<u>1,213,510</u>		<u>1,154,905</u>	
Creditors: amounts falling due within one year	3	<u>(2,835,424)</u>		<u>(1,947,449)</u>	
Net current liabilities		<u>(1,621,914)</u>		<u>(792,544)</u>	
Total assets less current liabilities		<u>1,488,786</u>		<u>887,699</u>	
Creditors: amounts falling due after more than one year		<u>(490,153)</u>		<u>(326,274)</u>	
		<u>998,633</u>		<u>561,425</u>	
Capital and reserves					
Called up share capital	4	100		100	
Profit and loss account		998,533		561,325	
Shareholders' funds		<u>998,633</u>		<u>561,425</u>	

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

Approved by the Board for issue on

26/1/2007



C V Hall
Director

PARTHENON ENTERTAINMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

1.2 Turnover

Turnover represents amounts receivable for production services and distribution fees net of VAT. Production fees are recognised as turnover when the film is available for delivery, except for films being produced on behalf of third parties, where income is recognised as costs are incurred. Distribution income and rights revenues are recognised on the earlier of broadcast date or contract signature by customer.

1.3 Production and development costs

Production costs incurred in programming are capitalised in the balance sheet as intangible assets as they are incurred. Production costs capitalised are amortised to the Profit and Loss Account as a proportion of projected total turnover from each film. During the year the company's film library was independently valued. The valuation, which was based upon projected earnings, valued the library in excess of original cost. The directors however have taken a prudent view and have continued to amortise the library, albeit at a lower rate than in previous years. The effect of the change in the amortisation rate in the current year is to reduce the charge by £561,441.

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:

Land and buildings Leasehold	over the term of the lease
Plant and machinery	25% per annum on the reducing balance basis
Fixtures, fittings & equipment	25% per annum on the reducing balance basis
Motor vehicles	20% per annum on the straight line basis

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Deferred taxation

The accounting policy in respect of deferred tax reflects the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

PARTHENON ENTERTAINMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

2 Fixed assets

	Intangible assets £	Tangible assets £	Total £
Cost			
At 1 April 2005	2,560,366	309,716	2,870,082
Additions	1,291,740	409,761	1,701,501
At 31 March 2006	3,852,106	719,477	4,571,583
Depreciation			
At 1 April 2005	1,062,907	126,933	1,189,840
Charge for the year	161,264	109,779	271,043
At 31 March 2006	1,224,171	236,712	1,460,883
Net book value			
At 31 March 2006	2,627,935	482,765	3,110,700
At 31 March 2005	1,497,459	182,784	1,680,243

3 Creditors: amounts falling due within one year

The aggregate amount of creditors for which security has been given amounted to £1,207,648 (2005 - £817,707).

4 Share capital

	2006 £	2005 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

The company owns 50% of the Ordinary share capital of Cymru International Limited. This company started trading in February 2006 and at 31 March 2006 no financial information was available.

PARTHENON ENTERTAINMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2006**

5 Transactions with directors

During the year the company paid rent of £48,000 (2005 - £4,000) on a property owned by the director C V Hall and his wife.

Included within trade creditors is £43,239 (2005 - £9,400) owed to the director C V Hall and his wife.

Included within creditors due in more than one year is £355,000 (2005 - £320,000) advanced to the company by the director and his wife upon which interest of £39,317 (2005 - £30,532) was due.

In addition the director has provided a £600,000 personal guarantee to cover the bank borrowings and has personally guaranteed the hire purchase contracts entered into by the company. At the balance sheet date the liability on these contracts was £225,675.