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Broadcast Investments Limited

Report and Financial Statements

31 December 2006

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COMPANIES HOUSE

Broadcast Investments Limited

Registered No 3328124

Directors

G M Pitman
P M Mayhead

Secretary

P M Mayhead

Auditors

Ernst & Young LLP
Apex Plaza
Reading
RG1 1YE

Registered Office

Danehill
Lower Earley
Reading
Berkshire
RG6 4PB

Bankers

HSBC Bank PLC
26 Broad Street
Reading
Berkshire
RG1 2BU

Directors' report

The directors present their report and the audited financial statements for the period 1 August 2005 to 31 December 2006

Principal activities

The principal activity of the company throughout the period continued to be that of a holding company

Review of business and future developments

Pro-Bel Holdings Limited acquired the assets and trade of The Broadcast Investments Limited Group and its subsidiaries on 25 October 2005. In 2006, the business activity was transferred to Pro-Bel Limited, a subsidiary of Pro-Bel Holdings Limited, as a going concern. As a consequence of the change of ownership the company changed its accounting reference date to 31 December and the financial statements therefore cover the 17 months ended 31 December 2006.

Results and dividends

The results for the period are as set out on page 7. Loss on ordinary activities before taxation is £4,022 (2005 profit of £24,725). The directors do not recommend the payment of a dividend (2005 nil).

Directors and their interests

The directors of the company who served during the year were as follows

G M Pitman	(appointed 24/10/05)
P M Mayhead	(appointed 24/10/05)
A J Osmond	(resigned 25/10/05)
F Fahud	(resigned 25/10/05)
R Robinson	(resigned 25/10/05)

There were no share options brought forward and no options were exercised or lapsed in the year.

The following directors also held a beneficial interest in the issued share capital of the subsidiary company, Vistek Electronics Limited, until Pro-Bel Holdings Limited acquired the Broadcast Investments Limited Group on 25 October 2005.

Ordinary shares of £1 each

A J Osmond	20,000
R Robinson	10,000
G M Pitman	-
P M Mayhead	-

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Directors' report (continued)

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

On behalf of the board

A handwritten signature in black ink, consisting of a large, stylized capital 'G' followed by a capital 'P' and a long horizontal stroke extending to the right.

G M Pitman
Director

Date 29/2/08

Statement of directors' responsibilities in respect of 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 judgments 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, 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 Broadcast Investments Limited

We have audited the company's financial statements for the period ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors are responsible for the preparation of the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the statement of Directors' Responsibilities in respect of the financial statements.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the 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 and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report

to the members of Broadcast Investments Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



Ernst & Young LLP
Registered Auditor
Reading

Date 29/02/08

Profit and loss account

for the period 1 August 2005 to 31 December 2006

		2006	31 July 2005
	Note	£	£
Turnover	2	-	-
Administrative expenses		(5,000)	(19,875)
Operating profit	3	(5,000)	(19,875)
Other interest receivable and similar income	4	978	8,915
Interest payable and similar charges	5	-	35,685
Profit/(loss) on ordinary activities before taxation		(4,022)	24,725
Tax on profit on ordinary activities	6	-	-
Profit/(loss) after tax for the period	12	(4,022)	24,725

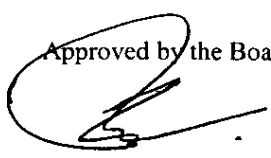
There were no recognised gains or losses other than those included in the profit and loss account

The notes on pages 9 to 13 form part of these financial statements

Balance sheet

at 31 December 2006

		2006	31 July 2005
	Notes	£	£
Fixed assets			
Investments	7	1,964,000	1,956,500
		<u>1,964,000</u>	<u>1,956,500</u>
Current assets			
Debtors within one year	8	-	30,365
Creditors amounts falling due within one year	9	(1,849,696)	(1,101,039)
Net current liabilities		<u>(1,849,696)</u>	<u>(1,070,674)</u>
Total assets less current liabilities		114,304	885,826
Creditors amounts falling due after more than one year	10	-	(775,000)
Net assets		<u>114,304</u>	<u>110,826</u>
Capital and reserves			
Called-up share capital	11,12	22,388	14,888
Share premium account	12	69,489	69,489
Profit and loss account	12	22,427	26,449
Shareholders' funds	12	<u>114,304</u>	<u>110,826</u>


 Approved by the Board

G M Pitman

Director

Date

29/2/08

The notes on pages 9 to 13 form part of these financial statements

Notes to the financial statements

at 31 December 2006

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and are in accordance with applicable accounting standards as defined in the Companies Act 1985

These financial statements are prepared as a going concern on the basis of continued support from its parent company

The company has taken advantage of the exemption available under section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it is a wholly owned subsidiary of Pro-Bel Group Limited and the results of Pro-Bel Limited and its subsidiaries are consolidated by Pro-Bel Holdings Limited. The financial statements therefore purely reflect the results of the company as an individual undertaking

Investments

Fixed asset investments are stated at cost less any provision for impairment in value

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

2. Turnover

Turnover and profit before tax were attributable to the one principal activity of the company

3. Operating loss

	2006	2005
	£	£
The operating loss is stated after charging		
Auditor's remuneration	2,000	4,350

None of the directors received any remuneration for services provided to the company

4. Other interest receivable and similar income

	2006	2005
	£	£
Accrued interest receivable on other loans	978	8,915

Notes to the financial statements

at 31 December 2006

5. Interest payable and similar charges

	2006 £	2005 £
<i>On loans repayable within five years</i>		
Provision for premium on redemption of other loans	-	(35,685)
	<u>-</u>	<u>(35,685)</u>

6. Taxation

(a) Tax on profit on ordinary activities

There is no current or deferred tax charged or credited in the period

(b) Factors affecting tax charge

i) Current tax

The tax assessed on profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 30%

	2006 £	2005 £
(Loss)/profit on ordinary activities before tax	(4,022)	24,725
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 19% (2005 19%)	(765)	4,698
<i>Effects of</i>		
Expenses not deductible for tax purposes (2005 premium on loan redemption)	-	(6,780)
Utilisation of tax losses		2,082
Unrelieved tax losses carried forward	765	-
Current tax charge / (credit) for year	<u>-</u>	<u>-</u>

ii) Deferred tax

Deferred tax assets of £16,199 (2005 £15,435) have not been recognised as the expectation of recovery is likely to be relatively uncertain. These would be recoverable to the extent that suitable profits are available to offset the loan interest payments made and relieve the excess management charges carried forward.

Notes to the financial statements

at 31 December 2006

7. Investments

	2006	2005
	£	£
<i>Group investments at cost</i>		
At 1 August 2005	1,956,500	1,956,500
Vistek Shares previously held by management	7,500	-
	<u>1,964,000</u>	<u>1,956,500</u>
At 31 December 2006		

As a part of the acquisition of Broadcast Investments Limited by Pro-Bel Holdings Limited (note 13), Broadcast Investments Limited acquired management shareholdings in Vistek Electronics Limited of 75,000 shares of £1 each through issue of 75,000 of its own shares of 10p each

8. Debtors

	2006	2005
	£	£
Other debtors	-	21,450
Prepayments and accrued income	-	8,915
	<u>-</u>	<u>30,365</u>

9. Creditors: amounts falling due within one year

	2006	2005
	£	£
Trade creditors	8,500	-
Amounts owed to group companies	1,841,196	-
Loans from subsidiary company	-	1,097,539
Accruals	-	3,500
	<u>1,849,696</u>	<u>1,101,039</u>

10 Creditors: amounts falling due after more than one year

	2006	2005
	£	£
Loans payable between one and two years	-	775,000

Included in loans for 2005 was a loan from a shareholder of £550,000, which was secured by way of a charge over the company's investments, being the shares held in its subsidiary company. This loan, which was originally for £800,000, was repaid on 31 August 2005 together with a premium of 25% ie £200,000 less any amount paid to the shareholder by way of dividend on shares held

Notes to the financial statements

at 31 December 2006

11. Share capital

	2006 £	2005 £
<i>Authorised</i>		
100,000,000 Ordinary shares of 10p each	10,000,000	10,000,000
<i>Allotted, called up and fully paid</i>		
22,388 (2005 179,104) Ordinary shares of 10p each	22,388	10,410
Nil (2005 44,776) Preferred ordinary shares of 10p each	-	4,478
	<u>22,388</u>	<u>14,888</u>

On 2 December 2005 the Preferred Ordinary shares of 10p each were renamed Ordinary shares. Also during the period 75,000 new shares were issued to acquire the management shareholdings in Vistek (see note 7)

12. Reconciliation of shareholders' funds and movements on reserves

	<i>Called up share capital £</i>	<i>Share premium account £</i>	<i>Profit and loss account £</i>	<i>Total shareholders' funds 31 Dec 2006 £</i>	<i>31 July 2005 £</i>
Opening shareholders' funds	14,888	69,489	26,449	110,826	71,213
Issued shares (note 11)	7,500			7,500	14,888
Retained loss for the period			(4,022)	(4,022)	24,725
Closing shareholder's funds	<u>22,388</u>	<u>69,489</u>	<u>22,427</u>	<u>114,304</u>	<u>110,826</u>

13. Acquisition of Broadcast Investments Limited

On 25 October 2005 Pro-Bel Holdings Ltd acquired Broadcast Investments Limited group for an initial consideration of £5,700,000 plus acquisition costs of £295,000. The trade and assets of Vistek Electronics Limited was transferred to a subsidiary of Pro-Bel Holdings Limited, Pro-Bel Limited, as a going concern from 31st January 2006.

14. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 'Related Party Disclosures' from the disclosure of details of related party transactions with Pro-Bel Holdings Limited group companies on the grounds that the company is a wholly owned subsidiary undertaking.

Notes to the financial statements

at 31 December 2006

15. Ultimate parent undertaking

The ultimate parent company and the parent undertaking for the smallest and largest group of undertakings for which consolidated financial statements are prepared and of which the company is a member is Pro-Bel Holdings Limited. Copies of the consolidated group financial statements of Pro-Bel Holdings Limited are available from its registered office, Danehill, Lower Earley, Reading, Berkshire, RG6 4PB.