

Companies House copy

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**STACOURT LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 December 2006**



**RAWLINSON & HUNTER**

Chartered Accountants  
Eagle House 110 Jermyn Street London SW1Y 6RH

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**STACOURT LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

B T S Michel  
A Elliott

**SECRETARY**

M W Douglas and Company Limited

**COMPANY NUMBER**

04507516

**REGISTERED OFFICE**

Greytown House  
221 - 227 High Street  
Orpington  
Kent  
BR6 0NZ

**AUDITORS**

Rawlinson & Hunter  
Chartered Accountants & Registered Auditor  
Eagle House  
110 Jermyn Street  
London  
SW1Y 6RH

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**STACOURT LIMITED**

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## **STACOURT LIMITED**

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### **DIRECTORS' REPORT For the Year ended 31 December 2006**

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The directors present their report and the financial statements for the year ended 31 December 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). The financial statements are required by law to 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 judgments 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 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. 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.

In determining how amounts are presented within items in the profit and loss account and balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company is the commercial exploitation of television rights.

#### **BUSINESS REVIEW**

The results for the year and the current state of the affairs of the company are in line with the directors' expectations. The directors anticipate that the company will continue to grow over the coming year.

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**STACOURT LIMITED**

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**DIRECTORS' REPORT**  
**For the Year ended 31 December 2006**

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**RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £474,494 (2005 - £1,333,241)

An interim dividend of £993,996 (2005 - £526,279) was paid during the year, representing 9,940 (2005 - £5,262) per ordinary share

The directors do not recommend the payment of final dividend

**DIRECTORS**

The directors who served during the year were

B T S Michel  
A Elliott

No directors held any interest in the share capital of the company at any time during the year

**AUDITORS**

The auditors, Rawlinson & Hunter, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985

This report was approved by the board on

**21 NOV 2007**

and signed on its behalf

Director



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## **STACOURT LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF STACOURT LIMITED**

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We have audited the financial statements of Stacourt Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

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.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors' 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 Directors' 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 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.

In addition, we 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 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 judgments 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.

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STACOURT LIMITED

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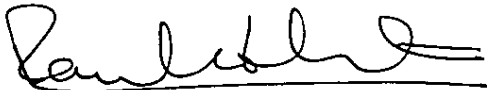
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF STACOURT LIMITED

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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 31 December 2006 and of its 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 Directors' Report is consistent with the financial statements



Chartered Accountants & Registered Auditor

Eagle House  
110 Jermyn Street  
London  
SW1Y 6RH

Date 27/11/07

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**STACOURT LIMITED**

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**PROFIT AND LOSS ACCOUNT**  
**For the Year ended 31 December 2006**

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	Note	2006 £	2005 £
<b>TURNOVER</b>	1	<b>10,650,900</b>	<b>5,884,693</b>
Cost of sales		<u>(9,238,481)</u>	<u>(3,960,527)</u>
<b>GROSS PROFIT</b>		<b>1,412,419</b>	<b>1,924,166</b>
Administrative expenses		<u>(10,582)</u>	<u>(145,513)</u>
<b>OPERATING PROFIT</b>	3	<b>1,401,837</b>	<b>1,778,653</b>
Interest receivable		<u>28,434</u>	<u>17,971</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,430,271</b>	<b>1,796,624</b>
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	5	<b>(955,777)</b>	<b>(463,383)</b>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	9	<b>£ 474,494</b>	<b>£ 1,333,241</b>

All amounts relate to continuing operations

There were no recognised gains and losses for 2006 or 2005 other than those included in the profit and loss account

The notes on pages 8 to 12 form part of these financial statements



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STACOURT LIMITED

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**BALANCE SHEET**  
**As at 31 December 2006**

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	Note	2006	2005
		£	£
<b>CURRENT ASSETS</b>			
Debtors	6	432,796	545,880
Cash at bank		7,091,846	4,778,982
		<u>7,524,642</u>	<u>5,324,862</u>
<b>CREDITORS</b> amounts falling due within one year	7	<u>(6,422,267)</u>	<u>(3,702,985)</u>
<b>NET CURRENT ASSETS</b>		<u>1,102,375</u>	<u>1,621,877</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>£ 1,102,375</u>	<u>£ 1,621,877</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	100	100
Profit and loss account	9	1,102,275	1,621,777
<b>SHAREHOLDERS' FUNDS - All equity</b>	10	<u>£ 1,102,375</u>	<u>£ 1,621,877</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
**21 NOV 2007**

Director



The notes on pages 8 to 12 form part of these financial statements

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**STACOURT LIMITED**

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**CASH FLOW STATEMENT**  
**For the Year ended 31 December 2006**

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	<b>Note</b>	<b>2006 £</b>	<b>2005 £</b>
Net cash flow from operating activities	12	4,231,064	4,310,474
Returns on investments and servicing of finance	13	28,434	17,971
Taxation		(952,638)	(457,977)
Equity dividends paid		(993,996)	(526,279)
<b>INCREASE IN CASH IN THE YEAR</b>		<b>£ 2,312,864</b>	<b>£ 3,344,189</b>

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT**  
**For the Year ended 31 December 2006**

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	<b>2006 £</b>	<b>2005 £</b>
Increase in cash in the year	2,312,864	3,344,189
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>2,312,864</b>	<b>3,344,189</b>
Net funds at 1 January 2006	4,778,982	1,434,793
<b>NET FUNDS AT 31 DECEMBER 2006</b>	<b>£ 7,091,846</b>	<b>£ 4,778,982</b>

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The notes on pages 8 to 12 form part of these financial statements

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## STACOURT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the Year ended 31 December 2006

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#### 1 ACCOUNTING POLICIES

##### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

##### 1.2 TURNOVER

Turnover comprises the invoiced value of services supplied by the company, exclusive of Value Added Tax

##### 1.3 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

##### 1.4 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

#### 2 TURNOVER

The whole of the turnover is attributable to the principal activity of the company

All turnover arose within the European Union excluding the United Kingdom

#### 3. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2006 £	2005 £
Difference on foreign exchange	(35,136)	125,612
Auditors' remuneration	6,000	3,500
Auditors' remuneration - non audit	13,975	6,655

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STACOURT LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
For the Year ended 31 December 2006

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4 STAFF COSTS

During the year, no director received any emoluments (2005 - £NIL)

The company has no employees other than the directors (2005 - NIL)

5 TAXATION

	2006 £	2005 £
<b>ANALYSIS OF TAX CHARGE IN THE YEAR</b>		
UK corporation tax charge on profits of the year	8,530	5,391
Adjustments in respect of prior periods	-	(130,056)
Foreign tax charge on profit for the year	947,247	588,048
<b>TOTAL CURRENT TAX</b>	<b>955,777</b>	<b>463,383</b>
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>£ 955,777</b>	<b>£ 463,383</b>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (30%) The differences are explained below

	2006 £	2005 £
Profit on ordinary activities before tax	£ 1,430,271	£ 1,796,624
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 - 30%)	429,081	538,987
<b>EFFECTS OF:</b>		
Unrelieved foreign tax arising in the year	526,516	54,452
Expenses not deductible for tax purposes	180	-
Adjustments to tax charge in respect of prior periods	-	(130,056)
<b>CURRENT TAX CHARGE FOR THE YEAR (see note above)</b>	<b>£ 955,777</b>	<b>£ 463,383</b>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges

**STACOURT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year ended 31 December 2006

**6 DEBTORS**

	2006 £	2005 £
Trade debtors	431,388	174,017
Other debtors	887	371,364
Prepayments and accrued income	521	499
	<u>£ 432,796</u>	<u>£ 545,880</u>

**7 CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2006 £	2005 £
Trade creditors	337,883	4,406
Corporation tax	8,530	5,391
Accruals and deferred income	6,075,854	3,693,188
	<u>£ 6,422,267</u>	<u>£ 3,702,985</u>

**8. SHARE CAPITAL**

	2006 £	2005 £
<b>AUTHORISED</b>		
1,000 Ordinary shares of £1 each	<u>£ 1,000</u>	<u>£ 1,000</u>
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
100 Ordinary shares of £1 each	<u>£ 100</u>	<u>£ 100</u>

**9 RESERVES**

	Profit and loss account £
At 1 January 2006	1,621,777
Profit retained for the year	474,494
Dividends Equity capital	(993,996)
At 31 December 2006	<u>£ 1,102,275</u>

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STACOURT LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
For the Year ended 31 December 2006

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10 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Opening shareholders' funds	1,621,877	814,915
Profit for the year	474,494	1,333,241
Dividends (Note 11)	(993,996)	(526,279)
Closing shareholders' funds	<u>£ 1,102,375</u>	<u>£ 1,621,877</u>

11 DIVIDENDS

	2006 £	2005 £
Dividends paid £9,940 (2005 - £5,262 per ordinary share)	<u>£ 993,996</u>	<u>£ 526,279</u>

12 NET CASH FLOW FROM OPERATING ACTIVITIES

	2006 £	2005 £
Operating profit	1,401,837	1,778,653
Decrease in debtors	113,084	235,194
Increase in creditors	2,716,143	2,296,627
NET CASH INFLOW FROM OPERATIONS	<u>£ 4,231,064</u>	<u>£ 4,310,474</u>

13 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2006 £	2005 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	<u>£ 28,434</u>	<u>£ 17,971</u>

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STACOURT LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
For the Year ended 31 December 2006

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14. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2006 £	Cash flow £	Other non-cash changes £	31 December 2006 £
Cash at bank and in hand	4,778,982	2,312,864	-	7,091,846
<b>NET FUNDS</b>	<b>£ 4,778,982</b>	<b>£ 2,312,864</b>	<b>£ -</b>	<b>£ 7,091,846</b>

15. RELATED PARTY TRANSACTIONS

During the year the company paid consultancy fees totalling £3,841,875 (2005 - £2,091,908) to the parent undertaking Formula FB Business Limited. At 31 December 2006, the company owed £1,795,122 (2005 - £Nil) to Formula FB Business Limited.

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The directors consider that the ultimate parent undertaking and controlling party is Formula FB Business Limited, a company incorporated in the British Virgin Islands.

The ultimate controlling party is the FB Trust.