

**Fleming Media LLP**  
**Annual Report and Financial Statements**  
**31 March 2008**

**Registration Number OC309654**  
**Registered in England & Wales**

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COMPANIES HOUSE

## **Fleming Media LLP**

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### **Designated Members**

Matthew Fleming  
L&L Capital Investors Ltd

### **Secretary**

C E S Scott

### **Registered Office**

Ely House  
37 Dover Street  
London  
W1S 4NJ

Telephone: 020 7036 5600

Fax: 020 7036 5601

### **Auditors**

Kingston Smith LLP  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

### **Registered number**

OC309654

## **Fleming Media LLP**

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### **MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2008**

The members present their annual report and the financial statements for the year ended 31 March 2008.

### **RESULTS AND DIVIDENDS**

The loss for the year available for allocation to members is £11,342,914 (2007: £553,079).

### **PRINCIPAL ACTIVITY**

The principal activity of Fleming Media LLP is that of an investment holding business.

### **DESIGNATED MEMBERS**

The designated members during the period were:

Matthew Fleming  
L&L Capital Investors Limited  
Alex Johnston – retired 27 October 2008  
James Baker – retired 11 December 2008

In accordance with the partnership agreement Matthew Fleming, Alex Johnston and James Baker were the Founder Members of the LLP. Alex Johnston and James Baker retired from the partnership on 27 October and 11 December 2008 respectively.

### **SUBSCRIPTION AND REPAYMENT OF MEMBERS CAPITAL**

Capital contributions due from L&L Capital Investors Limited and the Founder Members due on the closing date and on the first and second anniversary's of the closing date (where applicable) are detailed in the partnership agreement.

L&L Capital Investors Limited and the Founder Members have certain rights (as detailed in the partnership agreement) to appoint representatives to the Management Committee and the Investment Committee of the LLP.

All members who have made a capital contribution to the LLP have the right to have returned to them the amount of their capital contributions on the winding up or dissolution of the LLP.

No interest shall be paid or payable by the LLP upon any capital contribution.

## **Fleming Media LLP**

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### **PROFIT ENTITLEMENT**

The Founder Members were entitled to monthly amounts payable in arrears on account of their Fixed Profit Share.

Such amounts were determined by the LLP's Management Committee from time to time as set out in each Founder Member's Letter of Entitlement which outlines all entitlements and additional obligations they owe to the LLP or perform on behalf of the LLP in their capacity as Founder Members.

Following a group re-structuring, the Partners profit entitlement ceased with effect from 1<sup>st</sup> February 2008.


### **AUDITORS**

In accordance with section 385 of the Companies Act 1985, as modified for the Limited Liability Partnership Act 2001, a resolution proposing that Kingston Smith LLP be re-appointed will be put to the Annual General Meeting.

### **STATEMENT OF DISCLOSURE TO AUDITOR**

- (a) so far as the members are aware, there is no relevant audit information of which the LLP's auditors are unaware; and
- (b) the members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

On behalf of the members on 30/01/ 2009

  
For & on behalf of  
L & L Capital Investors Limited  
(Designated member)

**MEMBERS' RESPONSIBILITIES AND REPORT OF THE AUDITORS**

**Statement of Members' Responsibilities**

The Limited Liability Partnerships Regulations 2001 made under the Limited Liability Partnership Act 2000 requires the members to prepare accounts for each financial period, which give a true and fair view of the state of affairs of the LLP and of the profit and loss for that period.

In preparing those financial statements, the members are required to select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent and prepare the financial statements on a going concern basis unless it is inappropriate to assume that the LLP will continue in business.

The designated members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the LLP and to ensure that the accounts comply with the Limited Liability Partnership Act 2000. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Fleming Media LLP**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCIENCE & MEDIA LLP**

We have audited the financial statements of Fleming Media LLP for the year ended 31 March 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the LLP's members. Our audit work has been undertaken for no purpose other than to draw to the attention of the LLP's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the LLP and LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF MEMBERS AND AUDITORS**

As described in the Statement of Members' Responsibilities, the LLP's members are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Limited Liability Partnerships Act 2000. We also report to you whether, in our opinion, the Members' Report is consistent with the financial statements, if the LLP has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding members' remuneration and transactions with the LLP is not disclosed.

We read the Members' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the LLP's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **OPINION**

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the LLP's affairs as at 31 March 2008 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the members' report is consistent with the financial statements.

*Kingston Smith LLP*

Kingston Smith LLP

Chartered Accountants and  
Registered Auditors

Date: 30/01/2009

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

## **Fleming Media LLP**

### **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2008**

	<b>Note</b>	<b>2008 £</b>	<b>2007 £</b>
Administrative expenses	2	(1,287,593)	(1,020,901)
Provision against investments made		(2,625,943)	-
Provision against loans and members capital		(8,031,486)	-
<b>Operating loss</b>		<b>(11,945,022)</b>	<b>(1,020,901)</b>
Income from investments		589,773	458,409
Interest receivable and similar income		12,335	9,413
<b>Loss for the financial period before members' remuneration and profit shares</b>	10	<b>(11,342,914)</b>	<b>(553,079)</b>
Members remuneration charged as an expense	10	-	-
Allocation of loss to members	10	11,342,914	553,079
<b>Loss for the financial period available for discretionary division amongst members</b>		<b>-</b>	<b>-</b>

The results above relate to continuing operations.

There were no recognised gains or losses other than as disclosed above and therefore no separate statement of recognised gains and losses has been presented.

There is no difference between the loss and the retained loss for the financial year stated above and their historical cost equivalents.

# Fleming Media LLP

## BALANCE SHEET AT 31 MARCH 2008

	Note	2008 £	2007 £
<b>Fixed Assets</b>			
Tangible fixed assets	6	7,079	8,550
Investments	5	1,219,038	7,734,356
		<b>1,226,117</b>	<b>7,742,906</b>
<b>Current assets</b>			
Amounts due from Members - equity	10	-	30,000
Debtors	7	9,581	43,285
Cash at bank and in hand		25,936	167,237
		<b>35,517</b>	<b>240,522</b>
<b>Creditors:</b>			
amounts falling due within one year	8	(89,423)	(171,425)
<b>Net current (liabilities)/assets</b>		<b>(53,906)</b>	<b>69,097</b>
<b>Creditors: amounts falling due after one year</b>			
Loans	9	(13,166,499)	(9,001,293)
<b>NET LIABILITIES ATTRIBUTABLE TO MEMBERS</b>		<b>(11,994,288)</b>	<b>(1,189,290)</b>
<b>REPRESENTED BY:</b>			
<b>Loans and other debts due to/(from) members within one year</b>			
Losses generated to date	10	(12,369,288)	(1,026,374)
Other amounts	10	-	(537,916)
<b>Equity</b>			
Members' capital	10	375,000	375,000
		<b>(11,994,288)</b>	<b>(1,189,290)</b>
<b>TOTAL MEMBERS' INTERESTS</b>			
Amounts due from Members	10	-	(30,000)
Loans and other debts due from Members	10	(12,369,288)	(1,564,290)
Other members' interests	10	375,000	375,000
		<b>(11,994,288)</b>	<b>(1,219,290)</b>

The financial statements were approved on 30/01/2009 and signed on behalf of FLEMING MEDIA LLP by:

For & on behalf of  
L & L Capital Investors Limited  
(Designated member)



Notes to the financial statements for the year ended 31 March 2008

### **1. ACCOUNTING POLICIES**

#### **Accounting convention**

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards and the SORP 'Accounting by Limited Liability Partnerships' (March 2006). A summary of the more important accounting policies is stated below:

#### **Basis of preparation**

The accounts have been prepared on the going concern basis, which assumes that the LLP will continue in operational existence for the foreseeable future, on the basis that the members have indicated their willingness to provide the necessary financial support to the LLP to ensure that it is able to meet its debts as they fall due for a period of not less than 12 months from the date upon which these accounts are signed.

#### **Consolidation**

The LLP and its subsidiary undertakings form a small group as defined by statute and therefore the LLP has taken advantage of the exemption under section 248 of the Companies Act 1985 not to prepare group financial statements.

#### **Depreciation**

Depreciation is provided on all tangible assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Furniture and fittings	- over four years
Hardware & software	- over two years

#### **Fixed asset investments**

Fixed asset investments are predominantly in immature companies, including seed, start up and early stage investments and comprise either shares or loans. Such investments are valued at cost less any provision considered necessary, until no longer viewed as early stage or unless a significant transaction involving an independent third party at arm's length values the investment at a materially different value.

#### **Foreign Currencies**

Transactions in foreign currencies are recorded at the rate ruling on the day of the transaction.

#### **Operating lease agreements**

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

#### **Cash flow statement**

The LLP has taken advantage of the exemption to it under FRS 1 'Cash Flow Statements' not to produce a cash flow statement on the grounds that it is the equivalent of a small company as defined under the terms of the Companies Act 1985 as modified by the Limited Liability Partnership Regulation 2001.

#### **Related party transactions**

FRS 8 'Related party transactions' requires disclosure of the details of material transactions between the LLP and related parties.

## Fleming Media LLP

### 1. ACCOUNTING POLICIES (cont.)

#### Investment research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the commercial and financial viability of individual projects, in which case the costs will then be classed as fixed asset investments.

### 2. ADMINISTRATIVE EXPENSES

	2008 £	2007 £
Investment research & development costs	67,264	70,378
Salaries, PAYE and NIC	243,936	249,833
Employee benefits	9,425	11,127
Rent, service charges & rates	30	67,075
Travel and entertaining	65,900	49,526
Communications	13,014	8,423
Office insurance	5	625
General office expenses	24,349	41,746
Consultancy fees	109,427	56,729
Legal & professional	31,258	38,529
Auditors remuneration	11,734	8,600
Provision against loan interest receivable	603,907	414,967
Sundry expenses	99	880
Bank charges & interest	1,392	1,286
Settlement re Fleming Literary Management LLP	100,000	-
Depreciation	5,853	1,177
	<b>1,287,593</b>	<b>1,020,901</b>

### 3. EMPLOYEES

The average number of employees during the period was 7.

### 4. MEMBERS

The average number of members in the period was 4.

### 5. FIXED ASSET INVESTMENTS

	Total £	Subsidiary Undertakings £	Loans to Subsidiary Undertakings £	Other Investments £
Balance b/fwd as at 1 April 2007	7,734,356	2,629,229	4,921,305	183,822
Additions in the year	3,340,862	-	3,193,832	147,030
Provision for permanent diminution in value	(9,856,180)	(2,295,091)	(7,230,237)	(330,852)
<b>As at 31 March 2008</b>	<b>1,219,038</b>	<b>334,138</b>	<b>884,900</b>	<b>Nil</b>

## Fleming Media LLP

### Subsidiary undertakings

The LLP's investments in its subsidiary companies at 31 March 2008 can be summarised as follows:

	<i>Note</i>	<b>Percentage Holding</b>	<b>Activity</b>	<b>Aggregate Share Capital &amp; Reserves at 31 March 2008</b>	<b>Profit/(Loss) for the Period Ended 31 March 2008</b>	<b>Total Investment at 31 March 2008</b>
				£	£	£
Science & Media (Holdings) Limited	(1)	48.1%	Investment holding company	(338)	(1,000,050)	Nil
Science Exhibitions Limited		84.42% B Shares	Investment holding company	(23,314)	(25,987)	Nil
Player One Limited	(4)	70%	Mobile entertainment company	(2,034,975)	(968,284)	Nil
Brandmaster Limited	(5)	50%	Artistic & literary creation & interpretation	82,933	(175,696)	205,000
Fleming Brand Incubation Limited		100%	Intellectual property development	(194,944)	(220,889)	Nil
Fleming Literary Management LLP	(2)	80%	Investment holding	(269,731)	(354,731)	Nil
Jute Productions Limited		100%	Production company	(47,860)	(47,960)	Nil
360 Intellectual Equity LLC	(3)	33.33%	Intellectual property development	427,558	(173,841)	128,738
Mediaburn Limited		40%	Web development	(83,945)	(84,945)	400
<b>Total</b>						<b>334,138</b>

### Other Investments

Other Investments comprise amounts paid in respect of intellectual property rights and certain associated development costs. In the opinion of the Members, the value of these investments is not less than cost.

## Fleming Media LLP

### Subsidiary Loans

	<i>Note</i>	<b>Percentage Holding</b>	<b>Activity</b>	<b>Aggregate Share Capital &amp; Reserves at 31 March 2008 £</b>	<b>Profit/(Loss) for the Period Ended 31 March 2008 £</b>	<b>Total Loan at 31 March 2008 £</b>
Science & Media (Trading) Limited – Interest bearing loan		No direct shareholding	Investment holding company	(7,108,794)	(5,502,919)	Nil
Science & Media (Trading) Limited – Non interest bearing loan						Nil
Science & Media (Holdings) Limited		48.1%	Investment holding company	(338)	(1,000,050)	Nil
Brandmaster Limited	(5)	50%	Artistic & literary creation & interpretation	82,933	(175,696)	475,000
Science & Media LLP		No direct shareholding	Exhibition holding	(3,080,900)	(5,025,858)	Nil
Fleming Brand Incubation Limited		100%	Intellectual property development	(194,944)	(220,889)	Nil
Fleming Literary Management LLP	(2)	80%	Investment holding	(269,731)	(354,731)	Nil
Mediaburn Limited		40%	Web development	(83,945)	(84,945)	409,900
Player One Limited	(4)	70%	Mobile entertainment company	(2,034,975)	(968,284)	Nil
Jute Productions Limited		100%	Production company	(47,860)	(47,960)	Nil
<b>Total</b>						<b>884,900</b>

### Notes:

- (1) A further 50% held by a subsidiary undertaking
- (2) Per financial statements at 31.10.07
- (3) Balance Sheet prepared per management accounts as at 23.1.09 and profit and loss from inception to 23.1.09. Prepared in US Dollars and translated to sterling at 1.43 USD/£
- (4) Per financial statements to 31.12.07
- (5) Fleming Media LLP sold its 50% stake in Brandmaster Limited on 25 April 2008. The aggregate share capital & reserves and Profit & Loss for the year disclosed above are per the Management Accounts at 31.3.08

## Fleming Media LLP

### 6. TANGIBLE FIXED ASSETS

	Furniture & Fittings £	Hardware & Software £	Total £
<b>Cost</b>			
At 1 April 2007	568	9,159	9,727
Additions	1,172	3,210	4,382
At 31 March 2008	1,740	12,369	14,109
<b>Depreciation</b>			
At 1 April 2007	79	1,098	1,177
Charge for year	385	5,468	5,853
At 31 March 2008	464	6,566	7,030
<b>Net book value</b>			
At 31 March 2008	1,276	5,803	7,079
At 31 March 2007	489	8,061	8,550

### 7. DEBTORS

	2008 £	2007 £
Other debtors	9,581	39,771
Prepayments and accrued income	-	3,514
	9,581	43,285

### 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
PAYE and social security	-	8,276
Other creditors	75,423	140,424
Accruals	14,000	22,725
	89,423	171,425

### 9. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2008	2007 £
Loans	13,166,499	9,001,293

The above loan due to L&L Capital Investors is interest free and repayable in accordance with the partnership agreement.

It is not envisaged that the loan shall be repaid within the next five years.

## Fleming Media LLP

### 10. MEMBERS' INTERESTS

	Members' capital (Classified as equity)	Total	Other Reserves		Total members' interests
			Loans and other debts due to members less any amounts due from members in debtors		
			Losses to date	Loans	
	£	£	£	£	£
Balance b/fwd at 1 April 2008	375,000	375,000	(1,026,374)	(537,916)	(1,189,290)
Loss for the financial period available for non-discretionary division among members	-	-	(11,342,914)	-	(11,342,914)
<b>Members' interests after loss for the period</b>	<b>375,000</b>	<b>375,000</b>	<b>(12,369,288)</b>	<b>-</b>	<b>(12,532,204)</b>
Drawings - advance profit share	-	-	-	(233,333)	(233,333)
Provision against members loans	-	-	-	771,249	771,249
<b>Amounts due to members</b>	<b>375,000</b>	<b>375,000</b>	<b>(12,369,288)</b>	<b>-</b>	<b>(11,994,288)</b>
Amounts due from members	-	-	-	-	-
<b>Balance at 31 March 2008</b>	<b>375,000</b>	<b>375,000</b>	<b>(12,369,288)</b>	<b>-</b>	<b>(11,994,288)</b>

Amounts due from members by way of advance profit shares and unpaid capital have been provided against in full in the profit and loss account.

Any loans and other amounts due to members will rank pari passu with unsecured creditors.

## **Fleming Media LLP**

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### **11. RELATED PARTY TRANSACTIONS**

#### **Fleming Media (2003) LLP**

The partnership occupies office space which is leased and recharged by Fleming Media (2003) LLP, an LLP which is also controlled by L&L Capital Investors.

Fleming Media (2003) LLP invoiced Fleming Media LLP £98,192 (including VAT) in respect of occupational and related costs in respect of the year to 31 March 2007. Although similar costs were incurred this year, only £6,113 (including VAT) was recharged in the year to 31 March 2008. £949 (2007: £24,548) was due to Fleming Media (2003) LLP at the year end.

#### **Andrew Benns**

Andrew Benns is a director of L&L Capital Investors Limited. During the year, Fleming Media LLP paid £40,000 (2007: £40,000) in consultancy fees for the provision of the services of Mr Benns.

#### **L&L Capital Investors Limited**

A loan has been granted to Fleming Media LLP by L&L Capital Investors Limited. The loan is non-interest bearing until Fleming Media LLP becomes profit-making, and totalled £13,166,499 as at 31 March 2008 (2007: £9,001,293).

#### **London & Lochside Investments Limited**

During the year, Fleming Media LLP invoiced London & Lochside Investments Limited, the partnership's ultimate parent company, £37,500 in respect of Administration Services. This amount was paid in full during the year.

#### **Ian Fleming Publications Limited**

Ian Fleming Publications Limited (IFPL) is a related party as Matthew Fleming is a director. A loan had previously been granted to IFPL totalling £183,821 at the year end (2007: £183,821). This loan related to project development costs which are now not likely to be recovered, therefore, a full provision against this loan has been made at the year end.

#### **Brandmaster Limited**

Brandmaster Limited is a related party as Matthew Fleming and Alex Johnston are directors. As at 31 March 2008, Brandmaster owed £295,000 to Fleming Media LLP in respect of an unsecured loan note (2007: £295,000) and a further £180,000 in respect of an additional interest bearing loan (2007: £110,000). Interest of £10,574 has been charged during the year (2007: £4,774). Unpaid interest due at the year end totalled £14,171 (2007: £3,596), which has been fully provided for as the directors doubt its recoverability. The total due from Brandmaster at the year end was £489,171 (2007: £408,596). Fleming Media LLP sold its 50% stake in Brandmaster Limited on 25 April 2008.

#### **Science & Media (Trading) Limited**

Science & Media (Trading) Limited is controlled by Fleming Media LLP by virtue of Fleming Media LLP's control of Science & Media (Holdings) Limited, Science & Media (Trading) Limited's holding company. A loan has been granted to Science & Media (Trading) Limited totalling £2,900,000 at the year end (2007: £2,900,000). This loan has been fully provided against during the period. The loan facility is repayable on 30 June 2015. Interest of £474,388 was charged on this amount, and written off in the period (2007: £414,967). An interest free loan of £5,000 was also granted in the year and fully provided against.

#### **Science & Media (Holdings) Limited**

A loan has been granted during the period to Science & Media (Holdings) Limited totalling £15,000. This loan has been fully provided against.

#### **Science & Media LLP**

Science & Media LLP is a related party as Science & Media (Trading) Limited (above) is a designated member. The loan granted to Science & Media LLP Limited in the previous year totalled £2,150,000 at the year end (2007: £600,000). This loan has been fully provided against.

## **Fleming Media LLP**

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### **Player One Limited**

Player One Limited is a related party as Matthew Fleming and Alex Johnston are former directors. The loan granted to Player One Limited in the previous financial period was extended from £542,500 to £1,412,500 in this financial year. This loan has been fully provided against. Interest of £82,885 has been charged during the year (2007: £38,667). Unpaid interest due at the year end totalled £115,348 (2007: £32,464), which has been fully provided for as the directors doubt its recoverability. The total due from Player One at the period end amounted to £1,527,848 (2007: £574,964).

### **Mediaburn Limited**

Mediaburn Limited is a related party as Matthew Fleming and Alex Johnston are former Directors and James Baker is a Director. The loan granted to Mediaburn Limited in the previous year totalled £409,900 at the year end (2007: £61,935). Interest of £21,925 has been charged during the year (2007: £Nil) of which £2,746 was outstanding and included in debtors at the year end (2007: £Nil).

### **Fleming Literary Management LLP**

Fleming Media LLP is a designated member of Fleming Literary Management LLP. The loan granted to Fleming Literary Management LLP totalled £415,396 at the year end (2007: £314,127). This loan has been fully provided against.

### **Fleming Brand Incubation Limited**

Fleming Brand Incubation Limited is a related party as Matthew Fleming and Alex Johnston are former Directors. The loan granted to Fleming Brand Incubation Limited totalled £189,454 at the year end (2007: £97,743). This loan has been fully provided against.

### **Xenial Limited**

Xenial Limited is a related party as James Baker is a Director. A loan was granted to Xenial Limited during the period totalling £100,000. This loan has been fully provided against. Xenial Limited invoiced Fleming Media LLP £47,030 in respect of services carried out. This amount was outstanding and included in creditors at the year end.

## **12. POST BALANCE SHEET EVENTS**

### **L&L Capital Investors**

Since the year end L&L Capital Investor has injected, in aggregate, a further £3,277,500 by way of non-interest bearing loans in support of various investments and initiatives in Fleming Media LLP and to cover its running costs to at least 31 March 2009; when a further review of the future strategy for the business will be undertaken. Some of the underlying investments have continued to struggle and as at the date of these accounts the net book value of Fleming Media LLP in L&L Capital Investors' books has been written down to nil.

### **Brandmaster Limited**

An amount of £447,313 was received post year end as part of the consideration for the disposal of the Fleming Media's investment in Brandmaster. Further deferred consideration of £273,750 is due to be paid to Fleming Media in April 2009. Additional amounts that may be payable based on future performance may be receivable, but there is uncertainty as to whether the related performance criteria will be met.

### **Science & Media (Trading) Limited and Science & Media LLP**

Since the year end Fleming Media LLP has injected a further £1,050,000 in support of a restructuring of these connected businesses. Trading conditions have continued to be very difficult across the board and these investments are being held at nil in Fleming Media's books, with little prospect of any recovery considered likely in foreseeable future.



## **Fleming Media LLP**

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### **Player One Limited**

The audited accounts for 31 December 2007 have been prepared on a break-up basis. Having invested a further £780,000 since the year end this investment is still being held at a net book value of nil in Fleming Media's books due to difficult trading conditions, significant development expenditure and a high net working capital funding requirement. Fleming Media and L&L Capital Investors have agreed to provide financial support to Player One to 31 March 2009 in order that the Directors can seek alternative funding sources going forward. This process may involve a partial or full sale of the business, but Fleming Media does not anticipate any immediate prospect of a recovery of the sums invested to date.

### **Fleming Literary Management LLP**

This investment business has ceased to operate and the partnership will be dissolved. Some of the assets have been transferred to a departing partner at market value (nil) whilst other assets are to be transferred, at market value, to a new literary estates management business funded separately by L&L Capital Investors and its parent.

### **Fleming Brand Incubation**

Minimal funding of £5,112 has been provided to this entity since the year end and the business has essentially been dormant following the departure of the Fleming Media personnel previously primarily engaged in its development. A restructuring is in progress that will result in Fleming Media reducing its shareholding to 49% but with a priority return any future realisation that would enable it to recover the amount it has invested to date. However, it is not believed that there is any realistic prospect of a recovery on this investment in the short to medium term and it therefore continues to be held at nil value in Fleming Media's books.

### **360 Intellectual Equity LLC**

The above US investment was restructured after the year end and Fleming Media received back some of its capital, totalling £128,738; which was the holding value of this investment at the balance sheet date. Although Fleming Media LLP retains a small investment in this entity it is held at nil value.

## **13. CONTROLLING PARTY**

The ultimate controlling party is London & Lochside Investments Limited ('L&L'), a company incorporated in England (registered number 3912911).

The shares of L&L are held by BBH Nominees Limited and other custodians for the benefit of a number of settlements administered by RF Trustees Co. Limited. In the opinion of the directors of L&L, there is no ultimate controlling party.