

**Company Registration No. 05313015**

**Kudos (Ashes) Limited**

**Report and Financial Statements**

**31 December 2009**

TUESDAY



\*LICWYNZV\*

LD4	05/10/2010	24
	COMPANIES HOUSE	
L39	30/09/2010	104
	COMPANIES HOUSE	

# **Kudos (Ashes) Limited**

## **Report and financial statements 2009**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Statement of directors' responsibilities</b>	<b>4</b>
<b>Independent auditors' report</b>	<b>5</b>
<b>Profit and loss account</b>	<b>7</b>
<b>Balance sheet</b>	<b>8</b>
<b>Notes to the accounts</b>	<b>9</b>

# **Kudos (Ashes) Limited**

## **Report and financial statements 2009**

### **Officers and professional advisers**

#### **Directors**

S J N W Garrett (Resigned 20 8 09)

J Featherstone (Resigned 20 8 09)

E Murdoch

A Mahon

D Isaacs

S Crawford Collins (Appointed 20 8 09)

#### **Secretary**

D Mithal

#### **Registered Office**

12-14 Amwell Street

London

EC1R 1UQ

#### **Auditors**

Deloitte LLP

Chartered Accountants

London

# **Kudos (Ashes) Limited**

## **Directors' report**

The directors present the report and financial statements for the year ended 31 December 2009. This directors report has been prepared in accordance with the special provisions relating to small companies under section 415A(2) of the Companies Act 2006.

### **Basis other than going concern**

The company is expected to cease trading within the next 12 months, and as such the accounts have been prepared on a basis other than going concern. It is management's intention to keep the company in existence for the foreseeable future, any further activity relates to the completion of the series "Ashes to Ashes".

### **Principal activity**

The principal activity of the company is the production of the television series "Ashes to Ashes", the sequel to "Life on Mars".

### **Dividends**

No dividends were paid in the year (2008 £nil).

### **Directors**

The directors, who served throughout the year except as noted, were as follows:

S J N W Garrett (Resigned 20 8 09)  
J Featherstone (Resigned 20 8 09)  
E Murdoch  
A Mahon  
D Isaacs  
S Crawford Collins (Appointed 20 8 09)

### **Directors indemnities**

The Company's parent company Shine Limited has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remained in force at the date of this report.

### **Auditors**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

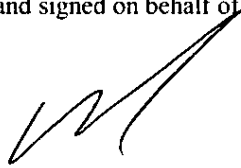
## **Kudos (Ashes) Limited**

### **Directors' report**

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors  
and signed on behalf of the Board

A handwritten signature in black ink, consisting of several fluid, overlapping strokes, positioned above the printed name 'Director'.

Director

23 April 2010

## **Kudos (Ashes) Limited**

### **Statement of directors' responsibilities**

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 these 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, and
- 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 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent auditors' report to the members of Kudos (Ashes) Limited**

We have audited the financial statements of Kudos (Ashes) Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 auditors' 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 explained more fully in the Directors' Responsibilities Statement, 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 of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion, the financial statements

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

### **Emphasis of matter- Financial statements prepared on basis other than going concern basis**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than going concern.

### **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.

## **Independent auditors' report to the members of Kudos (Ashes) Limited (continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime or take advantage of the small companies exemption in preparing the directors' report



James A Bates (Senior Statutory Auditor)  
**for and on behalf of Deloitte LLP**  
Chartered Accountants and Statutory Auditors  
London, United Kingdom  
23 April 2010



## Kudos (Ashes) Limited

### Profit and loss account Year ended 31 December 2009

	Notes	2009 £	2008 £
Turnover	2	7,115,580	4,420,280
Cost of sales		(7 069,736)	(4 432,041)
<b>Gross profit/(loss)</b>		<u>45 844</u>	<u>(11,761)</u>
Administrative expenses		-	-
<b>Operating profit/(loss)</b>	2	<u>45,844</u>	<u>(11 761)</u>
Interest receivable		1,776	37,970
Interest payable	4	-	(26,209)
<b>Profit on ordinary activities before taxation</b>		<u>47,620</u>	<u>-</u>
Tax on ordinary activities	5	(44,317)	-
<b>Profit for the financial year</b>		<u><u>3,303</u></u>	<u><u>-</u></u>

All activities derive from discontinuing operations. There are no movements in shareholders' deficit or recognised gains and losses for the current financial year and preceding financial year other than as stated in the profit and loss account. Hence no statement of total recognised gains and losses has been prepared.

## Kudos (Ashes) Limited

### Balance sheet 31 December 2009


	Notes	2009 £	2008 £
<b>Current assets</b>			
Debtors	6	4 833 149	4,383,536
Cash at bank and in hand		1,296,280	619,119
		<u>6,129,429</u>	<u>5,002,655</u>
<b>Creditors: amounts falling due within one year</b>	7	(6,126,026)	(5,002,555)
<b>Net current assets and net assets</b>		<u>3,403</u>	<u>100</u>
<b>Capital and reserves</b>			
Called up share capital	8	100	100
Profit and loss account		3,303	-
<b>Shareholders' funds</b>		<u>3,403</u>	<u>100</u>

Company Registration No. 05313015

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime and with The Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the Board of Directors on 23 April 2010

Signed on behalf of the Board of Directors



Director

DANIEL ISAACS

# Kudos (Ashes) Limited

## Notes to the accounts

### Year ended 31 December 2009

#### 1. Accounting policies

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), which has been applied consistently throughout the current and prior periods

##### Cessation of trade

As explained in the Directors' Report the company is expected to cease trading in the next 12 months. The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value. Provision has also been made for any onerous contractual commitments at the balance sheet date. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such were committed at the balance sheet date.

#### 2 Turnover and operating profit

Turnover represents amounts receivable for the production of television programmes net of VAT

None of the directors received any emoluments during the period or prior period in respect of their services to the company

Fees payable to the company's auditors of £2,000 (2008: £2,000) was met by a fellow group company

#### 3. Information regarding directors and employees

	2009 £	2008 £
Staff costs during the year (excluding directors)		
Wages and salaries	544,469	332,916
Social security costs	56,094	35,455
	<u>600,563</u>	<u>368,371</u>

#### 4. Interest payable and similar charges

	2009 £	2008 £
Bank interest	<u>-</u>	<u>26,209</u>

# Kudos (Ashes) Limited

## Notes to the accounts Year ended 31 December 2009

### 5. Tax on profit on ordinary activities

Analysis of tax charge for the period

	2009 £	2008 £
<b>Analysis of Corporation tax charge for the period</b>		
United Kingdom corporation tax at 28% (2008 28.5%)	663	-
Under provision for prior years	929	-
Group relief payable	12,450	-
PYA of group relief	30,275	-
	<hr/>	<hr/>
<b>Current tax charge</b>	44,317	-
<b>Deferred tax</b>		
Deferred tax charge for the year	-	-
Under provision for prior years	-	-
	<hr/>	<hr/>
<b>Total deferred tax charge</b>	-	-
	<hr/>	<hr/>
<b>Total tax charge</b>	44,317	-
	<hr/>	<hr/>

### Factors affecting tax charge for the period

The difference between the total amount of current tax shown above and the amount calculated by applying the standard rate of UK Corporation Tax to the profit before tax is as follows

	2009 £	2008 £
Profit on ordinary activities before tax	47,620	-
	<hr/>	<hr/>
Tax charge on profit on ordinary activities at the standard United Kingdom corporation tax rate of 28 % (2008 28.5%)	13,334	-
<b>Effects of</b>		
Effect of small companies rate	(221)	-
Adjustments to tax charge in respect of prior years	31,204	-
	<hr/>	<hr/>
<b>Current tax charge for the period</b>	44,317	-
	<hr/>	<hr/>

# Kudos (Ashes) Limited

## Notes to the accounts Year ended 31 December 2009

### 6. Debtors

	2009 £	2008 £
Trade debtors	70,231	26,209
Amounts owed by group undertakings	330,966	234,287
Accrued income	4,290,622	3,969,260
Other debtors	141,330	153,780
	<u>4,833,149</u>	<u>4,383,536</u>

### 7. Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors	120,899	108,304
Amounts owed to group undertakings	2,336	215,072
Amounts owed in respect of group tax	929	-
Corporation Tax payable	663	-
Group relief payable	42,725	-
Accruals and deferred income	307,203	310,706
Other creditors	19,405	54,301
Production finance creditors	5,631,866	4,314,172
	<u>6,126,026</u>	<u>5,002,555</u>

Production finance creditors comprise loans taken out to finance specific productions. The loans are secured on the individual productions, until repaid through the receipt of associate broadcast revenues.

### 8. Called up share capital

	2009 £	2008 £
<b>Authorised</b>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Called up, allotted and not paid</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

## **Kudos (Ashes) Limited**

### **Notes to the accounts**

#### **Year ended 31 December 2009**

##### **9. Ultimate parent company**

The immediate parent company of the company is Kudos Film and Television Limited, a company incorporated in Great Britain and registered in England and Wales. The ultimate parent company and head of the largest and smallest group of which the company is a member and for which consolidated financial statements are drawn up is Shine Limited, a company incorporated in Great Britain and registered in England and Wales. Copies of the Group financial statements are available from Primrose Studios, 109 Regent's Park Road, London, NW1 8UR.

As a 100% owned subsidiary, the company has taken advantage of the exemption granted by the Financial Reporting Standard for Smaller Entities not to disclose transactions with other Group entities.

The ultimate controlling party is Elizabeth Murdoch by virtue of her controlling shareholding in Shine Limited.

##### **10 Related Party Transactions**

The company has taken advantage of the exemption granted under paragraph 3(c) of FRS 8 'Related Party Disclosures' not to disclose transactions with other wholly-owned group entities.

##### **11. Commitments and contingencies**

The company's ultimate parent company, Shine Limited, has an external credit facility which includes both terms loans and a revolving credit facility of up to \$45,000,000 which may be drawn-down in Sterling, US Dollars or Euro. During 2009, Shine Limited borrowed a £27,618,000 term loan under the facility to part fund the acquisition of Metronome Film & Television AV. At 31 December 2009, borrowings under the facility totalled £79,017,000, of which £69,997,000 were term loans, and a £9,020,000 draw-down under the revolving credit facility. The loans are secured on a fixed and floating charge over the Group's assets, including the company.