

Shed Productions Limited
REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2009



Company Registration Number 6348976

Shed Productions Limited

DIRECTORS

E Gallagher
J Kemp
N Southgate

SECRETARY

J Kemp

COMPANY NUMBER

6348976

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 Limited

DIRECTORS' REPORT

The directors present their report and the financial statements of Shed Productions 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. The company will continue to produce television programmes in the future.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Business review

The Company received receipts from various international and DVD sales including Bad Girls, Footballers Wives and Waterloo Road Series.

The profit for the year after taxation amounted to £1,005,700. The company did not trade in the prior year.

Future outlook

In future periods 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 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 group's 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 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 (2008: £Nil).

Shed Productions Limited

DIRECTORS' REPORT

DIRECTORS

The following directors have held office since 1 January 2009

E Gallagher

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 as auditor will be put to the members at the next annual general meeting.

By order of the Board



J Kemp
Director

7 April 2010

Shed Productions Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 LIMITED

We have audited the financial statements on pages 6 to 13. 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.

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 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.

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 Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2009

	<i>Notes</i>	2009 £	2008 £
TURNOVER	1	2,565,959	-
Cost of sales		(395,513)	-
GROSS PROFIT		<u>2,170,446</u>	-
Other income		171,338	-
Operating expenses		(1,004,147)	-
OPERATING PROFIT		<u>1,337,637</u>	-
Interest receivable	2	2,623	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>1,340,260</u>	-
Taxation	5	(334,560)	-
RETAINED PROFIT FOR THE YEAR	12	<u><u>1,005,700</u></u>	-

The operating 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 Limited

BALANCE SHEET
as at 31 December 2009

Company Registration Number 6348976

	Notes	2009 £	2008 £
FIXED ASSETS			
Tangible assets	6	221,798	-
		<u>221,798</u>	<u>-</u>
CURRENT ASSETS			
Debtors	7	1,912,520	1
Cash at bank and in hand		30,713	-
		<u>1,943,233</u>	<u>1</u>
CREDITORS Amounts falling due within one year	9	(1,159,330)	-
NET CURRENT ASSETS		<u>783,903</u>	<u>1</u>
NET ASSETS		<u>1,005,701</u>	<u>1</u>
CAPITAL AND RESERVES			
Called up share capital	10	1	1
Profit and loss account	11	1,005,700	-
EQUITY SHAREHOLDERS' FUNDS	12	<u>1,005,701</u>	<u>1</u>

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


J Kemp
Director

Shed Productions Limited

ACCOUNTING POLICIES

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

For programme assets, depreciation is provided in accordance with the income forecast method whereby depreciation is taken to the profit and loss account on a pro rata basis calculated as the income received in the accounting period in relation 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 materials delivery. Gross profit on production activity is recognised over the period of the production or in accordance with the underlying contract. 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

SHARE BASED PAYMENTS

The company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the shares that will eventually vest

Fair value is measured using a Black-Scholes valuation model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations

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 Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

2 INTEREST RECEIVABLE

	2009	2008
	£	£

Bank interest receivable	2,623	-
	<u>2,623</u>	<u>-</u>

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2009	2008
	£	£

Profit on ordinary activities before taxation is stated after charging

Depreciation – programme assets	2,339,164	-
Share based payment charge	75,363	-
Foreign exchange losses	26,110	-
Auditor's remuneration	21,500	-
	<u>2,456,137</u>	<u>-</u>

The current year auditor's remuneration charge relates to the expense for the Company and the following subsidiary companies of Shed Media Plc

Shed Productions (BG) Limited
Shed Productions (Extra Time) Limited
Shed Productions (FW4) Limited
Shed Productions (Jailbirds) Limited
Shed Productions (WR) Limited

In 2008, the auditor's remuneration was borne by the parent company, Shed Media plc

4 EMPLOYEES

	2009	2008
	Number	Number

The average monthly number of employees (including directors) during the year was

Management and administration	13	-
	<u>13</u>	<u>-</u>

Staff costs for the above persons

	2009	2008
	£	£

Wages and salaries	588,536	-
Social security costs	139,238	-
Share-based payment expense	75,363	-
	<u>803,137</u>	<u>-</u>

Shed Productions Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

4	EMPLOYEES (continued)		
	DIRECTORS' REMUNERATION	2009	2008
		£	£
	Aggregate emoluments	172,175	-
	The highest paid director received emoluments of £172,175 (2008 £nil)		
5	TAXATION	2009	2008
		£	£
	Current taxation		
	UK corporation tax on profits for the year	1,575	-
	Group relief	348,371	-
	Total current tax charge for the year	349,946	-
	Deferred tax		
	Origination and reversal of timing differences	(15,386)	-
	Total deferred tax	(15,386)	-
	Tax on profit on ordinary activities	334,560	-
	Factors affecting tax charge for year	2009	2008
		£	£
	Profit on ordinary activities before tax	1,340,260	-
	Profit on ordinary activities multiplied by the average standard rate of 28% (2008 28.5%)	375,273	-
	Effects of		
	Accelerated film relief	(5,716)	-
	Transfer pricing adjustment	4,602	-
	Expenses not deductible for tax purposes	3,185	-
	Non-taxable income – dividends receivable	(47,975)	-
	Share options costs	21,102	-
	Marginal relief and small companies rate	(525)	-
	Current tax charge for the year	349,946	-

Corporation tax is charged 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.

Shed Productions Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

6	TANGIBLE FIXED ASSETS	Programme assets
		£
	Cost	
	At 1 January 2009	-
	Additions	2,560,962
	At 31 December 2009	<u>2,560,962</u>
	Depreciation	
	At 1 January 2009	-
	Charge for the year	2,339,164
	At 31 December 2009	<u>2,339,164</u>
	Net book value	
	At 31 December 2009	<u>221,798</u>
	At 1 January 2009	<u>-</u>

7	DEBTORS	2009	2008
		£	£
	Trade debtors	56,949	1
	Amounts due from group undertakings	1,400,821	-
	Other debtors	303,320	-
	Accrued income	136,044	-
	Deferred tax asset	15,386	-
		<u>1,912,520</u>	<u>1</u>

All amounts shown under debtors fall due for payment within one year except the deferred tax asset recognised in respect of share options and programme asset timing differences

8	DEFERRED TAX ASSET	2009	2008
		£	£
	Film Asset	5,716	-
	Share Options	(21,102)	-
	Deferred tax asset	<u>(15,386)</u>	<u>-</u>
	(Asset)/provision at start of period	-	-
	Net deferred tax credit in profit and loss account for the period	<u>(15,386)</u>	<u>-</u>
	(Asset) at end of period	<u>(15,386)</u>	<u>-</u>

Shed Productions Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

9	CREDITORS Amounts falling due within one year	2009 £	2008 £
	Trade creditors	3,155	-
	Amounts due to group undertakings	688,628	-
	Other creditors	53,056	-
	Other taxes and social security	285,982	-
	Accruals and deferred income	128,509	-
		<u>1,159,330</u>	<u>1</u>

10	SHARE CAPITAL	2009 £	2008 £
	Authorised 1 ordinary share of £1	1	1
	Allotted, issued and fully paid 1 ordinary share of £1	<u>1</u>	<u>1</u>

11	PROFIT AND LOSS ACCOUNT		£
	At 1 January 2009		-
	Profit for the year		1,005,700
	At 31 December 2009		<u>1,005,700</u>

12	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2009 £	2008 £
	Profit for the year	1,005,700	-
	Net addition to shareholders' funds	<u>1,005,700</u>	<u>-</u>
	Opening shareholders' funds	1	1
	Closing shareholders' funds	<u>1,005,701</u>	<u>1</u>

13 SHARE OPTIONS

Shed Media Plc, the parent company, grants options over its ordinary shares to certain of its employees and those of the Company. The details of each scheme are included within Shed Media Plc group consolidated financial statements.

14 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption conferred by Financial Reporting Standard No 8 from the requirement to disclose details of transactions with group companies.

Other than transactions with group companies, there were no related party transactions during the year.

Shed Productions Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

15 CONTINGENT LIABILITIES

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)

16 CONTROLLING PARTIES

The immediate parent undertaking is Shed Media plc 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