

Shed Productions (Bad Girls) Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2008



Company Registration Number: 4867396

Shed Productions (Bad Girls) Limited

DIRECTORS

M Chadwick
B Park
E Gallagher
A McManus
J Kemp
N Southgate

SECRETARY

J Kemp

COMPANY NUMBER

4867396

REGISTERED OFFICE AND BUSINESS ADDRESS

2 Holford Yard
London
WC1X 9HD

AUDITOR

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 year ended 31 December 2008.

PRINCIPAL ACTIVITIES

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

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Business review

The profit for the year after taxation amounted to £782,000 (16 months ended 31 December 2007: £235,000 loss).

In the current year the company produced Hope Springs for the BBC and received receipts from international and DVD sales of Bad Girls Series 6, Bad Girls Series 7 and Bad Girls Series 8.

Future outlook

In future years 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 in 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 in 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 (2007: Nil).

Shed Productions (Bad Girls) Limited

DIRECTORS' REPORT

DIRECTORS

The following directors all held office since 1 January 2008:

M Chadwick
B Park
E Gallagher
A McManus
J Kemp
N Southgate (appointed 20 January 2009)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

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 auditor is 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.

AUDITOR

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

By order of the Board



J Kemp
Director

1 April 2009

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 auditor

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 whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 2008 and of its profit 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.

Baker Tilly UK Audit LLP
BAKER TILLY UK AUDIT LLP

Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

1 April 2009

Shed Productions (Bad Girls) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2008

	Notes	Year ended 31 December 2008 £'000	16 months ended 31 December 2007 £'000
TURNOVER	1	5,534	25
Cost of sales		(4,464)	(333)
GROSS PROFIT/(LOSS)		<u>1,070</u>	<u>(308)</u>
Other operating expenses		(10)	(2)
OPERATING PROFIT/(LOSS)		<u>1,060</u>	<u>(310)</u>
Interest receivable	2	24	6
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>1,084</u>	<u>(304)</u>
Taxation (charge)/credit	6	(302)	69
PROFIT/(LOSS) FOR THE YEAR/PERIOD	12	<u><u>782</u></u>	<u><u>(235)</u></u>

The operating profit/(loss) for the year/period 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 2008

	Notes	2008 £'000	2007 £'000
FIXED ASSETS			
Tangible fixed assets	6	2,173	1,102
		<hr/>	<hr/>
CURRENT ASSETS			
Debtors	7	2,257	1,716
Cash at bank and in hand		107	24
		<hr/>	<hr/>
		2,364	1,740
CREDITORS: amounts falling due within one year	8	(1,638)	(1,029)
		<hr/>	<hr/>
NET CURRENT ASSETS		726	711
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,899	1,813
		<hr/>	<hr/>
Provisions for liabilities	9	(539)	(235)
		<hr/>	<hr/>
NET ASSETS		2,360	1,578
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	10	-	-
Profit and loss account	11	2,360	1,578
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' FUNDS	12	2,360	1,578
		<hr/>	<hr/>

The financial statements were approved and authorised for issue by the Board on 1 April 2009 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 and in accordance with applicable accounting standards in the United Kingdom.

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.

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 distribution income and amounts receivable for work carried out in producing television programmes.

Production income is recognised over the period of the production or as per the contract where payment is dependent on delivery of materials. 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 year ended 31 December 2008

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

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

2 INTEREST RECEIVABLE

	Year ended 31 December 2008 £'000	16 months ended 31 December 2007 £'000
Other interest receivable	24	6

3 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	Year ended 31 December 2008 £'000	16 months ended 31 December 2007 £'000
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Depreciation		
Charge for the year/period – programme assets	58	118

Auditor's remuneration for the current and prior periods was borne by the parent company, Shed Media plc.

4 EMPLOYEES

	Year ended 31 December 2008 No.	16 months ended 31 December 2007 No.
Number of employees		
The average monthly number of employees including directors during the year/period was:		
Management and administration	2	-
Cast, crew and production	216	-
	218	-

Shed Productions (Bad Girls) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

4 EMPLOYEES (continued)

	Year ended 31 December 2008 £'000	16 months ended 31 December 2007 £'000
Staff costs for the above persons:		
Wages and salaries	2,001	-
Social security costs	130	-
	<u>2,131</u>	<u>-</u>

There was also an average of 84 self employed production people during the year (period ended 2007: Nil).

The self employed people were paid a total of £904,931 during the year (period ended 2007: £Nil).

The director's remuneration in the year was £Nil (period ended 2007: £Nil).

5 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	Year ended 31 December 2008 £'000	16 months ended 31 December 2007 £'000
Based on the result for the year/period:		
UK corporation tax on profit for the year/period	(2)	(304)
Total current tax	<u>(2)</u>	<u>(304)</u>
Deferred tax (Note 9):		
Origination and reversal of timing differences	304	(24)
Adjustments in respect of prior periods	-	259
Total deferred tax	<u>304</u>	<u>235</u>
Tax charge/(credit) on profit/(loss) on ordinary activities	<u>302</u>	<u>(69)</u>

	Year ended 31 December 2008 £'000	16 months ended 31 December 2007 £'000
Factors affecting tax charge for year/period:		
Profit/(loss) on ordinary activities before tax	1,085	(304)
Profit/(loss) on ordinary activities multiplied by the average standard rate of 28.5% (2007: 30%)	309	(91)
Effects of:		
Group relief not paid for	-	66
Accelerated film relief	(309)	25
Adjustment to tax charge in respect of previous periods	(2)	(304)
Current tax credit for year	<u>(2)</u>	<u>(304)</u>

Shed Productions (Bad Girls) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

6	TANGIBLE FIXED ASSETS	Programme assets £'000
	Cost:	
	At 1 January 2008	2,005
	Additions	1,129
	At 31 December 2008	3,134
	Depreciation:	
	At 1 January 2008	903
	Charge for the year	58
	At 31 December 2008	961
	Net book value:	2,173
	At 31 December 2008	
	At 1 January 2008	1,102

The programme assets represent rights, titles and interests to the programmes Bad Girls (Series 6), Bad Girls (Series 7), Bad Girls (Series 8) and Hope Springs.

7	DEBTORS	2008 £'000	2007 £'000
	Trade debtors	2	-
	Amounts due from group undertakings	1,716	1,716
	Accrued income	539	-
		<u>2,257</u>	<u>1,716</u>
8	CREDITORS: Amounts falling due within one year	2008 £'000	2007 £'000
	Trade creditors	388	-
	Amounts owed to group undertakings	1,207	999
	Corporation tax	-	16
	Other tax and social security	4	14
	Other creditors	39	-
		<u>1,638</u>	<u>1,029</u>

Shed Productions (Bad Girls) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

9	PROVISION FOR LIABILITIES	Deferred Tax	
		2008 £'000	2007 £'000
	At 1 January	235	-
	Transfer to profit and loss account	304	235
	At 31 December	<u>539</u>	<u>235</u>
	Deferred tax: The deferred tax balance is made up as follows: Accelerated film relief	<u>539</u>	<u>235</u>
	Total deferred tax	<u>539</u>	<u>235</u>
10	SHARE CAPITAL	2008 £'000	2007 £'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>
11	PROFIT AND LOSS ACCOUNT	£'000	
	At 1 January 2008		1,578
	Profit for the financial year		<u>782</u>
	At 31 December 2008		<u>2,360</u>
12	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	Year ended 31 December 2008 £'000	16 months ended 31 December 2007 £'000
	Profit/(loss) for the financial year/period	<u>782</u>	<u>(235)</u>
	Net addition to (reduction in) shareholders' funds	<u>782</u>	<u>(235)</u>
	Opening shareholders' funds	<u>1,578</u>	<u>1,813</u>
	Closing shareholders' funds	<u>2,360</u>	<u>1,578</u>

Shed Productions (Bad Girls) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

14 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.

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

15 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.

16 CONTINGENT LIABILITY

The company has given guarantees in respect of bank borrowings of other group companies which amounts to £31,580,605 at 31 December 2008 (2007 £35,614,318).