

**BW 2012 Limited (previously Betsy Works
Limited)**

**Directors' report and financial
statements**

Registered number 07631017

Period 11 May 2011 to 30 April 2012



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Directors' report

The directors present their directors' report and financial statements for the period 11 May 2011 to 30 April 2012

Principal activities

The principal activity of the Company was as a provider of moving image production services

Business review

The Company was incorporated and commenced trading on 11 May 2011

On 31 May 2012 the Company was renamed as BW 2012 Limited from which date it has ceased to trade

Financial instruments

The Company's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to ensure there is always a suitable amount of working capital available for the Company to utilise

Trade debtors are managed in respect of credit and cash flow risk by the implementation and adherence to robust credit control procedures

Liquidity risk is managed by ensuring sufficient funds are available to meet amounts when they fall due

Proposed dividend

The directors do not recommend the payment of a dividend

Directors

The directors who held office during the period were as follows

N Mendelsohn – appointed 11 May 2011

B Bilboul – appointed 11 May 2011

E Marshall – appointed 11 May 2011

C B L Watson – appointed 26 May 2011

A Silver – appointed 26 May 2011

Employees

The Company employed an average of 2 employees during the period

Directors' report *(continued)*

Political and charitable contributions

The Company made no political or charitable donations during the period

Disclosure of information to auditor

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 auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Auditor

During the period, KPMG were appointed as the auditor of the Company Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



Adam Silver
Director

Farringdon Place
20 Farringdon Road
London
United Kingdom
EC1M 3HE

13 November 2012

Statement of directors' responsibilities in respect of the Directors' Report and the 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 these 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,
- 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.



Independent auditor's report to the members of BW 2012 Limited

We have audited the financial statements of BW 2012 Limited for the period 11 May 2011 to 30 April 2012, set out on pages 6 to 13. 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 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 Statement of directors' responsibilities 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 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 Company's affairs as at 30 April 2012 and of its profit for the period 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 period for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of BW 2012 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

Adrian John Wilcox
(Senior Statutory Auditor)

For and on behalf of KPMG LLP,
Statutory Auditor

Chartered Accountants
8 Salisbury Square
London
EC4Y 8BB
26th November 2012

Profit and Loss Account
for the period 11 May 2011 to 30 April 2012

	<i>Note</i>	2012 £
Turnover	<i>1</i>	604,166
Cost of sales		(422,088)
Gross profit		182,078
Administrative expenses		(126,848)
Operating profit	<i>2</i>	55,230
Interest receivable and similar income		-
Interest payable and similar charges		(201)
Profit on ordinary activities before taxation		55,029
Tax on profit on ordinary activities	<i>4</i>	-
Profit for the financial period	<i>9</i>	55,029

All results arise from continuing operations

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

The notes on pages 8 to 13 form part of these financial statements

Balance Sheet
At 30 April 2012

	<i>Note</i>		2012 £
Fixed assets			
Tangible assets	5		286
			<hr/>
			286
Current assets			
Debtors	6	190,284	
Cash at bank and in hand		18,250	
		<hr/>	
		208,534	
Creditors: amounts falling due within one year	7	(153,790)	
		<hr/>	
Net current assets			54,744
			<hr/>
Net assets			55,030
			<hr/>
Capital and reserves			
Called up share capital	8		1
Profit and loss account	9		55,029
			<hr/>
Shareholders' funds	10		55,030
			<hr/>

The notes on pages 8 to 13 form part of these financial statements

These financial statements were approved by the board of directors on 13 November 2012 and were signed on its behalf by



Adam Silver
Director

Company registered number 07631017

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that its results are included in the published consolidated financial statements of its ultimate parent company Karma Communications Holdings Limited, which are publicly available (see note 11)

As the Company is a wholly owned subsidiary of Karma Communications Holdings Limited, the ultimate parent company, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group

The Company was incorporated on 11 May 2011 from which date it commenced trading. The period presented is for the 356 day period from 11 May 2011 to 30 April 2012. The company changed its name to BW 2012 Limited on 31 May 2012.

The assets that were not transferred as disclosed in note 12 have not been impaired as the directors consider the recoverable amount is equal to the carrying value.

Going concern

The Company's accounts show a profit after tax for the period from 11 May 2011 to 30 April 2012 of £55,029 and a net assets position of £55,030.

The Company has ceased to trade from 31 May 2012, however it will continue to be supported by the ultimate parent company, Karma Communications Holdings Limited, which has confirmed that there is no intention to ask for repayment of amounts due to itself or other group companies, for the foreseeable future and not less than 12 months from the date of signing the audit report.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Office equipment	-	25% to 33% straight line
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Notes (continued)

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amounts of the Company's assets are reviewed for impairment annually or when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

Calculation of recoverable amount

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction.

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.

Leases

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Retainer fee income is recognised on a straight line basis over the term of the contract.

Project income and associated costs are recognised on a percentage completion basis in accordance with UITF 40.

Turnover is generated in the United Kingdom from the provision of television production services.

Notes (continued)

2 Operating profit

	2012 £
<i>The operating profit is stated after charging</i>	
Depreciation of tangible fixed assets	8
Operating lease rentals	9,695
	<hr/>
Auditor's remuneration	
Audit of these financial statements	5,000
	<hr/>

Auditor's remuneration with respect to non-audit services has been disclosed in the consolidated financial statements of Karma Communications Holdings Limited, the ultimate parent company

3 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the period, analysed by category, was as follows

	Number of employees 2012 No.
Client Services and Other	2
	<hr/>
	2
	<hr/>

The aggregate payroll costs of these persons were as follows

	£
Wages and salaries	93,590
Social security costs	11,036
Other pension costs	-
	<hr/>
	104,626
	<hr/>

During the period, no directors received any emoluments for their services as director of BW 2012 Limited

Notes (continued)

4 Taxation

Analysis of charge in period

	2012 £
UK Corporation Tax	
UK Corporation tax on profit for the period	-
Tax on profit on ordinary activities	-

Factors affecting the tax charge for the current period

The current tax charge for the period is lower than the standard rate of corporation tax in the UK 25.83%. The differences are explained below

	2012 £
Profit on ordinary activities before tax	55,029
Profit on ordinary activities at standard rate of corporation tax in the UK of 25.83%	14,214
Depreciation in excess of capital allowances	3
Group Relief claimed	(14,217)
Current tax charge for the period	-

Factors that may affect future current and total tax charges

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

This will reduce the Company's future current tax charge accordingly.

5 Tangible fixed assets

	Office equipment £
Cost	
At beginning of period	-
Additions	294
At end of period	294
Depreciation	
At beginning of period	-
Charge for period	8
At end of period	8
Net book value	
At 30 April 2012	286
At 11 May 2011	-

Notes (continued)

6 Debtors

	2012 £
Amounts owed by group companies	189,923
Other debtors	361
	<hr/>
	190,284
	<hr/>

7 Creditors: amounts falling due within one year

	2012 £
Trade creditors	31,150
Amounts owed to group companies	65,158
Social security and other taxes	36,199
Accruals	21,283
	<hr/>
	153,790
	<hr/>

8 Called up share capital

	2012 £
<i>Allotted, called up and fully paid</i>	
1 Ordinary share of £1	1
	<hr/>
	1
	<hr/>

The Company was incorporated on 11 May 2011. On incorporation the company issued one ordinary share with a nominal value of £1.

9 Reserves

	Profit and loss account £
At beginning of the period	-
Profit for the period	55,029
	<hr/>
At end of period	55,029
	<hr/>

Notes (continued)

10 Reconciliation of Movement in Shareholders' Funds

	2012 £
Opening shareholders' funds	-
Profit for the period	55,029
Share capital issued	1
Closing shareholders' funds	<u>55,030</u>

11 Related party disclosures

The company is a subsidiary undertaking of Karma Communications Holdings Limited, a company incorporated in Great Britain from 14 April 2011. The consolidated financial statements of this group are available to the public and may be obtained from Farringdon Place, 20 Farringdon Road, London, UK, EC1M 3HE.

As at 30 April 2012, the majority shareholder of Karma Communications Holdings Limited is Phoenix Equity Nominees Limited. Phoenix Equity Nominees Limited is a nominee company that holds shares on behalf of the Limited Partners that constitute Phoenix Equity Partners 2010 LP, and co-investors that constitute Phoenix Equity Partners Limited 2010 GP LP. These are private collective investment schemes advised by Phoenix Equity Partners 2010 Guernsey Limited, the ultimate controlling party for Karma Communications Holdings Group and its subsidiaries.

The accounts of Phoenix Equity Partners 2010 Guernsey Limited (which do not reflect the consolidation of the group) are available from the Company Secretary at 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey Channel Islands, GY1 2HL.

12 Post balance sheet events

On 31 May 2012 the business assets (defined as intellectual property of the Betsy Works brand name and fixed assets) of the company were transferred to the production manager of the company. This was transferred at a consideration of £400. At this point the company was renamed as BW 2012 Limited.