

**Goldfinn Limited**

Report and Financial Statements

Year ended

31 December 2009

Company Number 05998129



**Goldfinn Limited**

**Report and financial statements for the year ended 31 December 2009**

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Directors and advisors

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**Directors**

The Honourable Angad Paul  
D P Dancaster

**Secretary and registered office**

C R W Hainsworth, Caparo House, 103 Baker Street, London, W1U 6LN

**Company number**

05998129

**Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

## **Goldfinn Limited**

### **Report of the directors for the year ended 31 December 2009**

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The directors present their annual report and the audited financial statements for the year ended 31 December 2009. The company is a wholly owned subsidiary of Caparo Media Limited, a company registered in England and Wales.

#### **Principal activities**

The company's principal activity is ownership and rental of the transmission rights of a satellite television channel.

#### **Results and dividends**

The profit and loss account is set out on page 5 and shows turnover for the year of £229,000 (2008 £230,000). Further detail of turnover is given in note 2 to the accounts.

The company made a loss after tax of £265,000 (2008: profit of £48,000).

No interim dividend was paid during the year (2008: £nil) and the directors do not recommend a final dividend for the year (2008: £nil).

Since the year end, the company's major customer, Film24 Limited, has commenced liquidation proceedings. The company has engaged a partner to provide ongoing management services in relation to the channel and its broadcasts, and to maximize the realizable value of the channel rights. The value of these rights included in the balance sheet is £217,000 (2008: £271,000), which the directors of the company consider to be recoverable.

#### **Principal risks and uncertainties**

The market for television channels is highly competitive, however, the company has a rental and service charge agreement with a television operator to ensure a continuous revenue stream.

#### **Directors**

The directors of the company during the year were

The Honourable Angad Paul  
D P Lancaster

#### **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 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 accounting estimates that are reasonable and prudent,

## **Goldfinn Limited**

### **Report of the directors for the year ended 31 December 2009 (Continued)**

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#### **Directors' responsibilities (Continued)**

- 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 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.

#### **Indemnity cover**

Third party indemnity cover for the directors was in force during the financial year and at the year end.

#### **Financial instruments**

Details of the financial risk management objectives and policies and details of the use of financial instruments by the company are provided in note 15 to the financial statements.

#### **Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of the information needed by the company's auditors for the purposes of their audit and to ensure that the auditors are aware of the information. The directors are not aware of any relevant information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the annual general meeting.

In preparing the directors' report advantage has been taken of the small companies exemption under the Companies Act 2006.

#### **By order of the Board**



C R W Hainsworth  
Secretary

Date 29/9/2010

## **Goldfinn Limited**

### **Independent auditor's report**

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#### **TO THE MEMBERS OF GOLDFINN LIMITED**

We have audited the financial statements of Goldfinn Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet 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 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 explained more fully in the statement of directors' responsibilities, 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 of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

#### **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 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 matters 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.

**Goldfinn Limited**


**Independent auditor's report (*Continued*)**

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**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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime

  
*Simon Bevan, (senior statutory auditor)*  
*For and on behalf of BDO LLP, statutory auditor*  
*London*  
*United Kingdom*

Date **25/9/10**

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

**Goldfinn Limited****Profit and loss account for the year ended 31 December 2009**

	<b>Note</b>	<b>2009 £'000</b>	<b>2008 £'000</b>
<b>Turnover</b>	2	229	230
Cost of sales		(133)	(134)
		<hr/>	<hr/>
<b>Gross profit</b>		96	96
Administrative expenses		(351)	(4)
		<hr/>	<hr/>
<b>Operating (loss)/profit</b>	5	(255)	92
Interest payable and similar charges	6	(28)	(27)
		<hr/>	<hr/>
<b>(Loss)/profit on ordinary activities before taxation</b>		(283)	65
Taxation on (loss)/profit on ordinary activities	7	18	(17)
		<hr/>	<hr/>
<b>(Loss)/profit for the financial year</b>	13	(265)	48
		<hr/>	<hr/>

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account for the current year and prior period

The notes on pages 7 to 13 form part of these financial statements

**Goldfinn Limited**

**Balance sheet at 31 December 2009**

<i>Company number 05998129</i>	<b>Note</b>	<b>2009 £'000</b>	<b>2009 £'000</b>	<b>2008 £'000</b>	<b>2008 £'000</b>
<b>Fixed assets</b>					
Intangible assets	8		217		271
<b>Current assets</b>					
Debtors	9	46		227	
Cash at bank and in hand		1		1	
		<u>47</u>		<u>228</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(438)</u>		<u>(408)</u>	
<b>Net current liabilities</b>			<u>(391)</u>		<u>(180)</u>
<b>Total assets less current liabilities</b>			<u>(174)</u>		<u>91</u>
<b>Creditors: amounts falling due after more than one year</b>	11		<u>(12)</u>		<u>(12)</u>
<b>Net (liabilities)/assets</b>			<u><u>(186)</u></u>		<u><u>79</u></u>
<b>Capital and reserves</b>					
Called up share capital	12		-		-
Profit and loss account	13		<u>(186)</u>		<u>79</u>
<b>Shareholders' (deficit)/funds</b>	13		<u><u>(186)</u></u>		<u><u>79</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 25/9/2010



**The Honourable Angad Paul  
Director**



**D P Dancaster  
Director**

The notes on pages 7 to 13 form part of these financial statements

## 1 Accounting policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable law and United Kingdom Accounting Standards

The following principal accounting policies have been applied

### *Basis of preparation*

The company had net current liabilities at the year end. The directors have prepared cash flow forecasts for the period to 30 September 2011 which indicates that the company is likely to require support from group companies or its directors at certain times to continue to trade and meet its obligations as they fall due. A director has been providing support as required to the company during the year and since the year end, and has confirmed that he will continue to make such support as the company needs available as required over the forecast period.

After making enquiries of the shareholders and having given consideration to the confirmation of support by one of the directors, the directors consider it appropriate to prepare the financial statements on a going concern basis.

### *Turnover*

Turnover, stated net of value added tax, represents amounts invoiced to third parties. Income is recognised as services are rendered.

### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

### *Valuation of intangible fixed assets*

Intangible fixed assets are stated at cost less any provision for impairment. They are amortised on a straight line basis over their expected useful economic life. The directors consider the estimated useful economic life of the transmission rights to be seven years.

### *Financial risk management*

Exposure to movements in rates of foreign exchange in relation to trading transactions between the date that a contractual obligation is entered into and the date of completion of the contract is hedged through the use of currency asset and liability matching forward exchange contracts and other financial instruments.

Exposure to movements in interest rates is reviewed regularly by the directors. The company utilises financial instruments to limit the company's exposure to movements in interest rates where, in the opinion of the directors, the expected benefits of such arrangements exceed the expected costs or at the request of the company's lenders.

## Goldfinn Limited

### Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)

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#### 1 Accounting policies (Continued)

##### *Financial risk management (Continued)*

Gains and losses arising on derivative instruments to hedge the company's exposure to transactions in foreign currencies are recognised in the profit and loss account when the hedged transaction is completed

Further information is provided in note 15 to the financial statements

##### *Cash flow statement*

Under Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' (FRS 1), the company is exempt from the requirement to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Caparo Group Limited and the company is included in the consolidated financial statements of Caparo Group Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1

#### 2 Turnover

The entire turnover is attributable to the principal activity of the company in the United Kingdom

#### 3 Employees

The company does not employ any personnel. The activities of the company are managed by employees of a fellow subsidiary company of Caparo Group Limited, the ultimate parent company

#### 4 Directors' remuneration

No director received any remuneration during the current or prior period. The remuneration of the directors is borne by fellow subsidiary companies of Caparo Group Limited, the ultimate parent company

#### 5 Operating (loss)/profit

	2009 £'000	2008 £'000
This has been arrived at after charging		
Intangible amortisation	54	54
Auditors' remuneration for audit services	6	3
	<hr/>	<hr/>

**Goldfinn Limited****Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)****6 Interest payable and similar charges**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Group interest	<b>28</b>	<b>27</b>

**7 Taxation on (loss)/profit on ordinary activities**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
The taxation (credit)/charge on profit on ordinary activities comprises		
<i>Current tax</i>		
Corporation tax charge for the year	-	17
Adjustments in respect of previous years	<b>(18)</b>	-
Total current tax (credit)/charge	<b>(18)</b>	<b>17</b>

The tax assessed for the year is lower from the standard rate of corporation tax in the UK. The differences are explained overleaf.

**Goldfinn Limited****Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)****7 Taxation on (loss)/profit on ordinary activities (Continued)**

	<b>2009</b> <b>£'000</b>	<b>2008</b> <b>£'000</b>
(Loss)/profit on ordinary activities before tax	<b>(283)</b>	65
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2008 28½%)	<b>(79)</b>	19
Effect of		
Permanent differences	-	(1)
Other timing differences	-	(1)
Tax losses not provided for	79	-
Adjustment in respect of prior years	<b>(18)</b>	-
Current tax (credit)/charge for the year	<b>(18)</b>	17

*Factors that may affect future tax charges*

There are no factors which may affect future tax charges

**8 Intangible fixed assets**

	<b>2009</b> <b>£'000</b>
<i>Cost</i>	
At 1 January and 31 December 2009	<b>375</b>
<i>Amortisation</i>	
At 1 January 2009	104
Amortised during the year	54
<b>At 31 December 2009</b>	<b>158</b>
<i>Net book value</i>	
<b>At 31 December 2009</b>	<b>217</b>
At 31 December 2008	271

This relates to the transmission rights to a television channel listed on British Sky Broadcasting's digital satellite platform

**Goldfinn Limited****Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)****9 Debtors**

	<b>2009 £'000</b>	<b>2008 £'000</b>
Trade debtors	<b>13</b>	141
Prepayments and accrued income	<b>33</b>	86
	<hr/>	<hr/>
	<b>46</b>	227
	<hr/>	<hr/>

All amounts shown under debtors fall due within one year

**10 Creditors: amounts falling due within one year**

	<b>2009 £'000</b>	<b>2008 £'000</b>
Trade creditors	<b>8</b>	8
Amounts owed to group undertakings	<b>427</b>	367
Corporation tax	-	18
Other taxes and social security	-	12
Accruals and deferred income	<b>3</b>	3
	<hr/>	<hr/>
	<b>438</b>	408
	<hr/>	<hr/>

The amounts owed to group undertakings are repayable on demand. Interest is charged at commercial rates.

**11 Creditors: amounts falling due after more than one year**

	<b>2009 £'000</b>	<b>2008 £'000</b>
Amounts owed to group undertakings	<b>12</b>	12
	<hr/>	<hr/>

The amounts owed to group undertakings have no fixed repayment date and is non-interest bearing. The company has received assurance from the counterparty that the repayment of the loans will not be demanded within 12 months of the year end.

**Goldfinn Limited**

**Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)**

**12 Called up share capital**

	<b>2009 Number</b>	<b>Authorised 2009 £'000</b>	<b>2008 Number</b>	<b>2008 £'000</b>
Ordinary shares of £1 each	<b>1,000</b>	<b>1</b>	<b>1,000</b>	<b>1</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>Allotted, called up and fully paid</b>			
	<b>2009 Number</b>	<b>2009 £'000</b>	<b>2008 Number</b>	<b>2008 £'000</b>
Ordinary shares of £1 each	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**13 a) Reserves**

	<b>Profit and loss account £'000</b>
At 1 January 2009	<b>79</b>
Loss for the financial year	<b>(265)</b>
	<u>          </u>
<b>At 31 December 2009</b>	<b>(186)</b>
	<u>          </u>

**b) Reconciliation of movements in shareholders' (deficit)/funds**

	<b>2009 £'000</b>	<b>2008 £'000</b>
Opening shareholders' funds	<b>79</b>	<b>31</b>
(Loss)/profit for the financial year	<b>(265)</b>	<b>48</b>
	<u>          </u>	<u>          </u>
<b>Closing shareholders' (deficit)/funds</b>	<b>(186)</b>	<b>79</b>
	<u>          </u>	<u>          </u>

**14 Related party transactions**

The company has taken advantage of the exemptions granted under Financial Reporting Standard 8, "Related Party Transactions", from disclosing transactions entered into between two or more members of a group provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group

Transactions between two or more members of the group where any subsidiary undertaking party to those transactions is not wholly owned by a member of the group, are considered immaterial and have not, therefore, been disclosed

During the year Film24 Limited, a company in which The Honourable Angad Paul is a shareholder and a director and of which Caparo Media Limited is a shareholder, agreed to pay rent and to reimburse expenses to the company for the continued use of its television channel. Total amount charged for the year was £223,000 (2008 £230,000). The balance outstanding at the year end was £347,000 (2008 £191,000), against which a full provision has been made.

**15 Financial instruments**

The company may hold or issue financial instruments to finance its operations and may enter into contracts to manage risks arising from those operations and its sources of finance in accordance with its accounting policies.

In addition, various financial instruments such as trade debtors and trade creditors arise directly from the company's operations.

Operations are financed by a mixture of short and long term parent company borrowings. Working capital requirements are funded principally out of parent company loans, short and longer term banking facilities and retained profits.

**16 Ultimate parent company and controlling parties**

The immediate parent company is Caparo Media Limited and the ultimate parent company is Caparo Group Limited, a company incorporated in the United Kingdom.

The smallest and largest group in which the results of the company are consolidated is that headed by Caparo Group Limited. Copies of the consolidated accounts of Caparo Group are available from Companies House, Cardiff.

The Right Honourable The Lord Paul of Marylebone, The Honourable Ms Anjali Paul, The Honourable Ambar Paul, The Honourable Akash Paul and The Honourable Angad Paul, directors of Caparo Group Limited, are jointly and indirectly interested in the whole of the issued share capital of Caparo Group Limited through shareholdings registered in the name of Caparo International Corporation, a company registered in the British Virgin Islands.