

Shed Productions (Bad Girls) Limited

REPORT AND FINANCIAL STATEMENTS

For the period ended 31 December 2007

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COMPANIES HOUSE

Company Registration Number 4867396

Shed Productions (Bad Girls) Limited

DIRECTORS

M Chadwick
B Park
E Gallagher
A McManus
J Kemp

SECRETARY

J Kemp

COMPANY NUMBER

4867396

REGISTERED OFFICE AND BUSINESS ADDRESS

2 Holford Yard
London
WC1X 9HD

AUDITORS

Baker Tilly UK Audit LLP
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

BANKERS

Barclays Bank Plc
27 Soho Square
London W1D 3QR

Shed Productions (Bad Girls) Limited

DIRECTORS' REPORT

The directors present their report and the financial statements of Shed Productions (Bad Girls) Limited for the 16 month period ended 31 December 2007

PRINCIPAL ACTIVITIES

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

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Business review

The loss for the period after taxation amounted to £234,798 (year ended 31 August 2006 profit £859,000)

In the current period the company received receipts from international and DVD sales of Bad Girls Series 6, Bad Girls Series 7 and Bad Girls Series 8 and had costs associated with the depreciation of the film asset

Future Outlook

In future periods the company will continue to receive receipts from international and DVD sales and is likely to produce additional television programming.

Principal risks

The directors of Shed Media plc manage the group's risks at a group level, rather than at an individual business unit level. For this reason, the directors believe that a discussion of the company's risks would not be appropriate for an understanding of the development, performance and position of Shed Productions (Bad Girls) Limited's business. The principal risks and uncertainties of Shed Media plc, which include those of the company, are discussed on page 14 of the group's annual report, which does not form part of this report.

Key performance indicators

The directors of Shed Media plc manage the group's operations at a group level, rather than at an individual business unit level. For this reason, the directors believe that an analysis of the key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance and position of the business of Shed Productions (Bad Girls) Limited. The development, performance and position of Shed Media plc, which include those of the company, are discussed on pages 13 and 14 of the group's annual report, which does not form part of this report.

Change of accounting period

The Company has changed its final reporting date to 31 December, this is in line with Group policy as discussed on page 12 of the group's annual report, which does not form part of this report.

DIVIDENDS

The directors do not recommend the payment of a dividend for the period (2006 Nil)

Shed Productions (Bad Girls) Limited

DIRECTORS' REPORT

DIRECTORS

The following directors all held office since 1 September 2006

M Chadwick
B Park
E Gallagher
A McManus
J Kemp

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that 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 it has been communicated to the auditor.

AUDITORS

A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

On behalf of the Board



J Kemp
Director

22nd September 2008

Shed Productions (Bad Girls) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 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 which 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 AUDITOR'S REPORT TO THE SHAREHOLDERS OF SHED PRODUCTIONS (BAD GIRLS) LIMITED

We have audited the financial statements on pages 6 to 13

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 auditor's 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 Annual Report and 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 December 2007 and of its loss for the period 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.

Baker Tilly UK Audit LLP

BAKER TILLY UK AUDIT LLP
Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

22 September 2008

Shed Productions (Bad Girls) Limited
PROFIT AND LOSS ACCOUNT
for the period ended 31 December 2007

	Notes	16 months ended 31 December 2007 £'000	Year ended 31 August 2006 £'000
TURNOVER	1	25	6,599
Cost of sales		(333)	(5,352)
GROSS (LOSS)/PROFIT		(308)	1,247
Other operating expenses		(2)	(7)
OPERATING (LOSS)/PROFIT		(310)	1,240
Interest receivable	2	6	8
Interest payable	3	-	(22)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(304)	1,226
Taxation	6	69	(367)
(LOSS)/PROFIT FOR THE PERIOD/YEAR	14	(235)	859

The operating (loss) / profit for the period/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

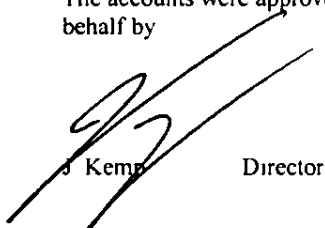
Shed Productions (Bad Girls) Limited

BALANCE SHEET

As at 31 December 2007

	Notes	31 December 2007 £'000	31 August 2006 £'000
FIXED ASSETS			
Tangible fixed assets	8	1,102	1,220
		<hr/>	<hr/>
CURRENT ASSETS			
Debtors	9	1,716	3,095
Cash at bank and in hand		24	288
		<hr/>	<hr/>
		1,740	3,383
CREDITORS amounts falling due within one year	10	(1,029)	(2,790)
		<hr/>	<hr/>
NET CURRENT ASSETS		711	593
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,813	1,813
Provision for liabilities	11	(235)	-
		<hr/>	<hr/>
NET ASSETS		1,578	1,813
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	12	-	-
Profit and loss account	13	1,578	1,813
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' FUNDS	14	1,578	1,813
		<hr/>	<hr/>

The accounts were approved and authorised for issue by the Board on 22nd September 2008 and signed on its behalf by


J. Kemp Director

Shed Productions (Bad Girls) Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

TANGIBLE FIXED ASSETS – PROGRAMME ASSETS

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

This method has been reviewed in the period so that a proportion of the cost of production has been capitalised and subsequently depreciated. In prior periods the entire cost of the production was capitalised and then depreciated. This review in depreciation method has led to a prior year adjustment to brought forward cost and depreciation.

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.

TURNOVER

Turnover represents amounts receivable for work carried out in producing television programmes and is recognised over the period of the production or as per the contract where payments are dependent on materials delivery. Gross profit on production activity is recognised over the period of the production or in accordance with the underlying contract and where there is certainty of this being realised, overages on productions are recognised as they arise and underages are recognised on completion of the productions. Distribution income is recognised when invoiced, by the distributor, as per the contract.

CASHFLOW STATEMENT EXEMPTION

The Company has taken advantage of the exemption within FRS 1 – Cash Flow Statements, for subsidiaries with 90% or more of the voting rights controlled within the group.

Shed Productions (Bad Girls) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2007

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

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

2	INTEREST RECEIVABLE	16 months ended 31 December 2007 £'000	Year ended 31 August 2006 £'000
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Other interest receivable	6	8
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3	INTEREST PAYABLE	16 months ended 31 December 2007 £'000	Year ended 31 August 2006 £'000
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Other interest	-	22
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4	(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	16 months ended 31 December 2007 £'000	Year ended 31 August 2006 £'000
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(Loss) / Profit on ordinary activities before taxation is stated after charging

Depreciation and amount written off tangible fixed assets

Charge for the period / year

Film assets

Auditor's remuneration

118	134
-	6

In 2007, the auditor's remuneration was borne by the parent company, Shed Media plc

5	EMPLOYEES	16 months ended 31 December 2007 No	Year ended 31 August 2006 No
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Number of employees

The average monthly number of employees including directors during the period was

Management and administration

Cast, crew and production

-	8
-	47

-	55
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	16 months ended 31 December 2007 £'000	Year ended 31 August 2006 £ 000
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Staff costs for the above persons

Wages and salaries

Social security costs

-	1,670
-	167

-	1,837
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There was also an average of Nil self employed production people during the period (year ended 2006 29)

The self employed people were paid a total of £Nil during the period (year ended 2006 £1,161,586)

The director's remuneration in the period was £Nil (year ended 2006 £Nil)

Shed Productions (Bad Girls) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2007

6	TAX ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES	16 months ended 31 December 2007 £'000	Year ended 31 August 2006 £'000
	Based on the result for the period / year		
	UK corporation tax on profit for the period / year	(304)	367
	Total current tax	<u>(304)</u>	<u>367</u>
	Deferred tax (Note 11)		
	Origination and Reversal of timing differences	(24)	
	Adjustments in respect of prior periods	259	
	Total deferred tax	<u>235</u>	<u></u>
	Tax on profit on ordinary activities	<u>(69)</u>	<u>367</u>

	16 months ended 31 December 2007 £'000	Year ended 31 August 2006 £'000
Factors affecting tax charge for period / year		
(Loss) / profit on ordinary activities before tax	(304)	1,226
(Loss) / profit on ordinary activities multiplied by standard rate of 30% (2006 30%)	(91)	367
Effects of		
Group relief not paid for	66	-
Accelerated film relief	25	-
Adjustment to tax charge in respect of previous periods	(304)	-
Current tax charge for period	<u>(304)</u>	<u>367</u>

7	DIVIDENDS	16 months ended 31 December 2007 £ 000	Year ended 31 August 2006 £'000
	Ordinary		
	Final paid £nil per share (2006 £500,000)	-	500

Shed Productions (Bad Girls) Limited
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2007

8	TANGIBLE FIXED ASSETS		Programme assets £'000
	Cost		
	At 31 August 2006 and 31 December 2007		2,005
	Depreciation		
	At 31 August 2006		785
	Charge for the period		118
	At 31 December 2007		903
	Net book value		
	At 31 December 2007		1,102
	At 31 August 2006		1,220
The programme assets represent rights, titles and interests to the programmes, Bad Girls (Series 6) and Bad Girls (Series 7)			
9	DEBTORS	31 December 2007 £'000	31 August 2006 £'000
	Trade debtors	-	1,476
	Amounts due from group undertakings	1,716	1,612
	Other debtors	-	7
		<u>1,716</u>	<u>3,095</u>
10	CREDITORS Amounts falling due within one year	31 December 2007 £'000	31 August 2006 £'000
	Amounts owed to group undertakings	999	1,768
	Corporation tax	16	141
	Other tax and social security	14	787
	Accruals and deferred income	-	94
		<u>1,029</u>	<u>2,790</u>

Shed Productions (Bad Girls) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2007

11	PROVISION FOR LIABILITIES	Deferred Tax	
		31 December 2007 £'000	31 August 2006 £'000
	1 September 2006	-	-
	Transfer to profit and loss account	235	-
	31 December 2007	<u>235</u>	<u>-</u>
	Deferred tax		
	The deferred tax balance is made up as follows		
	Accelerated film relief	235	-
	Total deferred tax	<u>235</u>	<u>-</u>
12	SHARE CAPITAL	31 December 2007 £'000	31 August 2006 £'000
	Authorised 1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>
	Allotted, called up and fully paid 1 ordinary share of £1 each	<u>-</u>	<u>-</u>
13	PROFIT AND LOSS ACCOUNT		Period ended 31 December 2007 £ 000
	1 September 2006		1,813
	Loss for the financial period		<u>(235)</u>
	31 December 2007		<u>1,578</u>
14	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	16 months ended 31 December 2007 £'000	Year ended 31 August 2006 £ 000
	(Loss)/profit for the financial period/year	(235)	859
	Dividends paid	-	<u>(500)</u>
	Net (reduction in) addition to shareholders' funds	<u>(235)</u>	<u>359</u>
	Opening shareholders' funds	1 813	1 454
	Closing shareholders' funds	<u>1,578</u>	<u>1 813</u>
15	RELATED PARTY TRANSACTIONS		
	The company has taken advantage of the exemption conferred by Financial Reporting Standard No 8 from the requirements to disclose details of transactions with group companies		

Shed Productions (Bad Girls) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2007

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

16 CONTROLLING PARTIES

The immediate parent undertaking is Shed Media plc, a company incorporated in England and Wales

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

2 Holford Yard
London
WC1X 9HD

The ultimate controlling party is Shed Media plc which is the only parent company to have prepared consolidated financial statements