

# **MediaCity Studios Limited**

## **Report and financial statements for the year ended 31 March 2012**

**Registered No: 07289237**



# **MediaCity Studios Limited**

## **Directors**

D K Holdgate  
J M Campbell  
M A Senior  
S Underwood

## **Secretary**

J A Whalley

## **Auditors**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Horton House,  
Exchange Flags,  
Liverpool,  
L2 3PG

## **Bankers**

The Royal Bank of Scotland  
38 Mosley Street  
Manchester  
M60 2BE

## **Registered office**

Peel Dome  
The Trafford Centre  
Manchester  
M17 8PL

# MediaCity Studios Limited

## Directors' Report

The directors present their report and the audited financial statements of MediaCity Studios Limited, ("the Company"), for the year ended 31 March 2012. The directors' report has been prepared in accordance with the special provisions relating to small companies under section 417(1) of the Companies Act 2006. Accordingly an enhanced business review has not been prepared.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

### Principal activities, review of business and future developments

The principal activities of the company are the operation of the studio complex at MediaCityUK in Salford ("the Studios").

The Company officially commenced its full operations in April 2011 and since that time it has successfully delivered a host of unique productions for a range of media organisations across television, post production and radio as well as being home to the BBC Philharmonic Orchestra.

The year ended 31 March has seen the Company significantly grow its revenues by establishing a Blueprint for the industry in delivering creative and commercial benefits of an advanced digital production environment.

Building on the movement of the industry into an increasing requirement for digital workflow technology, the Company anticipates a continued growth in its development.

### Results and dividends

The retained loss for the financial period is £105,000 (2011 - £1,710,000), and has been transferred from reserves. The directors are unable to declare a dividend (2011 – same).

### Directors

The directors who held office during the period and thereafter except as noted below are as follows:

D K Holdgate  
J M Campbell  
M A Senior  
S Underwood

### Going concern

As disclosed in Note 1 to the financial statements, in determining the basis of preparation for the financial statements, the directors have considered the Company's business activities together with the factors likely to affect its future development, performance and position. This includes an overview of the Company's financial position, its cash flows, liquidity position and available finance.

The directors consider that the Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of financing available from its shareholders for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

# MediaCity Studios Limited

## Directors' Report (continued)

### Provision of information to auditors

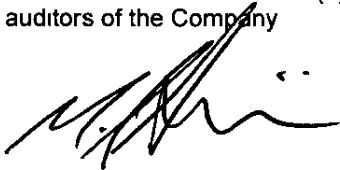
Each person who is a director of the Company at the date of approval of this report confirms that

- so far as each is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- each of the directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

### Auditor

In accordance with section 487(2) of the Companies Act 2006, Deloitte LLP are deemed to have been reappointed as auditors of the Company



BY ORDER OF THE BOARD

M A Senior  
Director  
MediaCity Studios Limited  
Peel Dome, The Trafford Centre  
Manchester  
M17 8PL

# **MediaCity Studios Limited**

## **Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial period. 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

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent, 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.

# MediaCity Studios Limited

## Independent Auditor's report to the members of MediaCity Studios Limited

We have audited the financial statements of MediaCity Studios Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the and the related notes 1 to 15. 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 auditor

As explained more fully in the Directors' Responsibilities Statement, 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 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### 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 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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


# MediaCity Studios Limited

## Independent Auditor's report to the members of MediaCity Studios Limited (Continued)

### 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 in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report



Patrick Loftus (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Manchester, United Kingdom

13 July 2012

# MediaCity Studios Limited

## Profit and loss account

for the year ended 31 March 2012

	Notes	Year ended 31 March 2012	Period from incorporation on 18 June 2010 to 31 March 2011
		£'000	£'000
Turnover	2	10,851	555
Cost of sales		(3,621)	(268)
<b>Gross profit</b>		<b>7,230</b>	<b>287</b>
Administrative expenses		(7,339)	(1,998)
<b>Operating loss</b>	3	<b>(109)</b>	<b>(1,711)</b>
Interest receivable	5	4	1
<b>Loss on ordinary activities before taxation</b>		<b>(105)</b>	<b>(1,710)</b>
Tax on loss on ordinary activities		-	-
<b>Retained loss for the year/period</b>	11	<b>(105)</b>	<b>(1,710)</b>

All operations are continuing

## Statement of total recognised gains and losses

There are no recognised gains and losses other than the loss for the current and preceding periods



# MediaCity Studios Limited

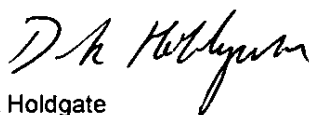
## Balance sheet

as at 31 March 2012

	Notes	2012 £'000	2011 £'000
<b>Fixed assets</b>			
Tangible assets	6	886	466
<b>Current assets</b>			
Debtors	7	1,749	1,399
Cash at bank and in hand		1,913	1,001
<b>Creditors, amounts falling due within one year</b>	8	3,662 (2,913)	2,400 (3,576)
<b>Net current assets/(liabilities)</b>		749	(1,176)
<b>Total assets less current liabilities</b>		1,635	710
<b>Creditors: amounts falling due after more one year</b>	9	(2,450)	-
<b>Net liabilities</b>		(815)	(710)
<b>Capital and reserves</b>			
Called up share capital	10	1,000	1,000
Profit and loss account	11	(1,815)	(1,710)
<b>Total shareholders' deficit</b>		(815)	(710)

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements of MediaCity Studios Limited (company registration number 7289237), were approved by the Board of Directors on 13 July 2012 and signed on its behalf by



D K Holdgate  
Director

# **MediaCity Studios Limited**

## **Notes to the financial statements**

For the Year Ended 31 March 2012

### **1 Accounting policies**

#### **a) Basis of preparation**

The principal accounting policies are set out below. They have been applied consistently throughout the current and preceding periods.

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

#### **b) Going concern**

In determining the basis of preparation for the financial statements, the Directors have considered the Company's business activities, this includes an overview of the Company's financial position, its cash flows, liquidity position and available finance.

The Company is funded by Shareholder loans which are due for renewal in 2015. The current economic conditions and infancy of the MediaCity operations create uncertainty. However, the directors consider that the Company's forecasts and projections, taking account reasonably of possible changes in trading performance, show that the Company should be able to operate within the level of financing available from its shareholders for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

#### **c) Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as 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 at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured on a non-discounted basis.

# MediaCity Studios Limited

## Notes to the financial statements

For the Year Ended 31 March 2012 (continued)

### 1 Accounting policies (continued)

#### d) Cash flow statement

The Company is exempt from the requirement to prepare a cash flow statement on the basis that the Company is a small company

#### e) Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis, unless another systematic and rational basis is more appropriate

Previously rentals under operating leases were charged on a straight-line basis over the lease term and benefits received and receivable as an incentive to sign an operating lease were similarly spread on a straight line basis over the term of the lease. The directors reassessed the policy during the year for the lease of the Studio facilities and considered that a more systematic and rational approach to charging rentals linked to the utilisation of the facilities and growth in the business, would be more appropriate

#### f) Tangible fixed assets, depreciation and impairment

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows

Leasehold improvements	Over the life of the lease
Plant and machinery	4-10 years
Office and IT equipment	3-5 years

Residual value is calculated on prices prevailing at the date of acquisition

Assets that are in the process of being built for use are categorised as assets under construction (AUCs). Once completed these assets are transferred to depreciating tangible fixed assets

#### g) Turnover

Turnover is recognised at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. Turnover is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Amounts received in advance from customers are deferred and recognised in the profit and loss, only once the service has been provided

#### h) Pensions

For the defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet

### 2 Turnover

All revenue is generated from the UK

# MediaCity Studios Limited

## Notes to the financial statements

For the Year Ended 31 March 2012 (continued)

### 3 Operating loss

Operating loss is stated after charging/(crediting)	Year ended 31 March 2012	Period from incorporation on 18 June 2010 to 31 March 2011
	£'000	£'000
Fees payable to the Company's auditor for the audit of the Financial Statements	12	8
Fees payable to the Company's auditor for tax services	4	-
Depreciation	188	-
Pension costs (note 12)	134	-
Operating lease rentals – other	(625)	625

The reversal of the operating lease charge of £625,000 follows review of the treatment of the lease for the Studio as identified in note 1

### 4 Staff Costs and Directors' remuneration

	Year ended 31 March 2012	Period from incorporation on 18 June 2010 to 31 March 2011
	£'000	£'000
Wages and salaries	2,311	-
Interest receivable	251	-
Staff pension contributions (see note 12)	134	-
	2,695	-

The monthly average number of employees during the year was as follows

	2012 No	2011 No
Administrative Staff	58	-

No director received any emoluments for their services to the Company during the current or preceding periods

### 5 Interest

	Year ended 31 March 2012	Period from incorporation on 18 June 2010 to 31 March 2011
	£'000	£'000
Bank Interest receivable	4	1
Interest receivable	4	1

# MediaCity Studios Limited

## Notes to the financial statements

For the Year Ended 31 March 2012 (continued)

### 6 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Office and IT Equipment	Assets under construction	Total
<b>Cost</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
As at 1 April 2011	195	-	-	271	466
Additions	214	109	285	-	608
Transfers	-	-	271	(271)	-
<b>At 31 March 2012</b>	<b>409</b>	<b>109</b>	<b>556</b>	<b>-</b>	<b>1,074</b>
<b>Depreciation</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
As at 1 April 2011	-	-	-	-	-
Charge for the year	36	20	132	-	188
<b>At 31 March 2012</b>	<b>36</b>	<b>20</b>	<b>132</b>	<b>-</b>	<b>188</b>
<b>Net book value</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>At 31 March 2012</b>	<b>373</b>	<b>89</b>	<b>424</b>	<b>-</b>	<b>886</b>
At 31 March 2011	195	-	-	271	466

### 7 Debtors

	2012	2011 (restated)
	£'000	£'000
Trade debtors	1,541	666
Other debtors and prepayments	208	733
	<b>1,749</b>	<b>1,399</b>

All debtors are due within one year

During the year the comparatives were restated to provide increased detail and classification. There was no impact on the total figures disclosed.

### 8 Creditors: amounts falling due within one year

	2012	2011 (restated)
	£'000	£'000
Trade creditors	442	1,910
Other taxation and social security costs	800	200
Other creditors	27	326
Accruals	1,644	1,140
	<b>2,913</b>	<b>3,576</b>

During the year the comparatives were restated to provide increased detail and classification. There was no impact on the total figures disclosed.

## MediaCity Studios Limited

### Notes to the financial statements

For the Year Ended 31 March 2012 (continued)

#### 9 Creditors: amounts falling after more than one year

	2012 £'000	2011 £'000
Loans from Joint Venture partners	2,450	-
	<b>2,450</b>	<b>-</b>

The loans from the Joint Venture partners are repayable on 31 December 2015

#### 10 Share capital

	No	2012 £'000	Allotted, called up and fully paid No	2011 £'000
Ordinary shares of £1 each	1,000,000	1,000	1,000,000	1,000

#### 11 Reconciliation of shareholders' funds/(deficit) and movement on reserves

	Share capital £'000	Profit and loss £'000	Total shareholders' Funds/(deficit) £'000
Opening shareholders' funds on incorporation	-	-	-
Issue of share capital	1,000	-	1,000
Loss for the period	-	(1,710)	(1,710)
<b>At 1 April 2011</b>	<b>1,000</b>	<b>(1,710)</b>	<b>(710)</b>
Loss for the period	-	(105)	(105)
<b>At 31 March 2012</b>	<b>1,000</b>	<b>(1,815)</b>	<b>(815)</b>

## MediaCity Studios Limited

### Notes to the financial statements

For the Year Ended 31 March 2012 (continued)

#### 12 Pensions

The Company operates defined contribution retirement benefit scheme for all qualifying employees. The assets of the schemes are held separately from those of the Company in funds under the control of trustees. Where there are employees who leave the schemes prior to vesting fully in the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The Company is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Company with respect to the retirement benefit scheme is to make the specified contributions.

The total cost charged to income of £134,000 (2011: nil) represents contributions payable to these scheme by the Company at rates specified in the rules of the plans. As at 31 March 2012, contributions of £26,408 (2011: nil) due in respect of the current reporting period had not been paid over to the scheme.

#### 13 Related Party transactions

During the period, the Company was recharged operating costs from related parties as set out below

	Year ended 31 March 2012 £'000	Period from incorporation on 18 June 2010 to 31 March 2011 £'000
Peel Media Limited	281	456
Peel Utilities Limited	1,257	230
Peel Telecommunications Limited	11	-
Peel Media Studios Limited	787	2,058
Peel Media Services Studios Limited	179	-
Peel Management Limited	65	-
Satellite Information Services Limited	195	27
SIS Outside Broadcast Limited	257	-
<b>Total</b>	<b>3,032</b>	<b>2,771</b>

## MediaCity Studios Limited

### Notes to the financial statements

For the Year Ended 31 March 2012 (continued)

The following amounts were outstanding at year end and are included in Creditors amounts falling due within one year

	Year ended 31 March 2012 £'000	Period from incorporation on 18 June 2010 to 31 March 2011 £'000
Peel Media Limited	-	456
Peel Utilities Limited	171	230
Peel Telecommunications Limited	-	-
Peel Media Studios Limited	32	2,058
Peel Media Services Studios Limited	99	-
Peel Management Limited	65	-
Satellite Information Services Limited	54	27
SIS Outside Broadcast Limited	198	-
<b>Total</b>	<b>619</b>	<b>2,771</b>

## 14 Financial Commitments

Annual commitments under non-cancellable operating leases are as follows

	Land and buildings	
	2012	2011
	£'000	£'000
Expiry date		
- after five years	-	625

See note (1) for further details on operating lease rentals

## 15 Ultimate controlling party

The Directors consider that there is no ultimate controlling party

MediaCity Studios Limited is jointly controlled by Peel Media Services (Studios) Limited and Satellite Information Services Limited