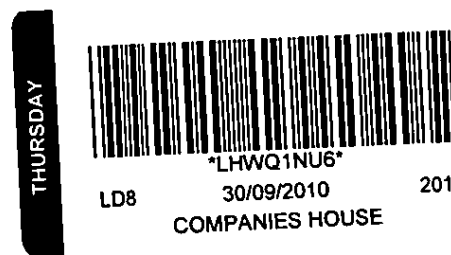


Alphaville Limited

REPORT AND FINANCIAL STATEMENTS

31 December 2009



Company number 4109183

Alphaville Limited

DIRECTORS AND ADVISERS

DIRECTORS

C Bavasso
C O'Reilly

SECRETARY

C Bavasso

REGISTERED OFFICE

c/o Withers LLP
16 Old Bailey
London
EC4M 7EG

AUDITOR

Baker Tilly Audit UK LLP
Chartered Accountants
65 Kingsway
London WC2B 6TD

BANKERS

Barclays Bank Plc
Soho Square
27 Soho Square
London
W1D 3QR

Alphaville Limited

DIRECTORS' REPORT

The Directors submit their report and the financial statements of Alphaville Limited for the year ended 31 December 2009

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Alphaville Limited ("the Company") is a holding company that owns and operates joint venture production companies ("the Group Companies") that produce commercials, music videos, title and other film/TV sequences, short films and other digital content

2009 was a challenging year with the marked global downturn in the Group Companies' principal sectors, but the Directors planned for such a situation and are happy with the results for the year and with the Group's positioning for the future

The Company is pleased with the performance and progress of its joint venture operation in Australia

GROUP DEVELOPMENT AND FUTURE OUTLOOK

2009 saw a number of key strategic developments within the Group Companies and in the breadth and type of work they are able to produce. This, combined with continuing creative success in all its sectors and its commitment to continued investment, places the Group in a strong position to make advances, particularly when market conditions in general improve

RISKS AND UNCERTAINTIES

Reductions in client marketing spend continued through 2009, posing ongoing challenges for the advertising industry. The commercials marketplace continues to be very competitive, with declining spend on traditional TV and cinema advertising. The Group's move towards producing more interactive, digital and online content has ensured that it has a strong and developing position in this sector also.

As a large number of the Group's clients are outside the UK, the Group mitigates exchange rate risk by putting in place a variety of foreign exchange hedge structures when contracting in currencies other than the local currencies of the particular company. However, longer term exchange rate fluctuation could change, or enhance, the Group's competitiveness in overseas markets.

KEY PERFORMANCE INDICATORS

The Group continuously monitors project performance against budget to ensure productions' financial performances are in line with projections.

The Group also monitors headcount to ensure this reflects the overall income and volume of their work.

DIVIDENDS

The Directors have declared, and the shareholders have approved, a final dividend of £500,000 (2008: £370,000). On 31 March 2010, the Directors declared, and the shareholders approved, an interim dividend of £500,000 (2008: £Nil).

DIRECTORS

The following directors have held office since 1 January 2009:

C Bavasso
C O'Reilly

Alphaville Limited

DIRECTORS' REPORT

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

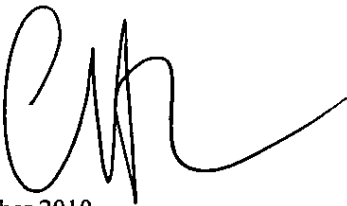
The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

By order of the Board

C Bavasso
Secretary

A handwritten signature in black ink, appearing to be 'C Bavasso', written over the printed name and title.

30 September 2010

Alphaville Limited

DIRECTORS' RESPONSIBILITIES STATEMENT

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 group and the company and of the profit or loss of the group for that year.

In preparing these financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgments and estimates that are reasonable and prudent,
- c prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPHAVILLE LIMITED

We have audited the group and parent company financial statements (the "financial statements") on pages 6 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As more fully explained in the Directors' Responsibilities Statement on page 4, 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 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

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/UKNP.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2009 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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.

Baker Tilly UK Audit LLP

DAVID BLACHER (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
65 Kingsway
London WC2B 6TD

30 September 2010

Alphaville Limited

CONSOLIDATED PROFIT AND LOSS ACCOUNT for year ended 31 December 2009

	Notes	2009 £	£	2008 £	£
Turnover (including share of joint ventures)		5,018,760		7,599,045	
Less share of joint ventures' turnover	1	(230,083)		(88,811)	
GROUP TURNOVER	1		4,788,677		7,510,234
Cost of sales			(3,839,294)		(5,984,613)
GROSS PROFIT			949,383		1,525,621
Administrative expenses			(964,424)		(756,214)
Other operating income			-		3,476
GROUP OPERATING (LOSS)/PROFIT			(15,041)		772,883
Share of operating profit of joint venture			65,881		11,032
TOTAL OPERATING PROFIT			50,840		783,915
Interest receivable and similar income	2		5,294		28,670
Interest payable and similar charges	3		(58,130)		(139,180)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4		(1,996)		673,405
Taxation	7		(8,518)		(209,706)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR			(10,514)		463,699

The (loss)/profit for the above financial years arises from the group's continuing operations

Alphaville Limited

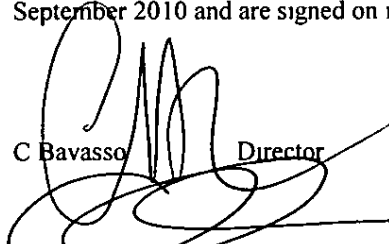

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for year ended 31 December 2009

	2009 £	2008 £
(Loss)/profit for the financial year	(10,514)	463,699
Currency translation gains and losses on retranslation of overseas subsidiaries	9,431	(26,703)
Total recognised gains and losses relating to the year	<u>(1,083)</u>	<u>436,996</u>

Alphaville Limited
CONSOLIDATED BALANCE SHEET
31 December 2009

	Notes	2009 £	£	2008 £	£
FIXED ASSETS					
Intangible assets		-		-	
Negative goodwill		-		-	
	9				
Tangible assets	10		2,959,577		3,103,134
Investments in joint ventures	11				
Share of gross assets		94,119		10,947	
Share of gross liabilities		(29,664)		(2,530)	
			64,455		8,417
			<u>3,024,032</u>		<u>3,111,551</u>
CURRENT ASSETS					
Debtors	12	404,665		1,093,164	
Cash at bank and in hand		1,433,269		1,846,836	
		<u>1,837,934</u>		<u>2,940,000</u>	
CREDITORS Amounts falling due within one year	13				
		<u>(1,162,411)</u>		<u>(1,822,490)</u>	
NET CURRENT ASSETS			<u>675,523</u>		<u>1,117,510</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,699,555</u>		<u>4,229,061</u>
CREDITORS Amounts falling due after more than one year	14				
			<u>(2,183,990)</u>		<u>(2,212,413)</u>
NET ASSETS			<u>1,515,565</u>		<u>2,016,648</u>
CAPITAL AND RESERVES					
Called up share capital	15		2		2
Profit and loss account	16		1,515,563		2,016,646
SHAREHOLDERS' FUNDS	17		<u>1,515,565</u>		<u>2,016,648</u>

The financial statements on pages 6 to 23 were approved by the board of directors and authorised for issue on 30 September 2010 and are signed on its behalf by


 C Bavasso Director

 C O'Reilly Director

Alphaville Limited
COMPANY BALANCE SHEET
31 December 2009

Company number 4109183

	Notes	2009 £	£	2008 £	£
FIXED ASSETS					
Investments	11		3,969		3,969
CURRENT ASSETS					
Debtors	12	500,002		370,002	
CREDITORS Amounts falling due within one year	13	(503,969)		(373,969)	
NET CURRENT LIABILITIES			(3,967)		(3,967)
NET ASSETS			2		2
CAPITAL AND RESERVES					
Called up share capital	15		2		2
Profit and loss account	16		-		-
SHAREHOLDERS' FUNDS	17		2		2

The financial statements on pages 6 to 23 were approved by the board of directors and authorised for issue on 30 September 2010 and are signed on its behalf by

C Bavasso

Director

C O'Reilly

Director

Alphaville Limited

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 December 2009

	Notes	2009 £	£	2008 £	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	18		295,814		177,331
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		5,294		28,670	
Interest paid		(43,836)		(130,084)	
Interest element of finance lease rental payments		(14,166)		(9,096)	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			(52,708)		(110,510)
TAXATION			(94,136)		(277,576)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT					
Purchase of tangible fixed assets		(42,907)		(710,180)	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			(42,907)		(710,180)
EQUITY DIVIDENDS PAID			(370,000)		-
NET CASH OUTFLOW BEFORE FINANCING			(263,937)		(920,935)
FINANCING					
Repayments of bank loan		(54,186)		-	
Drawdown of bank loan		-		655,462	
Capital element of finance lease rental payments		(95,444)		(23,866)	
NET CASH (OUTFLOW)/INFLOW FROM FINANCING			(149,630)		631,596
DECREASE IN CASH IN THE YEAR	19		(413,567)		(289,339)

Alphaville Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

GOING CONCERN

The directors confirm that they are satisfied that the Group has adequate resources to continue in business for the foreseeable future. They have taken into account the group's trading performance and available facilities and have reviewed the forecast cash flows for the next 12 months. The directors continue to adopt the going concern basis in preparing the financial statements.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of Alphaville Limited and all of its subsidiary undertakings using the acquisition method. Their results are incorporated from the date that control passes. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the separable net assets acquired is capitalised as purchased goodwill and amortised through the profit and loss account over its estimated economic life. Provision is made for any impairment. All financial statements are made up to 31 December 2009.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

JOINT VENTURES

Undertakings in which the group has a long term interest and shares control under a contractual arrangement are defined as joint ventures. Joint ventures are accounted for using the gross equity method.

PURCHASED GOODWILL

Negative goodwill is amortised over 3 years in line with the intangible and tangible fixed assets associated with it.

INTANGIBLE AND TANGIBLE FIXED ASSETS

Depreciation and amortisation is provided on tangible and intangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows -

Leasehold improvements	over the length of the lease
Computer equipment	33% straight line
Fixtures, fittings and office equipment	25% straight line
Trademarks and patents	33% straight line
Freehold buildings	2% straight line

INVESTMENTS

Fixed asset investments are stated at cost in the company balance sheet. Provision is made for any impairment in the value of fixed asset investments.

FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated at the rate 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 the profit and loss account.

Assets, liabilities, and results of overseas subsidiaries are translated at the rate ruling at the balance sheet date. Exchange differences arising are dealt with through reserves.

Alphaville Limited

ACCOUNTING POLICIES

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

PENSIONS

Contributions are paid to the personal pension schemes of certain employees.

TURNOVER

Turnover represents the value, net of Value Added Tax, of services provided to clients.

OPERATING AND FINANCE LEASES

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

Alphaville Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

1	TURNOVER	2009 £	2008 £
	The turnover represents goods supplied to third parties (excluding VAT)		
	The geographical analysis of turnover is as follows		
	United Kingdom	1,280,393	2,824,627
	United States of America	2,960,133	3,992,809
	Other Europe	547,040	271,846
	Rest of the world	1,111	420,952
	Group turnover	<u>4,788,677</u>	<u>7,510,234</u>
	Share of joint ventures' turnover - Australia	<u>230,083</u>	<u>88,811</u>
2	INTEREST RECEIVABLE AND SIMILAR INCOME	2009 £	2008 £
	Bank interest	<u>5,294</u>	<u>28,670</u>
3	INTEREST PAYABLE AND SIMILAR CHARGES	2009 £	2008 £
	Bank loans	43,836	130,084
	Finance leases	14,166	9,096
		<u>58,002</u>	<u>139,180</u>
	Share of joint venture	<u>128</u>	<u>-</u>
		<u>58,130</u>	<u>139,180</u>

Alphaville Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009

4	(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2009 £	2008 £
	(Loss)/profit on ordinary activities before taxation is stated after charging/(crediting)		
	Depreciation		
	Charge for the year on owned assets	135,811	117,931
	Charge for the year on leased assets	50,642	85,181
	Operating leases		
	Plant and machinery	2,915	12,017
	Land and buildings	-	26,000
	Auditor's remuneration		
	Audit services		
	- statutory audit of parent and consolidated accounts	5,000	-
	Other services		
	- The auditing of accounts of associates of the company pursuant to legislation	10,000	10,000
	- All other services	10,498	6,300
	Exchange losses/(gains)	169,739	(147,710)
		<hr/>	<hr/>
5	EMPLOYEES	2009 No	2008 No
	The average monthly number of persons (including directors) employed by the company during the year was		
	Production	22	21
	Administration	3	3
		<hr/>	<hr/>
		25	24
		<hr/>	<hr/>
		2009 £	2008 £
	Staff costs for above persons		
	Wages and salaries	1,415,459	1,401,186
	Social security costs	175,825	154,165
		<hr/>	<hr/>
		1,591,284	1,555,351
		<hr/>	<hr/>

Alphaville Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009

6	DIRECTORS' REMUNERATION	2009 £	2008 £
	Emoluments	300,000	173,575
	Directors' emoluments disclosed above include the following payments	Highest paid director 2009 £	2008 £
	Emoluments	150,000	87,959
	No directors are accruing retirement benefits under money purchase schemes (2008 nil)		
7	TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	2009 £	2008 £
	UK Corporation tax		
	Current tax on profits of the year	1,937	195,712
	Adjustments in respect of prior year	(6,925)	1,731
		(4,988)	197,443
	Foreign tax		
	Current tax on profits of the year	54	54
	Total current tax	(4,934)	197,497
	Deferred tax		
	Origination and reversal of timing differences	2,263	9,570
	Group tax on loss/profit on ordinary activities	(2,671)	207,067
	Share of joint venture's tax	11,189	2,639
	Total taxation charge	8,518	209,706

Alphaville Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009

7 TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES (continued)

The tax for the period is lower (2008 higher) than the standard effective rate of corporation tax in the UK for the year ended 31 December 2009 of 28% (2008 28.5%). The differences are explained below

	2009 £	2008 £
Profit on ordinary activities before tax	(1,996)	673,405
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 28.5%)	(559)	191,920
Effects of		
Expenses not deductible for tax	1,497	2,616
Capital allowances in excess of depreciation	17,626	5,887
Small companies relief	(646)	-
Higher/(lower) rate tax on overseas earnings	2,484	(1,513)
Share of joint venture's profit	(18,411)	(3,144)
Adjustment in respect of prior year tax charge	(6,925)	1,731
Total current tax	(4,934)	197,497

8 DIVIDENDS

	2009 £	2008 £
Final proposed £250,000 per share (2008 - £185,000 per share)	500,000	370,000

On 31 March 2010, the directors declared an interim dividend of £500,000. This interim dividend has not been included as a liability in these financial statements.

9 INTANGIBLE FIXED ASSETS

Group	Trademarks and patents £	Purchased negative goodwill £	Total £
Cost			
At 1 January and 31 December 2009	46,192	(64,272)	(18,080)
Amortisation			
At 1 January and 31 December 2009	46,192	(64,272)	(18,080)
Net book value			
At 1 January and 31 December 2009	-	-	-

Alphaville Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009

10 TANGIBLE FIXED ASSETS					
Group	Freehold buildings £	Leasehold improvements £	Computer equipment £	Fixtures, fittings and office equipment £	Total £
Cost					
1 January 2009	2,976,536	5,395	527,348	55,752	3,565,031
Additions	36,654	-	5,018	1,235	42,907
Disposals	-	(5,395)	-	-	(5,395)
Exchange adjustment	-	-	-	(354)	(354)
31 December 2009	3,013,190	-	532,366	56,633	3,602,189
Depreciation					
1 January 2009	98,313	5,395	333,979	24,210	461,897
Charged in the year	60,264	-	114,984	11,205	186,453
Disposals	-	(5,395)	-	-	(5,395)
Exchange adjustment	-	-	-	(343)	(343)
31 December 2009	158,577	-	448,963	35,072	642,612
Net book value					
31 December 2009	2,854,613	-	83,403	21,561	2,959,577
31 December 2008	2,878,223	-	193,369	31,542	3,103,134

The net book value of computer equipment includes £101,286 (2008 £151,928) in respect of assets held under finance leases. The accumulated depreciation charge in respect of these assets is £135,823 (2008 £85,181).

Alphaville Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009

11 INVESTMENTS

Company

Investments in unlisted subsidiary undertakings

£

Cost and net book value

At 1 January 2009 and 31 December 2009

3,969

Subsidiary companies

	Principal activity	Group interest in ordinary share capital	Country of Incorporation
Held directly by Alphaville Limited			
Nexus Productions Limited	Production of animated commercials, music videos and the provision of animated production services	100%	England
Nexus (Paris) SARL	Production of animated commercials, music videos and the provision of animated production services	100%	France

Joint ventures

	Principal activity	Group interest in ordinary share capital	Country of Incorporation
Held directly by Alphaville Limited			
Mighty Nice Pty Limited	Production of animated commercials, music videos and the provision of animated production services	50%	Australia

12 DEBTORS

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Trade debtors	327,739	861,202	-	-
Amounts owed by group companies	-	-	500,000	370,000
Other debtors	17,222	6,182	-	-
Prepayments and accrued income	59,702	225,778	-	-
Unpaid share capital	2	2	2	2
	<u>404,665</u>	<u>1,093,164</u>	<u>500,002</u>	<u>370,002</u>

Alphaville Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009

13	CREDITORS Amounts falling due within one year	Group		Company	
		2009 £	2008 £	2009 £	2008 £
	Bank loans	124,224	222,220	-	-
	Obligations under finance leases	74,917	98,128	-	-
	Trade creditors	284,987	270,836	-	-
	Amount due to group companies	-	-	3,948	3,948
	Amount due to joint venture	19,021	21	21	21
	Other taxes and social security	40,975	85,688	-	-
	Other creditors	2,835	572	-	-
	Accruals and deferred income	113,515	674,018	-	-
	Corporation tax	1,937	101,007	-	-
	Dividends payable	500,000	370,000	500,000	370,000
		<u>1,162,411</u>	<u>1,822,490</u>	<u>503,969</u>	<u>373,969</u>

A deferred tax provision of £2,835 (2008 £572) is included within other creditors

<u>Group</u>	2009 £	2008 £
Deferred tax provision		
1 January 2009	572	(8,998)
Profit and loss account	2,263	9,570
31 December 2009	<u>2,835</u>	<u>572</u>
Provision for deferred tax is made up as follows	2009 £	2008 £
Accelerated capital allowances	<u>2,835</u>	<u>572</u>

Alphaville Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009

14	CREDITORS Amounts falling due after more than one year	2009 £	2008 £
	<u>Group</u>		
	Bank loan	2,157,052	2,113,242
	Obligations under finance leases	26,938	99,171
		<u>2,183,990</u>	<u>2,212,413</u>
	Analysis of debt maturity		
	Amounts payable		
	In one year or less or on demand	124,224	222,220
	In more than one year but not more than two years	124,224	222,220
	In more than two years but not more than five years	372,672	666,660
	In five years or more	1,660,156	1,224,362
		<u>2,281,276</u>	<u>2,335,462</u>
	Obligations under finance leases		
	Amounts payable		
	Within one year	74,917	98,128
	Within two to five years	26,938	99,171
		<u>101,855</u>	<u>197,299</u>
	The bank loan is secured by a mortgage over the company's freehold buildings		
	The bank loan is repayable over a period of 23 years and 5 months with the first repayment due in February 2009 The loan is subject to an interest rate equal to the Base Rate plus 1 2%		
15	SHARE CAPITAL	2009 £	2008 £
	Authorised		
	2 ordinary shares of £1 each (equity)	2	2
	Allotted, called up and unpaid		
	2 ordinary shares of £1 each	2	2

Alphaville Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009

16	PROFIT AND LOSS ACCOUNT	Group		Company	
		2009 £	2008 £	2009 £	2008 £
	1 January 2009	2,016,646	1,949,650	-	-
	(Loss)/profit for the financial year	(10,514)	463,699	500,000	370,000
	Exchange adjustment on consolidation	9,431	(26,703)	-	-
	Dividends	(500,000)	(370,000)	(500,000)	(370,000)
	31 December 2009	<u>1,515,563</u>	<u>2,016,646</u>	<u>-</u>	<u>-</u>
17	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	Group		Company	
		2009 £	2008 £	2009 £	2008 £
	(Loss)/profit for the financial year	(10,514)	463,699	500,000	370,000
	Dividends	(500,000)	(370,000)	(500,000)	(370,000)
	Exchange adjustment on consolidation	9,431	(26,703)	-	-
	Net (decrease in)/addition to shareholders' funds	<u>(501,083)</u>	<u>66,996</u>	<u>-</u>	<u>-</u>
	Shareholders' funds at 1 January 2009	2,016,648	1,949,652	2	2
	Shareholders' funds at 31 December 2009	<u>1,515,565</u>	<u>2,016,648</u>	<u>2</u>	<u>2</u>
18	RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES			2009	2008
				£	£
	Operating (loss)/profit			(15,041)	772,883
	Depreciation			186,453	203,112
	Decrease/(increase) in debtors			688,499	(282,879)
	Decrease in creditors			(572,065)	(488,672)
	Foreign exchange differences			7,968	(27,113)
	Net cash inflow from operating activities			<u>295,814</u>	<u>177,331</u>

Alphaville Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009

19 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2009 £	2008 £
Decrease in cash in the year	(413,567)	(289,339)
Cash outflow due to repayment of bank loan	54,186	-
Cash inflow from new loan	-	(655,462)
Cash outflow due to repayment of finance leases	95,444	23,866
New finance leases	-	(221,165)
Movement in net debt in the year	(263,937)	(1,142,100)
Net (debt)/funds at 1 January	(685,925)	456,175
Net debt at 31 December	(949,862)	(685,925)

20 ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2009 £	Cashflow £	At 31 December 2009 £
Cash at bank and in hand	1,846,836	(413,567)	1,433,269
	1,846,836	(413,567)	1,433,269
Bank loan	(2,335,462)	54,186	(2,281,276)
Finance leases	(197,299)	95,444	(101,855)
Change in net debt	(685,925)	(263,937)	(949,862)

21 FINANCIAL COMMITMENTS

At 31 December 2009 the group had annual commitments under non-cancellable leases as follows

	2009 £	2008 £
Plant and machinery		
Expiring within one year	2,980	2,880
Expiring between two and five years	5,215	-
	8,195	28,880

22 FORWARD CONTRACTS

At 31 December 2009 a balance of \$101,000 (2008 \$1,013,000) was hedged via forward contracts, with related unrealised foreign exchange losses of £1,608 (2008 £119,553)

Alphaville Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009

23 CAPITAL COMMITMENTS

	2009 £	2008 £
Capital expenditure contracted for but not provided in the financial statements	-	53,152

24 RELATED PARTY TRANSACTIONS

During the year Mighty Nice Pty Limited, a joint venture of the group, provided animation services of £47,700 (2008 £nil) to Nexus Productions Limited. At the year end, the group owed £19,021 (2008 £21) to Mighty Nice Pty Limited.

The group has taken advantage of the exemptions available under Financial Reporting Standard 8 not to disclose transactions entered into between two or more members of the Alphaville Limited group, provided any subsidiary undertaking which is a party to the transaction is wholly-owned by a member of the group.

25 TRANSACTIONS WITH DIRECTORS

Dividends payable to the directors were as follows

	2009 £	2008 £
Final		
C Bavasso	250,000	185,000
C O'Reilly	250,000	185,000
	<u>500,000</u>	<u>370,000</u>

26 COMPANY PROFIT AND LOSS ACCOUNT

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account.

27 ULTIMATE CONTROLLING PARTY

The company is jointly controlled by C Bavasso and C O'Reilly, directors of the company.