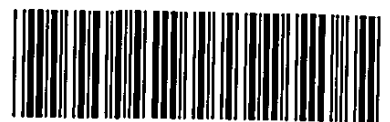


COMPANY REGISTRATION NUMBER 5221898

LOVE PRODUCTIONS LIMITED
FINANCIAL STATEMENTS
31 MARCH 2013

FRIDAY



A81 *A2NMAXA3* 20/12/2013 #56
COMPANIES HOUSE

LOVE PRODUCTIONS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

CONTENTS	PAGE
Directors' report	1
Independent auditor's report to the shareholders	3
Profit and loss account	5
Group balance sheet	6
Balance sheet	7
Group cash flow	8
Notes to the financial statements	10

LOVE PRODUCTIONS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2013

The directors present their report and the financial statements of the group for the year ended 31 March 2013

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of television production

The financial results for Love Productions Ltd for the year end 2012/13 show a continuation of year on year growth in both turnover and profit

This growth is fuelled by increases in production revenue in the USA, and further growth in the international sales market on the back of the ever expanding Bake Off brand

During the year we were commissioned by the US TV Network C B S to produce a US version of the Great British Bake Off. This project is being produced through our US subsidiary Love Productions USA Inc. The renewed growth in the United States has allowed us to expand our US operation with a new office opening in New York, and the appointment of Joey Allen as Vice President for Love Productions USA Inc. We hope that the New York office will allow us to expand our development slate for the US market for 2013/14

The Bake Off brand has enjoyed another successful year with format sales in seven new territories and continuing programme sales around the world. In addition to season 3 and 4 book deals, a new 2 year deal with BBC books has been agreed alongside several licencing deals for giftware, bakeware, stationery and live events

UK programmes produced in 2012/13 include Why Don't You Speak English and My Last Summer for Channel 4, Britain Here and Now for ITV, Goodbye Year 6 for CBBC, two shows for BBC2 featuring our Great British Bake Off judges, Paul Hollywood's Bread and The Mary Berry Story, and a celebrity Bake Off in association with Comic Relief. Additionally we have also produced a show in the same mould as the Great British Bake Off, this time with sewing at its heart, the Great British Sewing Bee. We have high hopes that in 2013/14 the Great British Sewing Bee will replicate and compliment the ongoing worldwide success of the Great British Bake Off

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,068,501. Particulars of dividends paid are detailed in note 9 to the financial statements

FINANCIAL INSTRUMENTS

DIRECTORS

The directors who served the company during the year were as follows

A Beattie
R McKerrow

LOVE PRODUCTIONS LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2013

DIRECTORS' RESPONSIBILITIES

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 the group and of the profit or loss of the group for that year.

In preparing these financial statements, the directors are required to


- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the persons who is a director at the date of approval of this report confirm that

- so far as each director is aware, there is no relevant audit information of which the group's auditor is unaware, and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed on behalf of the directors



R McKerrow
Director

Approved by the directors on 6 December 2013

LOVE PRODUCTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LOVE PRODUCTIONS LIMITED

YEAR ENDED 31 MARCH 2013

We have audited the group and parent company financial statements ("the financial statements") of Love Productions Limited for the year ended 31 March 2013 which comprise the Profit and Loss Account, Group Balance Sheet and Company Balance Sheet, Group Cash Flow and the related notes. 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 shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 and express an opinion on 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 OF THE FINANCIAL STATEMENTS

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/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2013 and of the group's profit 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.

LOVE PRODUCTIONS LIMITED

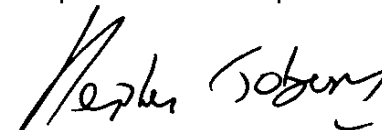
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LOVE PRODUCTIONS LIMITED *(continued)*

YEAR ENDED 31 MARCH 2013

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



STEPHEN JOBERNS (Senior
Statutory Auditor)
For and on behalf of
SHIPLEYS LLP
Chartered Accountants
& Statutory Auditor

10 Orange Street
Haymarket
London
WC2H 7DQ

6 December 2013

LOVE PRODUCTIONS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2013

	Note	2013 £	2012 £
GROUP TURNOVER	2	13,105,387	10,396,714
Cost of sales		10,717,194	8,659,231
GROSS PROFIT		<u>2,388,193</u>	<u>1,737,483</u>
Administrative expenses		1,003,985	688,287
OPERATING PROFIT	3	<u>1,384,208</u>	<u>1,049,196</u>
Interest receivable		4,766	3,330
Interest payable and similar charges	6	–	(115)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,388,974</u>	<u>1,052,411</u>
Tax on profit on ordinary activities	7	320,473	299,235
PROFIT FOR THE FINANCIAL YEAR	8	<u>1,068,501</u>	<u>753,176</u>

All of the activities of the group are classed as continuing

The group has no recognised gains or losses other than the results for the year as set out above

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account

The notes on pages 10 to 18 form part of these financial statements

LOVE PRODUCTIONS LIMITED

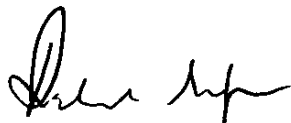
GROUP BALANCE SHEET

31 MARCH 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible assets	10	<u>109,536</u>	<u>111,087</u>
CURRENT ASSETS			
Debtors	12	1,802,711	1,094,672
Cash at bank		<u>2,545,068</u>	<u>2,154,264</u>
		4,347,779	3,248,936
CREDITORS. Amounts falling due within one year	13	<u>2,302,076</u>	<u>1,975,129</u>
NET CURRENT ASSETS		<u>2,045,703</u>	<u>1,273,807</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,155,239</u>	<u>1,384,894</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	14	<u>14,217</u>	<u>12,373</u>
		<u>2,141,022</u>	<u>1,372,521</u>
CAPITAL AND RESERVES			
Called-up equity share capital	17	10,000	10,000
Profit and loss account	18	<u>2,131,022</u>	<u>1,362,521</u>
SHAREHOLDERS' FUNDS	19	<u>2,141,022</u>	<u>1,372,521</u>

These accounts were approved by the directors and authorised for issue on 6 December 2013, and are signed on their behalf by

R McKERROW



The notes on pages 10 to 18 form part of these financial statements

LOVE PRODUCTIONS LIMITED

BALANCE SHEET

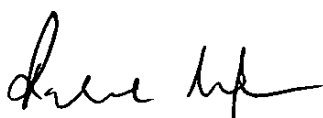
31 MARCH 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible assets	10	109,536	111,087
Investments	11	501	501
		<u>110,037</u>	<u>111,588</u>
CURRENT ASSETS			
Debtors	12	1,882,269	1,119,258
Cash at bank		2,191,703	2,139,531
		<u>4,073,972</u>	<u>3,258,789</u>
CREDITORS: Amounts falling due within one year	13	2,088,937	1,975,129
NET CURRENT ASSETS		<u>1,985,035</u>	<u>1,283,660</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,095,072	1,395,248
PROVISIONS FOR LIABILITIES			
Deferred taxation	14	14,217	12,373
		<u>2,080,855</u>	<u>1,382,875</u>
CAPITAL AND RESERVES			
Called-up equity share capital	17	10,000	10,000
Profit and loss account	18	2,070,855	1,372,875
SHAREHOLDERS' FUNDS		<u>2,080,855</u>	<u>1,382,875</u>

These accounts were approved by the directors and authorised for issue on 6 December 2013, and are signed on their behalf by

R McKERROW

Company Registration Number 5221898



The notes on pages 10 to 18 form part of these financial statements

LOVE PRODUCTIONS LIMITED

GROUP CASH FLOW

YEAR ENDED 31 MARCH 2013

	2013 £	2012 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	1,192,466	1,691,584
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	4,766	3,330
Interest paid	—	(115)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	4,766	3,215
TAXATION	(462,920)	(8,711)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(43,508)	(98,657)
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(43,508)	(98,657)
EQUITY DIVIDENDS PAID	(300,000)	(300,000)
INCREASE IN CASH	<u>390,804</u>	<u>1,287,431</u>

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Operating profit	1,384,208	1,049,196
Depreciation	45,059	40,082
Increase in debtors	(708,039)	(177,334)
Increase in creditors	471,238	779,640
Net cash inflow from operating activities	<u>1,192,466</u>	<u>1,691,584</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2013 £	2012 £
Increase in cash in the period	390,804	1,287,431
Movement in net funds in the period	<u>390,804</u>	<u>1,287,431</u>
Net funds at 1 April 2012	2,154,264	866,833
Net funds at 31 March 2013	<u>2,545,068</u>	<u>2,154,264</u>

The notes on pages 10 to 18 form part of these financial statements

LOVE PRODUCTIONS LIMITED

GROUP CASH FLOW

YEAR ENDED 31 MARCH 2013

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Apr 2012 £	Cash flows £	At 31 Mar 2013 £
Net cash			
Cash in hand and at bank	2,154,264	390,804	2,545,068
Net funds	<u>2,154,264</u>	<u>390,804</u>	<u>2,545,068</u>

The notes on pages 10 to 18 form part of these financial statements

LOVE PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

Turnover recognised in the profit and loss account represents amounts receivable for work carried out in producing television programmes and is recognised over the period of production based on the estimated proportion of the production income received in the relevant financial period.

Royalty income is recognised in the financial statements on a cash received basis.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Improvements	-	Over the life of the lease
Plant & Machinery	-	25% on reducing balance
Fixtures & Fittings	-	25% on reducing balance
Computer Equipment	-	33% straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

LOVE PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

1 ACCOUNTING POLICIES *(continued)*

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

LOVE PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group

An analysis of turnover is given below

	2013	2012
	£	£
United Kingdom	7,736,397	10,318,796
Overseas	5,368,990	77,918
	<u>13,105,387</u>	<u>10,396,714</u>

Turnover recognised in the profit and loss account represents amounts receivable for work carried out in producing television programmes and is recognised over the period of production based on the estimated proportion of the production income received in the relevant financial period

Royalty income is recognised in the financial statements on a cash received basis

3 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2013	2012
	£	£
Depreciation of owned fixed assets	45,059	40,082
Auditor's remuneration		
- as auditor	8,500	8,500
Net (profit)/loss on foreign currency translation	<u>(26,160)</u>	<u>5,047</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to

	2013	2012
	No	No
Number of administrative staff	<u>17</u>	<u>17</u>

The aggregate payroll costs of the above were

	2013	2012
	£	£
Wages and salaries	544,257	427,529
Social security costs	80,321	84,119
	<u>624,578</u>	<u>511,648</u>

LOVE PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2013	2012
	£	£
Remuneration receivable	<u>10,080</u>	<u>10,080</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Interest payable on bank borrowing	<u>—</u>	<u>115</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2013	2012
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 24% (2012 - 26%)	<u>318,629</u>	<u>278,151</u>
Total current tax	<u>318,629</u>	<u>278,151</u>
Deferred tax		
Origination and reversal of timing differences	<u>1,844</u>	<u>21,084</u>
Tax on profit on ordinary activities	<u>320,473</u>	<u>299,235</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 24% (2012 - 26%)

	2013	2012
	£	£
Profit on ordinary activities before taxation	<u>1,388,974</u>	<u>1,052,411</u>
Profit on ordinary activities by rate of tax	333,354	273,627
Expenses not deductible for tax purposes	(2,683)	34,523
Capital allowances for period in excess of depreciation	<u>(12,042)</u>	<u>(29,999)</u>
Total current tax (note 7(a))	<u>318,629</u>	<u>278,151</u>

LOVE PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

8. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £997,980 (2012 - £840,846)

9. DIVIDENDS

Equity dividends

	2013 £	2012 £
Paid during the year		
Dividends on equity shares	<u>300,000</u>	<u>300,000</u>

10. TANGIBLE FIXED ASSETS

Group	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Equipment £	Total £
COST					
At 1 April 2012	19,600	170,771	5,927	167,212	363,510
Additions	—	12,948	5,376	25,184	43,508
At 31 March 2013	<u>19,600</u>	<u>183,719</u>	<u>11,303</u>	<u>192,396</u>	<u>407,018</u>
DEPRECIATION					
At 1 April 2012	19,600	76,130	4,403	152,290	252,423
Charge for the year	—	26,897	1,725	16,437	45,059
At 31 March 2013	<u>19,600</u>	<u>103,027</u>	<u>6,128</u>	<u>168,727</u>	<u>297,482</u>
NET BOOK VALUE					
At 31 March 2013	<u>—</u>	<u>80,692</u>	<u>5,175</u>	<u>23,669</u>	<u>109,536</u>
At 31 March 2012	<u>—</u>	<u>94,641</u>	<u>1,524</u>	<u>14,922</u>	<u>111,087</u>

LOVE PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

10 TANGIBLE FIXED ASSETS *(continued)*

Company	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Equipment £	Total £
COST					
At 1 April 2012	19,600	170,771	5,927	167,212	363,510
Additions	—	12,948	5,376	25,184	43,508
At 31 March 2013	<u>19,600</u>	<u>183,719</u>	<u>11,303</u>	<u>192,396</u>	<u>407,018</u>
DEPRECIATION					
At 1 April 2012	19,600	76,130	4,403	152,290	252,423
Charge for the year	—	26,897	1,725	16,437	45,059
At 31 March 2013	<u>19,600</u>	<u>103,027</u>	<u>6,128</u>	<u>168,727</u>	<u>297,482</u>
NET BOOK VALUE					
At 31 March 2013	<u>—</u>	<u>80,692</u>	<u>5,175</u>	<u>23,669</u>	<u>109,536</u>
At 31 March 2012	<u>—</u>	<u>94,641</u>	<u>1,524</u>	<u>14,922</u>	<u>111,087</u>

11 INVESTMENTS

Company	Group companies £
COST	
At 1 April 2012 and 31 March 2013	<u>501</u>
NET BOOK VALUE	
At 31 March 2013 and 31 March 2012	<u>501</u>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet. The company owns 100% of the issued share capital of Love Productions Inc, a company registered in the United States of America.

12 DEBTORS

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Trade debtors	695,421	987,663	695,421	987,663
Amounts owed by group undertakings	—	—	383,294	46,612
Other debtors	329,292	52,805	25,556	30,779
Prepayments and accrued income	<u>777,998</u>	<u>54,204</u>	<u>777,998</u>	<u>54,204</u>
	<u>1,802,711</u>	<u>1,094,672</u>	<u>1,882,269</u>	<u>1,119,258</u>

LOVE PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

13 CREDITORS. Amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade creditors	480,454	123,095	244,607	123,095
Corporation tax	133,860	278,151	156,568	278,151
Other taxation and social security	432,008	444,859	432,008	444,859
Other creditors	479,060	1,055,054	479,060	1,055,054
Accruals and deferred income	776,694	73,970	776,694	73,970
	<u>2,302,076</u>	<u>1,975,129</u>	<u>2,088,937</u>	<u>1,975,129</u>

14 DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Provision brought forward	12,373	-	12,373	-
Increase in provision	<u>1,844</u>	<u>12,373</u>	<u>1,844</u>	<u>12,373</u>
Provision carried forward	<u>14,217</u>	<u>12,373</u>	<u>14,217</u>	<u>12,373</u>

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of

Group	2013		2012	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>14,217</u>	<u>-</u>	<u>12,373</u>	<u>-</u>

The company's provision for deferred taxation consists of the tax effect of timing differences in respect of

Company	2013		2012	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>14,217</u>	<u>-</u>	<u>12,373</u>	<u>-</u>

LOVE PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

15 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2013 the group had annual commitments under non-cancellable operating leases as set out below

Group	Land and buildings	
	2013	2012
	£	£
Operating leases which expire		
Within 2 to 5 years	<u>93,417</u>	<u>89,440</u>

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as set out below

Company	Land and buildings	
	2013	2012
	£	£
Operating leases which expire		
Within 2 to 5 years	<u>93,417</u>	<u>89,440</u>

16 RELATED PARTY TRANSACTIONS

The company was under the control of A Beattie and R McKerrow during the current and prior year, by virtue of having ownership of 100% of the issued ordinary share capital in the company

During the year, A Beattie and R McKerrow received dividends from the company amounting to £150,000 (2012 £150,000) each

In preparing these financial statements, the directors have taken advantage of the exemptions available under paragraph 3(c) of Financial Reporting Standard No 8, Reporting Related Party Transactions

17. SHARE CAPITAL

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

LOVE PRODUCTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

18. RESERVES

Group	Profit and loss account £
Balance brought forward	1,362,521
Profit for the year	1,068,501
Equity dividends	(300,000)
Balance carried forward	<u>2,131,022</u>
 Company	 Profit and loss account £
Balance brought forward	1,372,875
Profit for the year	997,980
Equity dividends	(300,000)
Balance carried forward	<u>2,070,855</u>

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Profit for the financial year	1,068,501	753,176
Equity dividends	(300,000)	(300,000)
Net addition to shareholders' funds	<u>768,501</u>	<u>453,176</u>
Opening shareholders' funds	1,372,521	919,345
Closing shareholders' funds	<u>2,141,022</u>	<u>1,372,521</u>

LOVE PRODUCTIONS LIMITED
MANAGEMENT INFORMATION
YEAR ENDED 31 MARCH 2013

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 3 to 4**

LOVE PRODUCTIONS LIMITED
DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2013

	2013 £	2012 £
TURNOVER	13,105,387	10,396,714
COST OF SALES		
Production costs	10,300,003	8,389,840
Development costs	<u>417,191</u>	<u>269,391</u>
	10,717,194	8,659,231
GROSS PROFIT	<u>2,388,193</u>	<u>1,737,483</u>
OVERHEADS		
Administrative expenses	<u>1,003,985</u>	<u>688,287</u>
OPERATING PROFIT	1,384,208	1,049,196
Bank interest receivable	<u>4,766</u>	<u>3,330</u>
	1,388,974	1,052,526
Bank interest payable	<u>—</u>	<u>(115)</u>
PROFIT ON ORDINARY ACTIVITIES	<u>1,388,974</u>	<u>1,052,411</u>

LOVE PRODUCTIONS LIMITED

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2013

	2013 £	2012 £
ADMINISTRATIVE EXPENSES		
Personnel costs		
Directors salaries	10,080	10,080
Wages and salaries	534,177	417,449
Employers national insurance contributions	80,321	84,119
	<u>624,578</u>	<u>511,648</u>
Establishment expenses		
Rent, rates and water	243,453	220,855
Light and heat	—	10,920
Insurance	7,821	7,278
Repairs and maintenance	1,638	2,587
Cleaning of premises	14,535	15,392
Other establishment expenses	19,674	8,693
	<u>287,121</u>	<u>265,725</u>
General expenses		
Travel and subsistence	136,713	66,141
Telephone	25,463	24,846
Office expenses	77,950	83,389
Printing, stationery and postage	45,892	45,036
Subscriptions	7,721	9,091
Other staff related expenses	700	—
Sundry expenses	9,302	12,874
Advertising	43,721	5,405
Entertaining	14,283	5,030
General expenses	(426,337)	(458,333)
Legal and professional fees	115,015	58,963
Accountancy fees	10,191	2,194
Auditors remuneration	8,500	8,500
Depreciation	45,059	40,082
	<u>114,173</u>	<u>(96,782)</u>
Financial costs		
Bank charges	4,273	2,649
Foreign currency gains/losses	(26,160)	5,047
	<u>(21,887)</u>	<u>7,696</u>
	<u>1,003,985</u>	<u>688,287</u>
INTEREST RECEIVABLE		
Bank interest receivable	<u>4,766</u>	<u>3,330</u>