

Ragdoll Developments Limited

Directors' Report and Financial Statements

For the year ended 31 March 2011

Company number 5786074

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Ragdoll Developments Limited

Annual report and financial statements for the year ended 31 March 2011

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Directors

Mark Hollingsworth
Stephen Macallister
Neil Ross Russell
Anne Wood

Secretary and registered office

Mark Hollingsworth, Pinewood Studios, Pinewood Road, Iver Heath, Bucks, SL0 0NH

Company number

5786074

Auditors

KPMG LLP, 15 Canada Square, London E14 5GL

Ragdoll Developments Limited

Report of the Directors for the year ended 31 March 2011

The Directors present their annual report together with the audited financial statements for the year ended 31 March 2011

Principal activities

Until 31 March 2010, the Company's principal activity was the exploitation of television programmes and other media content for children, produced by Ragdoll

On 31 March 2010, as part of a group reorganisation of companies under common control, the Company sold its entire business, and all other rights and assets, to Ragdoll Worldwide Limited (formerly Ragdoll Developments Limited) its parent company. The transfer was at book value.

Results and dividends

The profit for the year after taxation was £nil (2010 £2,874,535). The Directors do not propose the payment of a final dividend.

Ragdoll Developments Limited

Report of the Directors for the year ended 31 March 2011

Directors

The Directors of the Company at the date of this report were as follows

Mark Hollingsworth	
Stephen Macallister	(appointed 28 April 2010)
Neil Ross Russell	
Anne Wood	(appointed 28 April 2010)

The following Directors also held office during the year

Darren Childs	(appointed 28 April 2010, resigned 31 August 2010)
Andrew Davenport	(resigned 29 June 2010)
Kevin Langford	(resigned 28 April 2010)

Creditor payment policy

It is the Company policy to adhere to the payment terms agreed with the supplier. Payments are contingent on the supplier providing goods and services to the required standard.

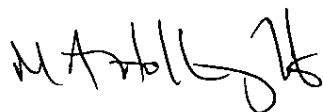
Statement as to disclosure of information to Auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditors are unaware and each Director has taken all the 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 Auditors are aware of that information.

Auditors

In accordance with Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



Mark Hollingsworth
Company Secretary

19 December 2011

Pinewood Studios
Pinewood Road
Iver Heath
Bucks
SL0 0NH

Ragdoll Developments Limited

Statement of Directors' responsibilities for the year ended 31 March 2011

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Ragdoll Developments Limited

Report of the Independent Auditors to the members of Ragdoll Developments Limited

We have audited the financial statements of Ragdoll Developments Limited for the year ended 31 March 2011 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditors' 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 explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 web-site 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 Company's affairs as at 31 March 2011 and of its result for the year then ended;
- have been properly prepared in accordance with UK 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



David Derbyshire

(Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London
E14 5GL

19 December 2011

Ragdoll Developments Limited**Profit and loss account for the year ended 31 March 2011**

	Notes	2011 £	2010 £
Turnover	2	-	13,997,625
Cost of sales		-	(8,882,103)
Gross profit		-	5,115,522
Distribution costs		-	(614,676)
Administrative expenses		-	(532,862)
Operating profit		-	3,967,984
Profit before interest and taxation		-	3,967,984
Interest receivable and similar income	5	-	14,526
Profit on ordinary activities before taxation	3	-	3,982,510
Tax on profit on ordinary activities	6	-	(1,107,975)
Profit for the year	14	-	2,874,535

Results for the prior year derive from discontinued operations, following the transfer of the Company's business and net assets to Ragdoll Worldwide Limited (formerly Ragdoll Developments Limited) as part of a group reorganisation of companies under common control. The transfer was recorded at book value and no gain or loss arose

The Company's reported profit for the current and prior year is the same as that reported under a historical cost basis

The Company has no recognised gains and losses other than those above and therefore no separate statement of total recognised gains and losses has been presented

The notes on pages 7 to 15 form part of these financial statements

Ragdoll Developments Limited**Balance sheet at 31 March 2011**

	Notes	2011	2011	2010 £	2010 £
Fixed assets					
Investments	7		26		26
Intangible assets	8		-		-
Investment in programmes	9		-		-
			<u>26</u>		<u>26</u>
Current assets					
Debtors amounts due within one year	10	58		58	
Cash at bank and in hand		-		-	
		<u>58</u>		<u>58</u>	
Creditors: amounts falling due within one year	11	(33)		(33)	
Net current assets			<u>25</u>		<u>25</u>
Total assets less current liabilities			<u>51</u>		<u>51</u>
Provisions for liabilities and charges	12		-		-
Net assets			<u>51</u>		<u>51</u>
Capital and reserves					
Called up share capital	13		51		51
Share premium account	14		-		-
Profit and loss account	14		-		-
Equity shareholders' funds	15		<u>51</u>		<u>51</u>

These financial statements were approved by the Board of Directors on

11 December

2011 and were signed on its behalf by

Neil Ross Russell

Neil Ross Russell
Director

Mark Hollingsworth

Mark Hollingsworth
Director

The notes on pages 7 to 15 form part of these financial statements
Company 5786074

Ragdoll Developments Limited

Notes forming part of the financial statements for the year ended 31 March 2011

1 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the Company's principal accounting policies, which have been applied consistently throughout the current and prior year, is set out below.

Basis of preparation

The financial statements are presented under the historical cost accounting convention.

The Company has taken advantage of the provisions of FRS1 (revised) not to publish a cash flow statement as its parent company Ragdoll Worldwide Limited (formerly Ragdoll Developments Limited) has prepared consolidated financial statements which are publicly available and include a consolidated cash flow statement.

Turnover

Turnover represents income from television programme sales, income and licence fees from associated books, DVDs and character merchandising. Turnover excludes value added tax and trade discounts and is recognised at the fair value of consideration receivable.

Turnover is recognised as follows:

- Income from television sales is recognised at the later of the start of the licence period or delivery of materials.
- Royalty income is recognised when receivable and earned. Recoupable, non-refundable advances received for licence of intellectual property are initially deferred and recognised as turnover over the licence period, on a recoupment basis unless another systematic and rational basis is more appropriate.

Investment in programmes

Investment in programmes is stated at cost less accumulated amortisation and after writing off the costs that are considered irrecoverable.

Amortisation is charged to the profit and loss account to match the average revenue profile of the property, over the estimated average marketable life of the product, estimated to be between two and ten years. Programmes that are fully written off are deducted from the cost and accumulated amortisation. An annual impairment review of investment in programmes and prepayments is undertaken.

Intangible assets

Intangible assets comprise capitalised trademark costs which are amortised over their useful economic life, not exceeding 10 years.

Ragdoll Developments Limited

Notes forming part of the financial statements for the year ended 31 March 2011

1 Accounting policies (*Continued*)

Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the lease term

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

The assets and liabilities and profit and loss accounts of overseas branches are translated at the closing exchange rates. Profit and loss accounts of such undertakings are consolidated at the average rates of exchange during the period. Gains and losses arising on these translations are taken to reserves

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Except where otherwise required by accounting standards full provision without discounting is made for all timing differences that have arisen but not reversed at the balance sheet date. Deferred tax assets are recognised to the extent that, on the basis of all available evidence, it is more likely than not that they will be recovered

2 Segmental information

All turnover and profit before taxation relates to one class of business, being the licensing of intellectual property rights and originates in the United Kingdom

Analysis of turnover by destination

	2011 £	2010 £
UK	-	6,019,327
Rest of Europe	-	4,719,911
Rest of World	-	3,258,387
	<hr/>	<hr/>
	-	13,997,625
	<hr/>	<hr/>

Ragdoll Developments Limited

Notes forming part of the financial statements for the year ended 31 March 2011

3 Profit on ordinary activities before taxation

	2011 £	2010 £
<i>Profit on ordinary activities is stated after charging:</i>		
Amortisation of investment in programmes	-	5,038,000
Amortisation of intangible assets	-	44,138
	<u> </u>	<u> </u>
<i>Fees receivable by the Company's Auditors were as follows:</i>		
Fees for the audit of the Company borne by the Parent Company	1,000	10,000
	<u> </u>	<u> </u>

No non-audit fees were paid by the Company to KPMG LLP in the year (2010 £nil)

4 Staff costs and employees information (including Directors)

(i) Persons employed and staff costs

No persons were employed by the Company during the current or prior year

(ii) Inter-company management charge

The Company paid the following management charges to companies within the group of its joint shareholder, Ragdoll Limited in respect of staff costs

	2011 £	2010 £
<i>Management charges</i>		
Relating to Directors of the Company	-	142,630
Relating to other staff	-	190,616
	<u> </u>	<u> </u>
	-	333,246
	<u> </u>	<u> </u>

(iii) Directors' remuneration

No Director received emoluments or other remuneration from the Company during the year (2010 £nil)

5 Interest receivable and similar income

	2011 £	2010 £
On bank deposits	-	14,526
	<u> </u>	<u> </u>

Ragdoll Developments Limited

Notes forming part of the financial statements for the year ended 31 March 2011

6 Taxation

	2011 £	2010 £
(i) Analysis of charge in the year:		
<i>UK corporation tax</i>		
Current tax on income for the year	-	1,025,689
Group relief payable	-	99,914
Double taxation relief	-	(7,795)
Adjustment in respect of prior year	-	(1,948)
	-	1,115,860
<i>Foreign tax</i>		
Current tax on income for the year	-	7,795
Adjustment in respect of prior years	-	(5,180)
	-	2,615
Total current tax	-	1,118,475
Deferred tax credit for the year	-	(10,500)
Total deferred tax credit	-	(10,500)
Total tax charge for the year	-	1,107,975

(ii) Factors affecting the current tax charge for the current year

The current tax charge for the year is higher than the standard rate of corporation tax in the UK of 28 % (2010 28%) The differences are explained below

	2011 £	2010 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	-	3,982,510
Current tax at 28% (2010 28%)	-	1,115,103
<i>Effect of</i>		
Other timing differences	-	10,500
Expenses not deductible for tax	-	-
Overseas dividend not taxable	-	-
Adjustment in respect of prior year	-	(7,128)
Total current tax charge for the year	-	1,118,475

Ragdoll Developments Limited

Notes forming part of the financial statements for the year ended 31 March 2011

6 Taxation (*continued*)

(iii) *Factors affecting the future tax charge*

The future total tax charge is expected to follow the statutory rate of corporation tax in the UK, which reduced to 26% with effect from 1 April 2011. However the Company is not anticipated to trade in future years.

The Company has no unprovided deferred tax liabilities nor unrecognised deferred tax assets. Details of deferred tax liabilities are provided in note 12.

7 Investments – Shares in subsidiary undertaking	2011 £	2010 £
<i>Cost and net book value</i>		
At beginning of year	26	26
Additions	-	-
	<hr/>	<hr/>
At end of year	26	26
	<hr/>	<hr/>

The Company's subsidiary undertaking comprises a 100% ordinary shareholding in Ragdoll USA Inc, a dormant company incorporated in the USA.

8 Intangible fixed assets	2011 £	2010 £
<i>Cost</i>		
At beginning of year	-	318,003
Additions	-	126,432
Transfer to group company	-	(444,435)
	<hr/>	<hr/>
At end of year	-	-
	<hr/>	<hr/>
<i>Accumulated amortisation</i>		
At beginning of year	-	64,349
Charge for the year	-	44,138
Transfer to group company	-	(108,487)
	<hr/>	<hr/>
At end of year	-	-
	<hr/>	<hr/>
<i>Net book value</i>		
At end of year	-	-
	<hr/>	<hr/>

Intangible fixed assets comprise trademark costs

Ragdoll Developments Limited**Notes forming part of the financial statements for the year ended 31 March 2011**

9 Investment in programmes	2011 £	2010 £
<i>Cost</i>		
At beginning of year	-	22,413,776
Additions	-	1,000,000
Transfer to group company	-	(23,413,776)
	<u>-</u>	<u>-</u>
	-	-
	<u>-</u>	<u>-</u>
<i>Accumulated amortisation</i>		
At beginning of year	-	4,104,000
Charge for the year	-	5,038,000
Transfer to group company	-	(9,142,000)
	<u>-</u>	<u>-</u>
At end of year	-	-
	<u>-</u>	<u>-</u>
<i>Net book value</i>		
At end of year	-	-
	<u>-</u>	<u>-</u>
 10 Debtors: amounts falling due within one year	 2011 £	 2010 £
Amounts due from parent company	58	58
	<u>58</u>	<u>58</u>
 11 Creditors: amounts falling due within one year	 2011 £	 2010 £
Amounts owed to subsidiary undertakings	33	33
	<u>33</u>	<u>33</u>

Ragdoll Developments Limited

Notes forming part of the financial statements for the year ended 31 March 2011

12 Provisions for liabilities	Deferred taxation 2011 £	Deferred taxation 2010 £
At beginning of year	-	73,500
Released for the year	-	(10,500)
Transferred to group company	-	(63,000)
	<hr/>	<hr/>
At end of year	-	-
	<hr/>	<hr/>
	2011 £	2010 £
Other timing differences	-	-
	<hr/>	<hr/>
At end of year	-	-
	<hr/>	<hr/>
13 Called up share capital	2011 £	2010 £
<i>Authorised</i>		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
51 ordinary shares of £1 each	51	51
	<hr/>	<hr/>

Ragdoll Developments Limited

Notes forming part of the financial statements for the year ended 31 March 2011

14 Share premium & reserves

	Share premium account 2011 £	Profit and loss account 2011 £	Share premium account 2010 £	Profit and loss account 2010 £
At beginning of year	-	-	11,593,884	2,965,442
Transfer from share premium account	-	-	(11,593,884)	11,593,884
Profit for the year	-	-	-	2,874,535
Dividends paid	-	-	-	(17,433,861)
At end of year	-	-	-	-

On 31 March 2010, following a special resolution, the capital of the Company was reduced by transferring £11,593,884 from the Share Premium Account to the Profit and Loss Account

15 Reconciliation of movements in equity shareholders' funds

	2011 £	2010 £
At beginning of year	51	14,559,377
Profit for the year	-	2,874,535
Dividends paid	-	(17,433,861)
At end of year	51	51

16 Commitments

At the end of the financial year the Company had no contracted, unprovided financial commitments (2010 £nil)

Ragdoll Developments Limited

Notes forming part of the financial statements for the year ended 31 March 2011

17 Related parties

As the Company is a wholly owned subsidiary of Ragdoll Worldwide Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form the part of the group headed by that company

Ultimately, the Company is jointly controlled by the British Broadcasting Corporation ('BBC') and Ragdoll Limited, as set out in note 18. The Company undertook the following related party transactions with various companies which form part of these groups

Net royalties received from BBC Worldwide Limited

Included in turnover	£nil	(2010 £13,231,012)
Included in cost of sales	£nil	(2010 £(3,429,580))

Management charge paid to Ragdoll Productions Limited

In respect of staff costs	£nil	(2010 £333,246)
Other overheads	£nil	(2010 £112,533)

At the year end, the following amounts were owed by/(to) the Company's shareholders

BBC Worldwide Limited

Trade debtors	£nil	(2010 £nil)
Other debtors	£nil	(2010 £nil)
Accrued royalty income receivable	£nil	(2010 £nil)
Deferred income	£nil	(2010 £nil)

Ragdoll Limited

Other debtors	£nil	(2010 £nil)
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The Directors confirm that there are no other transactions with related parties that require disclosure in these financial statements

18 Ultimate parent undertaking

The Company's ultimate parent undertaking is Ragdoll Worldwide Limited, a company jointly owned by BBC Worldwide Limited and Ragdoll Limited. Ragdoll Worldwide Limited is the parent undertaking of the largest and smallest group of which the Company is a member and for which consolidated accounts are drawn up

Ultimately, the Directors consider that Ragdoll Worldwide Limited is jointly controlled by the British Broadcasting Corporation (the ultimate parent undertaking of BBC Worldwide Limited) and Ragdoll Limited, both of which are incorporated in the United Kingdom

The latest financial statements of the British Broadcasting Corporation and BBC Worldwide Limited may be obtained by writing to The Secretary, BBC, Media Centre, Media Village, 201 Wood Lane, London, W12 7TQ. The latest financial statements of Ragdoll Limited are available from the Registrar of Companies, Companies Registration Office, Crown Way, Maindy, Cardiff, CR4 3UZ.