

Charter Broadcast Limited

Annual Report

For the nine months ended 30 September 2008

Registered in England & Wales number 02594283



Charter Broadcast Limited
Annual Report for the nine months ended 30 September 2008
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Charter Broadcast Limited Directors and advisers

Directors	DJ Nicholson JL Christmas MC Ransome IP Martin
Company secretary	NS Conn
Registered office	Unit E2 Sussex Manor Business Park Gatwick Road Crawley West Sussex RH10 9NH
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Registered Auditors First Point Buckingham Gate Gatwick RH6 0PP
Solicitors	Norton Rose LLP 3 More London Riverside London SE1 2AQ

Charter Broadcast Limited

Directors' Report for the nine months ended 30 September 2008

The directors present their report and the audited financial statements of the company for the nine months ended 30 September 2008.

Business review, principal activities and future developments

The principal activity of the company was the hire of specialist broadcast equipment.

On 14 April 2008 the company was purchased by Avesco Holdings Limited, a subsidiary of Avesco Group plc. Subsequent to this the share capital of the company was transferred to Presteigne Charter Limited, another Avesco Group plc company. On 2 May 2008 the trade and assets of the company were transferred to Presteigne Charter Limited.

Future developments of Avesco Group plc, which includes the company, are discussed on pages 6 and 7 of the Group's annual report which does not form part of this report.

Key Performance Indicators ("KPIs")

The directors of Avesco Group plc manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Charter Broadcast Limited. The development, performance and position of Avesco Group plc, which includes the company, is discussed on page 18 of the group's annual report which does not form part of this report.

Dividends

No dividends were paid or proposed for the period (2007: £nil).

Directors and their interests

The names of the directors who held office during the period and up to the date of signing of the financial statements are set out below:

DJ Nicholson	(appointed 14 April 2008)
JL Christmas	(appointed 14 April 2008)
MC Ransome	(appointed 14 April 2008)
IP Martin	(appointed 14 April 2008)
A Mekanji	(resigned 14 April 2008)
MAH Samji	(resigned 14 April 2008)

The company's ultimate parent company has also provided an indemnity for its directors and the company secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 1985.

Principal risks and uncertainties

The directors of Avesco Group plc manage the group's principal risks and uncertainties at group level, rather than on an individual company basis. For this reason, the directors believe that a discussion of the group's risks would not be appropriate for an understanding of the performance of Charter Broadcast Limited's business. The principal risks and uncertainties of Avesco Group plc, which include those of the company, are discussed on pages 20 and 21 of the group's annual report which does not form part of this report.

Charter Broadcast Limited

Directors' Report for the nine months ended 30 September 2008

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

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 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). The financial statements are required by law to 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Disclosure of information to auditors

The directors confirm, so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all the steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the Board



NS Conn
Company Secretary
12 March 2009

Charter Broadcast Limited

Independent Auditors' Report to the members of Charter Broadcast Limited for the nine months ended 30 September 2008

We have audited the financial statements of Charter Broadcast Limited for the period ended 30 September 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.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company 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 directors' remuneration and other transactions is not disclosed.

We read the Directors' 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, except that the scope of our work was limited as explained below. 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned 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. However, the evidence available was limited because the directors booked an adjustment of £721,000 to reduce the value of fixed assets at 31 December 2007 but were unable to determine in which accounting period up to 14 April 2008 the adjustment should be charged to the profit and loss account. In view of this uncertainty we are unable to assess whether the loss for the period ended 30 September 2008 is properly stated. The extent to which the adjustment relates to the current period could have a significant effect on the loss for the period. Because of the significance of this item, we have been unable to form a view on the opening balances and profit and loss account for the period.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion: disclaimer on view given by financial statements

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the loss for the period ended 30 September 2008; and
- have been properly prepared in accordance with the Companies Act 1985.

**Charter Broadcast Limited
Independent Auditors' Report to the members of Charter
Broadcast Limited for the nine months ended 30 September
2008**

In respect solely of the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records have been maintained.

In our opinion the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2008.

Notwithstanding our disclaimer on the view given by the financial statements, in our opinion the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Gatwick
16 March 2009

Charter Broadcast Limited
Profit and Loss Account for the nine months ended 30
September 2008

	Note	Nine months ended 30 September 2008 £'000	Year ended 31 December 2007 £'000
Turnover	2	1,200	6,791
Cost of sales		(693)	(4,245)
Gross profit		507	2,546
Administrative expenses		(1,016)	(2,777)
Operating loss	3	(509)	(231)
Loss on disposal of fixed assets	1	-	(721)
Net interest payable	6	(15)	(390)
Loss on ordinary activities before taxation		(524)	(1,342)
Taxation	7	674	(218)
Profit/(loss) for the period	19	150	(1,560)

All amounts relate to discontinued operations.

The company has no recognised gains and losses other than those above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the results stated above and their historical cost equivalents.

Charter Broadcast Limited
Balance Sheet as at 30 September 2008

	Note	30 September 2008 £'000	31 December 2007 £'000
Intangible assets	8	-	40
Tangible assets	9	-	5,764
Investments	10	957	957
Fixed assets		957	6,761
Stocks	11	-	44
Debtors	12	3,973	7,580
Cash at hand and in bank		-	773
Current assets		3,973	8,397
Creditors: amounts falling due within one year	13	-	(9,796)
Net current assets/(liabilities)		3,973	(1,399)
Total assets less current liabilities		4,930	5,362
Creditors: amounts falling due after more than one year	14	-	(971)
Provisions for liabilities	16	(389)	-
Net assets		4,541	4,391
Capital and reserves			
Called up share capital	18	1,600	1,600
Share premium account	19	6,090	6,090
Profit and loss account	19	(3,149)	(3,299)
Equity shareholders' funds	20	4,541	4,391

The financial statements on pages 6 to 18 were approved by the board of directors on 12 March 2009 and were signed on its behalf by:

JL Christmas
 Director



Charter Broadcast Limited

Notes to the Financial Statements for the nine months ended 30 September 2008

1 Accounting policies

These financial statements have been prepared under the historical cost convention, in accordance with the Companies Act 1985, applicable United Kingdom accounting standards and on the going concern basis. A summary of the more important accounting policies is set out below. With the exception of the changes in depreciation policy noted below, these have been applied consistently throughout the period and the preceding year.

The company is a wholly owned subsidiary of Avesco Group plc and is included in the consolidated financial statements of Avesco Group plc which are publicly available (see note 22). Consequently the company has taken advantage of the following exemptions from:

- Preparation of a cash flow statement in accordance with paragraph 5(a) of Financial Reporting Standard 1 (revised 1996): Cash flow statements.
- Disclosure of transactions with other members of the Avesco group or investees of the Avesco group qualifying as related parties in accordance with paragraph 3(c) of Financial Reporting Standard 8: Related party disclosures.
- Preparation of consolidated financial statements in accordance with section 228 of the Companies Act 1985.

Basis of preparation

Following the acquisition of the company by Avesco Holdings Limited on 14 April 2008 the new directors conducted an exercise to verify the existence of the company's fixed assets.

As a result of this exercise certain assets included in the books and records of the company could not be located. The directors recorded an adjustment of £710,000 in the results to the year ended 31 December 2007 to reduce the carrying value of fixed assets. However they were unable to determine the period in which the adjustment should have been recorded in the profit and loss account. For the purposes of preparing the accounts the amount was recorded as a disposal of fixed assets in the year ended 31 December 2007.

Deferred taxation

Full provision is made for deferred tax liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition for tax purposes (except as otherwise required by FRS 19). Deferred tax assets are also recognised in full subject to them being regarded as more likely than not to be recoverable. Deferred tax balances are not discounted.

Foreign currencies

Transactions undertaken in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. All foreign exchange differences are recognised in the profit and loss account.

Charter Broadcast Limited

Notes to the Financial Statements for the nine months ended 30 September 2008

Hire purchased and leased assets

Assets held under hire purchase contracts or leases where substantially all the risks and rewards of ownership are transferred to the company are included in the balance sheet at cost less accumulated depreciation and the future capital payments are shown as a liability.

The interest element of payments is charged to the profit and loss account over the period of the arrangement in proportion to the balance of capital payments outstanding. Such assets are depreciated over the shorter of their estimated useful life or the term of the lease.

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

Post retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge disclosed in note 5 represents contributions payable by the company to the fund. Costs in respect of the defined contribution pension arrangements are charged on an accruals basis in line with the amounts payable in respect of each accounting period. The company does not provide any other post retirement benefits.

Property lease provisions

These provisions cover costs resulting from the strategic reorganisation and relocation resulting in vacated properties and onerous lease costs. Provisions are recognised when a detailed formal plan for the restructuring and reorganisation has been drawn up and the main features of the plan have been announced to those affected by it. Where the time value of money would give rise to a material difference in the future cash outflows of the company, the provisions are discounted at a rate to reflect the time value of money and the risks associated with the liability.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. Provision is made for obsolete, slow moving and defective stock.

Goodwill

Goodwill arising on an acquisition of an unincorporated business is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life. Impairment tests for goodwill are undertaken at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Tangible fixed assets and depreciation

The cost of tangible fixed assets includes those costs which are directly attributable to purchasing the assets and bringing them into working condition. The company does not capitalise interest or internal costs as part of the cost of tangible assets. Depreciation of tangible fixed assets is calculated at rates estimated to write off the cost to nil residual value using the straight line method over the following estimated useful economic lives:

Short leasehold buildings	Length of lease
Hire purchased and finance leased plant & equipment	2 to 7 years
Owned plant & equipment & vehicles	2 to 7 years

Charter Broadcast Limited

Notes to the Financial Statements for the nine months ended 30 September 2008

The company reviews its depreciation rates regularly to take account of any changes in circumstances. When setting useful economic lives, the principal factors the group takes into account are the expected rate of technological developments, expected market requirements for the equipment and the intensity at which the assets are expected to be used.

Investments

Investments are recognised at cost less any provision for impairment.

Turnover and revenue recognition

Turnover represents the value of services and goods supplied to customers excluding value added tax and other sales taxes, and net of customer discounts. Revenue is recognised as follows:

- (a) Supply of services - proportionally over the duration of the service or hire period, provided a right to consideration has been established.
- (b) Supply of goods - when the goods are dispatched to the customer.

Revenue recognised in the profit and loss account but not yet invoiced is held on the balance sheet within prepayments and accrued income. Revenue invoiced but not yet recognised in the profit and loss account is held on the balance sheet within accruals and deferred income. Revenue from the disposal of fixed assets is not treated as turnover.

2 Turnover

Turnover by geographical destination

	Nine months ended 30 September 2008 £'000	Year ended 31 December 2007 £'000
United Kingdom	917	2,791
Mainland Europe	9	1,045
United States of America	8	-
Rest of the world	266	2,955
Total	1,200	6,791

Charter Broadcast Limited
Notes to the Financial Statements for the nine months ended
30 September 2008

3 Operating loss

Operating loss is stated after charging / (crediting):

	Nine months ended 30 September 2008 £'000	Year ended 31 December 2007 £'000
Depreciation of owned assets	266	1,157
Amortisation of goodwill	40	50
Operating lease costs:		
Hire of plant and machinery	-	-
Hire of other	146	133
Auditors' remuneration for audit	-	25
Currency exchange differences	59	41
(Profit)/loss on disposal of fixed assets	(475)	716

Auditors remuneration for the nine months ended 30 September 2008 was borne by the ultimate parent company.

4 Directors' emoluments

No emoluments were paid to directors by the company during the current or prior period.

As at 30 September 2008 three of the directors were also directors of Avesco Group plc, the ultimate parent company. Their remuneration in relation to the company is recharged as part of a general management charge for services and it is not possible to determine the amount relating to the company. Details of their remuneration for their services to the Avesco Group plc group are disclosed in the Avesco Group plc accounts, which are available as set out in note 22.

As at 30 September 2008 one of the non Avesco Group plc directors was entitled to shares under the Avesco Group plc long term incentive plan (LTIP). Further details regarding the LTIP scheme are included in of the Avesco Group plc annual report and accounts, available as set out in note 22.

There were no retirement benefits accruing to any director at the current or prior balance sheet date.

Charter Broadcast Limited
Notes to the Financial Statements for the nine months ended
30 September 2008

5 Employee information

The average monthly number of staff including directors employed by the company during the period was:

	Nine months ended 30 September 2008 Number	Year ended 31 December 2007 Number
By activity:		
Operations	14	32
Administration	4	9
Total	18	41

The aggregate payroll costs of these employees was as follows:

	Nine months ended 30 September 2008 £'000	Year ended 31 December 2007 £'000
Wages and salaries	388	1,619
Social security costs	46	150
Other pension costs	9	17
Total	443	1,786

There were no retirement benefits accruing to employees at the current or prior balance sheet date.

6 Net interest payable

	Nine months ended 30 September 2008 £'000	Year ended 31 December 2007 £'000
On hire purchase contracts and finance leases	-	1
On loans from other Group companies	102	421
Interest payable	102	422
Bank interest receivable	-	(6)
Group interest receivable	(87)	(26)
Total interest payable	15	390

Charter Broadcast Limited
Notes to the Financial Statements for the nine months ended
30 September 2008

7 Tax

Analysis of tax (credit)/charge for the period

	Nine months ended 30 September 2008 £'000	Year ended 31 December 2007 £'000
UK corporation tax on profits for the period	(1,064)	-
Deferred tax	390	218
Total tax	(674)	218

Factors affecting the tax charge

The tax assessed for the period is higher (2007: lower) than the standard rate of corporation tax in the UK (29%).

	Nine months ended 30 September 2008 £'000	Year ended 31 December 2007 £'000
Loss before tax	(524)	(1,342)
Loss before tax multiplied by the standard rate of corporation tax of 29% (2007: 30%)	(152)	(402)
Surrender of group relief	(1,064)	-
Expenses not deductible for tax purposes	-	13
Difference between depreciation and capital allowances	191	(218)
Other timing differences	-	6
Group relief surrendered for nil payment	(39)	616
Difference between deferred tax recognition rate of 28% and CT rate of 30%	-	(15)
Current tax credit for the period	(1,064)	-

8 Intangible assets

	Goodwill £'000
Cost	
At 1 January 2008 and 30 September 2008	200
Accumulated depreciation	
At 1 January 2008	160
Charge	40
At 30 September 2008	200
Net book value	
At 30 September 2008	-
At 30 September 2007	40

Charter Broadcast Limited

Notes to the Financial Statements for the nine months ended 30 September 2008

The above goodwill relates to purchases of an unincorporated business, Radio Camera Systems, on 5 October 2004.

9 Tangible assets

	Leasehold improvements £'000	Plant and hire equipment £'000	Motor vehicles £'000	Fixtures and fittings £'000	Total £'000
Cost					
At 1 January 2008	316	12,184	55	395	12,950
Additions	-	383	-	2	385
Disposals	-	(132)	-	-	(132)
Avesco group transfers out	(316)	(12,435)	(55)	(397)	(13,203)
At 30 September 2008	-	-	-	-	-
Accumulated depreciation					
At 1 January 2008	202	6,674	33	277	7,186
Charge	3	237	6	20	266
Disposals	-	(132)	-	-	(132)
Avesco group transfers out	(205)	(6,779)	(39)	(297)	(7,320)
At 30 September 2008	-	-	-	-	-
Net book value					
At 30 September 2008	-	-	-	-	-
At 30 September 2007	114	5,510	22	118	5,764

The net book value of tangible fixed assets includes an amount of £nil (31 December 2007: £1,571,000) in respect of assets held under finance lease and hire purchase contracts.

10 Investments

	Investments £'000
Cost	
At 1 January 2008	5,146
Disposals	(4,189)
At 30 September 2008	957
Impairment	
At 1 January 2008	4,189
Disposals	(4,189)
At 30 September 2008	-
Net book value	
At 30 September 2008	957
At 30 September 2007	957

Charter Broadcast Limited
Notes to the Financial Statements for the nine months ended
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Subsidiary companies

Name	Country of incorporation	Main activity	Percentage ownership
Cinevideo Limited	England & Wales	Dormant	100%
Pantherwood Limited	England & Wales	Dormant	100%

Both subsidiaries are directly held by Charter Broadcast Limited.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

11 Stocks

	30 September 2008 £'000	31 December 2007 £'000
Consumables	-	44

12 Debtors

	30 September 2008 £'000	31 December 2007 £'000
Amounts falling due within one year		
Trade debtors	-	401
Amounts owed by group companies	3,973	2,527
Other taxation and social security	-	145
Deferred tax asset (note 17)	-	1,759
Prepayments and accrued income	-	136
	3,973	4,968
Amounts falling due after more than one year		
Amounts owed by group companies	-	2,612
Total debtors	3,973	7,580

The amounts due from other group companies are unsecured, repayable on demand and bear interest based on the UK base rate.

Charter Broadcast Limited
Notes to the Financial Statements for the nine months ended
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13 Creditors: amounts falling due within one year

	30 September 2008 £'000	31 December 2007 £'000
Obligations under hire purchase contracts and finance leases	-	2
Trade creditors	-	752
Amounts owed to other group companies	-	8,808
Other taxation and social security	-	70
Accruals and deferred income	-	164
Total	-	9,796

The bank overdraft is secured by a fixed and floating charge over the UK assets of the ultimate parent company, Avesco Group plc, and bears interest based on LIBOR.

The amounts owed to other group companies are unsecured, repayable on demand and bear interest based on the UK base rates.

14 Creditors: amounts falling due after more than one year

	30 September 2008 £'000	31 December 2007 £'000
Obligations under hire purchase contracts and finance leases	-	14
Amounts owed to other group companies	-	957
Total	-	971

The amounts owed to other group companies are unsecured, repayable on demand and do not incur interest.

15 Maturity of obligations under hire purchase contracts and finance leases

	30 September 2008 £'000	31 December 2007 £'000
Within one year	-	2
Between one and five years	-	12
Greater than five years	-	2
Total	-	16

Charter Broadcast Limited
Notes to the Financial Statements for the nine months ended
30 September 2008

16 Provisions for liabilities

	Onerous lease (i) £'000
At 1 January 2008	-
Charge to profit and loss account	389
At 30 September 2008	389

(i) Onerous lease

Following the incorporation of the company into Presteigne Charter Limited during the period, provision was made for an onerous lease at Boreham Wood.

17 Deferred taxation

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantively enacted at the balance sheet date. There are no deferred tax liabilities in the current or prior period. The current position with respect to deferred tax assets is as follows:

	Accelerated capital allowances £'000	Sundry timing differences £'000	Total deferred tax assets £'000
Recognised deferred tax assets:			
At 1 January 2008	1,750	9	1,759
Prior year adjustment	81	-	81
Charged to profit and loss account	(390)	-	(390)
Transferred to Presteigne Charter Limited	(1,441)	(9)	(1,450)
At 30 September 2008	-	-	-

An element of the total deferred tax assets may be unrecognised due to uncertainties concerning the extent and timing of recoverability, which are dependant upon the generation of certain classes of taxable profits by certain classes of the company's operations. As at 30 September 2008 there were no unrecognised deferred tax assets (31 December 2007: unrecognised deferred tax assets of £11,000 relating to tax losses brought forward).

18 Called up Share capital

	30 September 2008 £'000	31 December 2007 £'000
Authorised		
2,000,000 ordinary shares of £1 each	2,000	2,000
Allotted, called up and fully paid		
1,600,001 ordinary shares of £1 each	1,600	1,600

Charter Broadcast Limited
Notes to the Financial Statements for the nine months ended
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19 Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 January 2008	6,090	(3,299)
Profit for the year	-	150
At 30 September 2008	6,090	(3,149)

20 Reconciliation of movements in equity shareholders' funds

	30 September 2008 £'000	31 December 2007 £'000
Profit/(loss) for the period	150	(1,560)
Opening shareholders' funds	4,391	5,951
Closing shareholders' funds	4,541	4,391

21 Commitments and contingent liabilities

The company had the following annual commitments under non-cancellable operating leases:

	Land & buildings		Plant & equipment	
	30 September 2008 £'000	31 December 2007 £'000	30 September 2008 £'000	31 December 2007 £'000
Operating leases which expire:				
After 5 years	195	133	-	-

The company is a member of the Avesco value added tax group and is a party to the cross guarantee arrangements the Avesco group has in respect of its UK borrowings with HSBC Bank Plc. The total group borrowings as at 30 September 2008 is £14,366,000 (2007: £4,573,000).

The company is also party to the cross guarantee arrangements the Avesco group has in respect of its hire purchase obligations. The total group hire purchase commitments as at 30 September 2008 is £10,325,000 (2007: £12,363,000).

22 Ultimate parent and controlling party

The company's immediate parent company is Presteigne Charter Limited. The ultimate parent company and controlling party is Avesco Group plc, a company registered in England & Wales. Avesco Group plc is the parent undertaking of the largest and only group of undertakings to consolidate these financial statements at 30 September 2008.

The consolidated financial statements of Avesco Group plc may be obtained from The Company Secretary, Avesco Group plc, E2 Sussex Manor Business Park, Gatwick Road, Crawley, West Sussex, RH10 9NH.