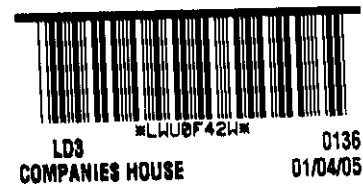


Shed Productions (BG6) Limited

DIRECTORS' REPORT AND ACCOUNTS

13 month period ended 31 August 2004



Company Registration Number: 4867396

Shed Productions (BG6) Limited

COMPANY INFORMATION

DIRECTORS

M Chadwick
B Park
E Gallagher
A McManus

SECRETARY

J Kemp

COMPANY NUMBER

4867396

REGISTERED OFFICE

Customs House
Three Mills Studios
London E3 3DU

BUSINESS ADDRESS

Customs House
Three Mills Studios
London E3 3DU

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

BANKERS

Barclays Bank Plc
27 Soho Square
London W1A 4WA

SOLICITORS

Melanie Haddad
57 Chepstow Place
London W2 4TS

Shed Productions (BG6) Limited

DIRECTORS' REPORT

The directors present their report and the financial statements of Shed Productions (BG6) Limited for the period ended 31 August 2004.

The company was incorporated on 14 August 2003.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of the production and exploitation of television programmes.

REVIEW OF THE BUSINESS

The production of the television programme Bad Girls – Series 6 was completed during the period and the directors are satisfied with the results for the period.

RESULTS AND DIVIDENDS

The profit for the period after taxation amounted to £1,110,132.

The directors recommend the payment of a dividend for the period of £620,000, which leaves a profit of £490,132 to be retained.

DIRECTORS

The following directors all held office from 1 September 2003:

M Chadwick
B Park
E Gallagher
A McManus

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

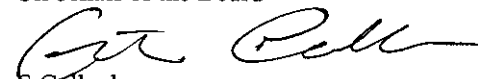
None of the directors had any interest in the shares of the company.

The directors' interests in the shares of the parent company are shown in that company's financial statements.

AUDITORS

Baker Tilly, Chartered Accountants, were appointed as the company's first auditors. A resolution to reappoint Baker Tilly as auditors will be put to the members at the annual general meeting.

On behalf of the Board


E Gallagher
Director

17 February 2005

Shed Productions (BG6) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires the directors 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 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 to 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 AUDITORS' REPORT TO THE SHAREHOLDERS OF SHED PRODUCTIONS (BG6) LIMITED

We have audited the financial statements on pages 5 to 11.

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 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 United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. 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 opinion

We conducted our audit in accordance with Auditing Standards 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 of the state of the company's affairs at 31 August 2004 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


BAKER TILLY

Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

17 February 2005

Shed Productions (BG6) Limited
PROFIT AND LOSS ACCOUNT
For the 13 month period ended 31 August 2004

	Notes	13 month period ended 31 August 2004 £
TURNOVER	1	7,318,533
Cost of sales		(5,943,274)
Gross profit		<u>1,375,259</u>
Administrative expenses		(21,532)
OPERATING PROFIT		<u>1,353,727</u>
Interest receivable and similar income	2	27,005
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>1,380,732</u>
Tax on profit on ordinary activities	5	(270,600)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>1,110,132</u>
Dividends	6	(620,000)
RETAINED PROFIT FOR THE PERIOD	11	<u><u>490,132</u></u>

The operating profit for the 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 (BG6) Limited

BALANCE SHEET

As at 31 August 2004

	Notes	2004 £
FIXED ASSETS		
Tangible fixed assets	7	466,258
CURRENT ASSETS		
Debtors	8	2,837,802
Cash at bank and in hand		718,744
		3,556,546
CREDITORS: amounts falling due within one year	9	(3,532,671)
NET CURRENT ASSETS		23,875
TOTAL ASSETS LESS CURRENT LIABILITIES		490,133
CAPITAL AND RESERVES		
Called up share capital	10	1
Profit and loss account	11	490,132
SHAREHOLDERS' FUNDS	12	490,133

The accounts were approved by the Board on 17 February 2005



E Gallagher

Director

Shed Productions (BG6) Limited

NOTES TO THE ACCOUNTS

31 August 2004

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.

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

Income is recognised on the basis set out in the television contracts.

Turnover represents the proportion of income due to the company from programme sales, net of Value Added Tax.

Shed Productions (BG6) Limited

NOTES TO THE ACCOUNTS

31 August 2004

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

2	INTEREST RECEIVABLE AND SIMILAR INCOME	13 month period ended 31 August 2004 £
	Bank interest	27,005

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	Profit on ordinary activities before taxation is stated after charging/(crediting):	13 month period ended 31 August 2004 £
	Depreciation	
	Owned assets	5,940,538
	Auditors' remuneration	3,000

4 EMPLOYEES

	Number of employees	Number
	The average monthly number of employees including directors during the period was:	
	Management and administration	4
	Cast, crew and production	26
		30
	Employment costs	13 month period ended 31 August 2004 £
	Wages and salaries	1,156,953
	Social security costs	91,580
		1,248,533

There was also an average of 14 self employed production people during the period.

The self employed people were paid a total of £970,758 during the period.

All employee costs other than directors' remuneration were capitalised and included in the film asset.

DIRECTORS' EMOLUMENTS

	13 month period ended 31 August 2004 £
Aggregate emoluments	16,000

Shed Productions (BG6) Limited

NOTES TO THE ACCOUNTS

31 August 2004

		13 month period ended 31 August 2004 £
5	TAX ON PROFIT ON ORDINARY ACTIVITIES	
	Based on the result for the period:	
	UK corporation tax at 30%	270,600
	Total current tax	<u>270,600</u>
	Factors affecting tax charge for period:	
	Profit on ordinary activities before tax	<u>1,380,732</u>
	Profit on ordinary activities multiplied by standard rate of 30%	414,220
	Effects of:	
	Expenses not deductible for tax purposes	18
	Group relief utilised	(143,638)
	Current tax charge for period	<u>270,600</u>
6	DIVIDENDS	13 month period ended 31 August 2004 £
	Ordinary	
	Final proposed £620,000 per share	<u>620,000</u>
7	TANGIBLE FIXED ASSETS	Programme assets £
	Cost:	
	Additions	<u>6,406,796</u>
	At 31 August 2004	<u>6,406,796</u>
	Depreciation:	
	Charge for period	<u>5,940,538</u>
	At 31 August 2004	<u>5,940,538</u>
	Net book value:	
	At 31 August 2004	<u>466,258</u>

Shed Productions (BG6) Limited

NOTES TO THE ACCOUNTS

31 August 2004

8	DEBTORS	2004 £
	Trade debtors	20,234
	Amounts due from group undertakings	2,665,448
	Other debtors	152,120
		<u>2,837,802</u>
9	CREDITORS: Amounts falling due within one year	2004 £
	Trade creditors	1,918
	Amounts owed to group undertakings	2,588,670
	Corporation tax	270,600
	Dividends proposed	620,000
	Other tax and social security	3,200
	Accruals and deferred income	48,283
		<u>3,532,671</u>
10	SHARE CAPITAL	2004 £
	Authorised:	
	1,000 ordinary shares of £1 each	<u>1,000</u>
	Allotted, called up and fully paid:	
	1 ordinary share of £1 each	<u>1</u>
	One ordinary share was issued on incorporation at par.	
11	PROFIT AND LOSS ACCOUNT	2004 £
	Profit for the financial period	<u>490,132</u>
	31 August 2004	<u>490,132</u>
12	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2004 £
	Profit for the financial period	1,130,132
	Dividends	(620,000)
	New share capital subscribed	<u>1</u>
	Net addition to shareholders' funds	490,133
	Opening shareholders' funds	-
	Closing shareholders' funds	<u>490,133</u>

Shed Productions (BG6) Limited

NOTES TO THE ACCOUNTS

31 August 2004

13 RELATED PARTY TRANSACTIONS

The following amounts net of VAT were paid by the company to the directors, or companies owned by the directors, for the following services provided by the directors:

	2004 £
Maureen Chadwick/Crush Media Limited	
Format fees	4,000
Script executive fees	27,200
Creative production fees	28,000
Brian Park/Axeman Limited	
Creative production fees	28,000
Ann McManus/Revel Media Limited	
Format fees	4,000
Script executive fees	27,200
Creative production fees	28,000
Eileen Gallagher/ERG Media Limited	
Format fees	4,000
Creative production fees	28,000

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.

14 CONTROLLING PARTIES

The parent undertaking is Shed Productions Limited, a company incorporated in England and Wales.

Consolidated accounts are prepared for Shed Productions Limited and are available from the following address:

Customs House
3 Mills Studios
London E3 3DU.

The ultimate controlling parties are the four directors of Shed Productions Limited.