

Company Registration No 3138064 (England and Wales)

KEO FILMS COM LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31ST MARCH 2007

TUESDAY



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COMPANIES HOUSE

Saltrick & Saltrick Limited
5 The Glasshouse Studios
Fryern Court Road
Fordingbridge
Hampshire
SP6 1QX

KEO FILMS.COM LIMITED

DIRECTORS AND ADVISERS

Directors	A Baring A Palmer H Fearnley-Whittingstall R Love K Perry
Secretary	A Palmer
Company number	3138064
Registered office	101 St John Street London EC1M 4AS
Accountants	Saltrick & Saltrick Limited 5 The Glasshouse Studios Fryern Court Road Fordingbridge Hampshire SP6 1QX

KEO FILMS COM LIMITED

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KEO FILMS COM LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2007

The directors present their report and financial statements for the year ended 31st March 2007

Directors

The directors during the year under review were

A Baring
A Palmer
H Fearnley-Whittingstall
R Love
K Perry (appointed 1st June 2006)

Principal activities and review of the business

The principal activity of the company is television and film production

In an increasingly tight market, the results for the year and the financial position at the year end were considered satisfactory by the directors

Results and dividends

The consolidated profit and loss account for the year is set out on page 3

An interim ordinary dividend of £30,000 (2006 - £90,048) was paid during the period. The directors do not recommend payment of a final dividend

Directors' interests

The directors' interests in the shares of the company and other group companies were as stated below

Ordinary shares of £1 each

	31st March 2007	1st April 2006
A Baring	67	67
A Palmer	67	67
H Fearnley-Whittingstall	67	67
R Love	-	-
K Perry	-	-

KEO FILMS COM LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31ST MARCH 2007**

Directors' responsibilities

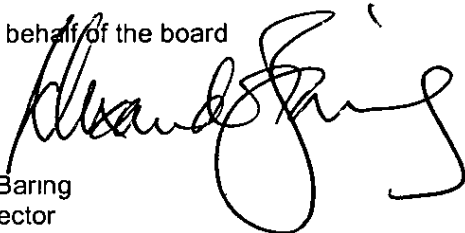
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable 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 group will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



A Baring
Director

15th January 2008

KEO FILMS COM LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2007**

		2007 £	2006 £
	Notes		
Turnover	1	2,563,028	3,002,969
Cost of sales		<u>(1,350,208)</u>	<u>(2,197,563)</u>
Gross profit		1,212,820	805,406
Administrative expenses		<u>(1,057,544)</u>	<u>(723,874)</u>
Operating profit	2	155,276	81,532
Other interest receivable and similar income		9,950	10,945
Interest payable and similar charges	3	-	-
Profit on ordinary activities before taxation		<u>165,226</u>	<u>92,477</u>
Tax on profit on ordinary activities	4	40,117	17,906
Profit on ordinary activities after taxation		<u>125,109</u>	<u>74,571</u>
Retained profit for the year	11	125,109	74,571
		=====	=====

KEO FILMS COM LIMITED

**BALANCE SHEETS
AS AT 31ST MARCH 2007**

		Group 2007	2006	Company 2007	2006
	Notes	£	£	£	£
Fixed assets					
Tangible assets	5	109,046	84,068	109,046	84,068
Investments	6	-	-	90	90
		<u>109,046</u>	<u>84,068</u>	<u>109,136</u>	<u>84,158</u>
Current assets					
Debtors	8	547,616	163,477	547,616	163,387
Cash at bank and in hand		409,660	585,089	409,660	335,661
		<u>957,276</u>	<u>748,566</u>	<u>957,276</u>	<u>499,048</u>
Creditors amounts falling due within one year	9	(683,498)	(547,194)	(683,588)	(297,766)
Net current assets		<u>273,778</u>	<u>201,372</u>	<u>273,688</u>	<u>201,282</u>
Total assets less current liabilities		<u>382,824</u>	<u>285,440</u>	<u>382,824</u>	<u>285,440</u>
Creditors amounts falling due after more than one year		(6,036)	(3,762)	(6,036)	(3,762)
		<u>376,788</u>	<u>281,768</u>	<u>376,788</u>	<u>281,678</u>
		=====	=====	=====	=====
Capital and reserves					
Called up share capital	10	201	201	201	201
Share premium		9,999	9,999	9,999	9,999
Profit and loss account	11	366,588	271,478	366,588	271,478
Shareholders' funds – equity interest	12	<u>376,788</u>	<u>281,678</u>	<u>376,788</u>	<u>281,678</u>
		=====	=====	=====	=====

KEO FILMS COM LIMITED

**BALANCE SHEETS – CONTINUED
AS AT 31ST MARCH 2007**

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31st March 2007

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2007 in accordance with Section 249B(2) of the Companies Act 1985

The directors acknowledge their responsibilities for

a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and

b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved by the board on 15th January 2008

A Palmer
Director

A handwritten signature in black ink, appearing to be 'A. Palmer', written over a horizontal line.

KEO FILMS.COM LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2007**

	2007		2006	
	£	£	£	£
Net cash (outflow) / inflow from operating activities		(53,936)		371,716
Returns on investments and servicing of finance				
Interest received	9,950		10,945	
Interest paid	-		-	
	<hr/>		<hr/>	
Net cash inflow from returns on investments and servicing of finance		9,950		10,945
Taxation		(40,117)		(17,906)
Dividends paid		(30,000)		(90,048)
Capital expenditure				
Payments to acquire tangible assets		(61,327)		(56,431)
		<hr/>		<hr/>
Net cash (outflow) / inflow before management of liquid resources and financing		(175,429)		218,276
		<hr/>		<hr/>
(Decrease) /Increase in cash in the year		(175,429)		218,276
		=====		=====

KEO FILMS.COM LIMITED

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2007**

**1 Reconciliation of operating profit/(loss) to net cash inflow/(outflow)
from operating activities**

	2007	2006
	£	£
Operating profit	155,276	81,532
Depreciation of tangible assets	36,349	28,022
Decrease /(increase) in debtors	(384,139)	179,219
(Decrease) / increase in creditors within one year	138,578	82,943
	=====	=====
Net cash (outflow)/inflow from operating activities	(53,936)	371,716
	=====	=====

2 Analysis of net (debt) / funds

	1st April 2006	Cash flow	31st March 2007
	£	£	£
Net cash			
Cash at bank and in hand	585,089	(175,429)	409,660
	=====	=====	=====
Net (debt)/funds	585,089	(175,429)	409,660
	=====	=====	=====

3 Reconciliation of net cash flow to movement in net debt

	2007	2006
	£	£
(Decrease)/ Increase in cash in the year	(175,429)	218,275
	=====	=====
Change in net debt resulting from cash flows	(175,429)	218,275
	=====	=====
Movement in net (debt)/funds in the year	(175,429)	218,275
Opening net debt	585,089	366,814
	=====	=====
Closing net (debt)/funds	409,660	585,089
	=====	=====

KEO FILMS COM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2007

1 Accounting policies

1 1 Accounting convention

The financial statements are prepared under the historical cost convention

1 2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards

1 3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31st March 2007. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1 4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1 5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	25% Reducing balance
--------------------------------	----------------------

1 6 Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

1 7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1 8 Foreign currency translation

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

2 Operating (loss) / profit

	2007	2006
	£	£
Operating profit/(loss) is stated after charging		
Depreciation of tangible assets	36,349	28,022
	=====	=====

KEO FILMS COM LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2007**

3 Interest payable

	2007	2006
	£	£
On bank loans and overdrafts	-	-
	<u>-</u>	<u>-</u>
	<u>=====</u>	<u>=====</u>

4 Taxation

	2007	2006
	£	£
UK corporation tax	37,900	17,300
Over/under provision	(57)	(285)
	<u>37,843</u>	<u>17,015</u>
Total current tax		
Deferred tax	2,274	891
	<u>40,117</u>	<u>17,906</u>
	<u>=====</u>	<u>=====</u>
Tax on profit on ordinary activities		

**5 Tangible fixed assets
Group and
company**

	Fixtures, fittings & equipment £
Cost	
At 1 st April 2006	246,209
Additions	61,327
	<u>307,536</u>
At 31 March 2007	
Depreciation	
At 1st April 2006	162,141
Charge for the year	36,349
	<u>198,490</u>
At 31 st March 2007	
Net book value	
At 31 st March 2007	<u>109,046</u>
	<u>=====</u>
At 31st March 2006	84,068
	<u>=====</u>

KEO FILMS COM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31ST MARCH 2007**

6 Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 st April 2006	90
Additions	-
	<hr/>
At 31st March 2007	90
	<hr/>
At 31st March 2006	90
	=====

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

The company holds the share capital of the following companies

Company	Country of registration or Incorporation	Shares held Class	%
Subsidiary undertakings			
Keo Films (The Great Race) Limited	United Kingdom	Ordinary	100

7 Fixed asset investments

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
Keo Films (The Great Race) Limited	TV and film production

The shares in the above company are held directly by Keo Films com Limited

KEO FILMS COM LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST MARCH 2007**

8 Debtors

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Trade debtors	399,478	96,246	399,478	96,246
Other debtors	148,138	67,231	148,138	67,141
	<u>547,616</u>	<u>163,477</u>	<u>547,616</u>	<u>163,387</u>
	=====	=====	=====	=====

9 Creditors amounts falling due within one year

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Corporation tax	37,900	17,300	37,900	17,300
Other taxes and social security costs	137,302	19,636	137,302	10,317
Other creditors	459,127	510,258	459,217	270,149
Trade creditors	49,169		49,169	
	<u>683,498</u>	<u>547,194</u>	<u>683,588</u>	<u>297,766</u>
	=====	=====	=====	=====

KEO FILMS COM LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST MARCH 2007**

10 Share capital	2007 £	2006 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
	1,000	1,000
	=====	=====
 Allotted, called up and fully paid		
201 Ordinary shares of £1 each	201	201
	<hr/>	<hr/>
	201	201
	=====	=====
 11 Statement of movements on profit and loss account		
Group		Profit and loss account £
Balance at 1st April 2006		271,478
Retained profit for the year		125,109
Dividends paid		(30,000)
		<hr/>
Balance at 31st March 2007		366,588
		=====
 Company		Profit and loss account £
Balance at 1 st April 2006		271,478
Retained profit for the year		125,109
Dividends paid		(30,000)
		<hr/>
Balance at 31st March 2007		366,588
		=====

KEO FILMS COM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST MARCH 2007

12 Reconciliation of movements in shareholders' funds

Group	2007 £	2006 £
(Loss)/Profit for the financial year	95,109	(15,477)
Opening shareholders' funds	281,678	297,155
Closing shareholders' funds	<u>376,788</u> =====	<u>281,678</u> =====
Company	2007 £	2006 £
(Loss)/Profit for the financial year	95,109	(15,477)
Opening shareholders' funds	281,678	297,155
Closing shareholders' funds	<u>376,788</u> =====	<u>281,678</u> =====

13 Directors' emoluments

	2007 £	2006 £
Emoluments for qualifying services	312,947	36,000
	<u>312,947</u> =====	<u>36,000</u> =====

14 Transactions with directors

The company paid no fees to the directors in their capacity of personnel contracted within the television industry (2006 - £73,943) The company paid consultancy fees of £10,000 (2006 - £10,000) to Atlantic Privateer Limited, a company controlled by R Love

15 Related party transactions

Group and company

The company paid rent of £80,000 (2005 - £14,465) to Keo Properties Limited, a company controlled by three of the directors of Keo Films com Limited The company is owed £100,000 at the year end from Keo Properties Limited (2006 - £3,060)

The company received services from HFW Interactive Ltd during the year to the value of £19,925 (2006 - nil) and provided services to this company during the year to a value of £53,674 (2006 - nil) At the year end, the company owed £22,671 to HFW Interactive Ltd and was owed £38,387 by HFW Interactive Ltd

KEO FILMS COM LIMITED

**REPORT OF THE ACCOUNTANTS TO THE DIRECTORS OF
KEO FILMS COM LIMITED**

As described in the statement of directors' responsibilities on page 2, you are responsible for the preparation of the financial statements for the year ended 31st March 2007 set out on pages 3 to 13 and you consider that the company is exempt from audit

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us

Saltrick & Saltrick Ltd

Saltrick & Saltrick Limited
5 The Glasshouse Studios
Fryern Court Road
Fordingbridge
Hampshire
SP6 1QZ

15th January 2008