

# Shed Productions (Bad Girls) Limited

## REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2009



Company Registration Number 4867396



# Shed Productions (Bad Girls) Limited

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## 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  
Registered Auditor  
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

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The directors present their report and the financial statements of Shed Productions (Bad Girls) Limited for the year ended 31 December 2009

### 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 loss for the year after taxation amounted to £508,000 (2008 £782,000 profit)

In the current year the company 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 year (2008 £Nil)

# Shed Productions (Bad Girls) Limited

## DIRECTORS' REPORT

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### DIRECTORS

The following directors all held office since 1 January 2009

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 that, as far as they are aware, 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

7 April 2010

# Shed Productions (Bad Girls) Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- d 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 MEMBERS OF SHED PRODUCTIONS (BAD GIRLS) LIMITED

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We have audited the financial statements on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards (United Kingdom generally accepted accounting practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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**

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

*Baker Tilly UK Audit LLP*

David Clark (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

2 Bloomsbury Street

London WC1B 3ST

7 April 2010

# Shed Productions (Bad Girls) Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2009

	Notes	2009 £'000	2008 £'000
TURNOVER	1	63	5,534
Cost of sales		(764)	(4,464)
GROSS (LOSS)/PROFIT		(701)	1,070
Operating expenses		-	(10)
OPERATING (LOSS)/PROFIT		(701)	1,060
Interest receivable	2	13	24
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(688)	1,084
Taxation credit/(charge)	5	180	(302)
(LOSS)/PROFIT FOR THE YEAR	11	(508)	782

The operating (loss)/profit for the 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

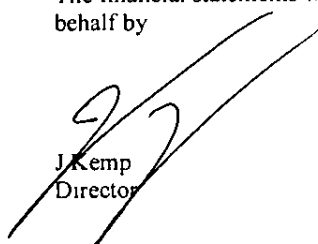
## BALANCE SHEET

as at 31 December 2009

Company Registration No 4867396

	Notes	2009 £'000	2008 £'000
<b>FIXED ASSETS</b>			
Tangible fixed assets	6	1,574	2,173
<b>CURRENT ASSETS</b>			
Debtors	7	1,715	2,257
Cash at bank and in hand	8	107	107
		1,723	2,364
<b>CREDITORS amounts falling due within one year</b>	8	(1,073)	(1,638)
<b>NET CURRENT ASSETS</b>		650	726
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,224	2,899
<b>Provisions for liabilities</b>	9	(372)	(539)
<b>NET ASSETS</b>		1,852	2,360
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	-	-
Profit and loss account	11	1,852	2,360
<b>EQUITY SHAREHOLDERS' FUNDS</b>	12	1,852	2,360

The financial statements were approved and authorised for issue by the Board on 7 April 2010 and signed on its behalf by

  
J Kemp  
Director

# Shed Productions (Bad Girls) Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 December 2009

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#### 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

#### GOING CONCERN

After making reasonable enquiries, the directors consider that the Company has adequate resources and facilities to continue in operational existence for the foreseeable future and therefore the financial statements are prepared on a going concern basis

# Shed Productions (Bad Girls) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

### 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

	2009 £'000	2008 £'000
Other interest receivable	13	24

### 3 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss)/profit on ordinary activities before taxation is stated after charging

	2009 £'000	2008 £'000
Depreciation - programme assets	599	58

Auditor's remuneration for the current year was borne by Shed Productions Limited. The prior year amount was borne by the ultimate parent company, Shed Media Plc

### 4 EMPLOYEES

	2009 No	2008 No
Number of employees		
The average monthly number of employees (including directors) during the year was		
Management and administration	-	2
Cast, crew and production	-	216
	-	218
Staff costs for the above persons	2009 £'000	2008 £'000
Wages and salaries	-	2,001
Social security costs	-	130
	-	2,131

There were no self employed production people during the year (average 2008 84)

The self employed people were paid a total of £nil during the year (2008 £904,931)

The only employees of the company during the year were the directors, none of whom received any remuneration as directors of the company (2008 £nil)

# Shed Productions (Bad Girls) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

5	TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	2009 £'000	2008 £'000
	Based on the result for the year		
	UK corporation tax on profit for the year	-	(2)
	Group relief	(13)	-
	Total current tax	(13)	(2)
	Deferred tax (Note 9)		
	Origination and reversal of timing differences	(167)	304
	Total deferred tax	(167)	304
	Tax (credit)/charge on loss/profit on ordinary activities	(180)	302
		2009 £'000	2008 £'000
	Factors affecting tax charge for year		
	(Loss)/profit on ordinary activities before tax	(688)	1,085
	(Loss)/profit on ordinary activities multiplied by the average standard rate of 28% (2008 28.5%)	(193)	309
	Effects of		
	Accelerated film relief	167	(309)
	Adjustment to tax charge in respect of previous periods	-	(2)
	Transfer pricing adjustment	13	-
	Current tax credit for year	(13)	(2)

Corporation tax is credited through the intercompany account and settled on a group basis. The overall group corporation tax liability is held within the ultimate parent company, Shed Media Plc.

6	TANGIBLE FIXED ASSETS	Programme assets £'000
	Cost	
	At 1 January and 31 December 2009	3,134
	Depreciation	
	At 1 January 2009	961
	Charge for the year	599
	At 31 December 2009	1,560
	Net book value	
	At 31 December 2009	1,574
	At 1 January 2009	2,173
	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	

# Shed Productions (Bad Girls) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

7	DEBTORS	2009 £'000	2008 £'000
	Trade debtors	-	2
	Amounts due from group undertakings	1,715	1,716
	Accrued income	-	539
		<u>1,715</u>	<u>2,257</u>
8	CREDITORS Amounts falling due within one year	2009 £'000	2008 £'000
	Trade creditors	-	388
	Amounts owed to group undertakings	1,042	1,207
	Other tax and social security	10	4
	Other creditors	21	39
		<u>1,073</u>	<u>1,638</u>
9	PROVISION FOR LIABILITIES	2009 £'000	Deferred Tax 2008 £'000
	At 1 January	539	235
	Transfer to profit and loss account	(167)	304
	At 31 December	<u>372</u>	<u>539</u>
	Deferred tax		
	The deferred tax balance is made up as follows		
	Accelerated film relief	371	539
	Total deferred tax	<u>371</u>	<u>539</u>
10	SHARE CAPITAL	2009 £'000	2008 £'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>

# Shed Productions (Bad Girls) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

11	PROFIT AND LOSS ACCOUNT		£'000
	At 1 January 2009		2,360
	Loss for the financial year		(508)
	At 31 December 2009		<u>1,852</u>
12	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2009 £'000	2008 £'000
	(Loss)/profit for the financial year	(508)	782
	Net (reduction in)/addition to shareholders' funds	<u>(508)</u>	<u>782</u>
	Opening shareholders' funds	2,360	1,578
	Closing shareholders' funds	<u>1,852</u>	<u>2,360</u>

### 13 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

### 14 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

### 15 CONTINGENT LIABILITY

The company has given guarantees in respect of bank borrowings of other group companies which amounts to £26,191,175 at 31 December 2009 (2008 £31,580,605)